All defined terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your NICE Shares, you should at once hand this Abridged Prospectus together with the NPA and the RSF (collectively, the "**Documents**") to the agent/broker through whom you effected the sale/transfer for onward transmission to the purchaser/transferee. All enquiries concerning the Rights Issue with Warrants should be addressed to our Share Registrar, AGRITEUM Share Registration Services Sdn Bhd, 2nd Floor, Wisma Penang Garden, 42, Jalan Sultan Ahmad Shah, 10050 George Town, Penang.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. The Documents have also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM held on 28 November 2018. The approval from Bursa Securities has also been obtained vide its letter dated 8 October 2018 for the admission of the Warrants to the Official List and the listing of and quotation for the Rights Shares, Warrants and new NICE Shares arising from the exercise of the Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue with Warrants and is in no way reflective of the merits of the Rights Issue with Warrants. The admission of the Warrants to the Official List and the listing of and quotation for the said new securities on the Main Market of Bursa Securities will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of our successful Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Board has seen and approved all the documentation relating to the Rights Issue with Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statements in the Documents false or misleading.

The Documents are only despatched to our Entitled Shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on Thursday, 27 December 2018 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on Thursday, 27 December 2018. The Documents are not intended to (and will not be made to) comply with the laws of any countries or jurisdictions other than Malaysia and are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and/or other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue with Warrants, application for Excess Rights Shares with Warrants or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants would result in the contravention of any law of such countries or jurisdictions. We, Mercury Securities and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess Rights Shares with Warrants or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants made by any Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are residents.

Mercury Securities, being our Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO THE "RISK FACTORS" AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.

Niche Capital Emas

NICHE CAPITAL EMAS HOLDINGS BERHAD

(Company No. 527272-V)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,665,189,250 NEW ORDINARY SHARES IN NICHE CAPITAL EMAS HOLDINGS BERHAD ("NICE") ("NICE SHARES") ("RIGHTS SHARES") ON THE BASIS OF 5 RIGHTS SHARES FOR EVERY 1 EXISTING NICE SHARE HELD BY THE ENTITLED SHAREHOLDERS AS AT 5.00 P.M. ON THURSDAY, 27 DECEMBER 2018, TOGETHER WITH UP TO 999,113,550 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF 3 WARRANTS FOR EVERY 5 RIGHTS SHARES SUBSCRIBED FOR AT AN ISSUE PRICE OF RM0.045 PER RIGHTS SHARE

Principal Adviser

MERCURY SECURITIES SDN BHD

(Company No. 113193-W)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES		
Entitlement Date	:	Thursday, 27 December 2018 at 5.00 p.m.
Last date and time for:		
Sale of Provisional Allotments	:	Friday, 4 January 2019 at 5.00 p.m.
Transfer of Provisional Allotments	:	Wednesday, 9 January 2019 at 4.00 p.m.
Acceptance and payment for Provisional Allotments	:	Monday, 14 January 2019 at 5.00 p.m.
Excess Rights Shares with Warrants Application and payment	:	Monday, 14 January 2019 at 5.00 p.m.

This Abridged Prospectus is dated 27 December 2018

Company No. 527272-V

ALL DEFINED TERMS AND ABBREVIATIONS USED HEREIN SHALL HAVE THE SAME MEANINGS AS DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE WITH WARRANTS AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO THE LAWS OF MALAYSIA. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF SUCH DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRIES OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF.

Abridged Prospectus	:	This abridged prospectus dated 27 December 2018 in relation to the Rights Issue with Warrants
Act	:	Companies Act, 2016
Bloomberg	:	Bloomberg Finance L.P. and its affiliates
Board	:	Board of Directors of NICE
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CDS	:	Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account(s)	:	Securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
Closing Date	:	14 January 2019 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Provisional Allotments and the Excess Rights Shares with Warrants Applications
CMSA	:	Capital Markets and Services Act, 2007
Code	:	Malaysian Code on Take-overs and Mergers, 2016
Deed Poll	:	Deed poll dated 10 December 2018 constituting the Warrants and governing the rights of Warrant holders
Directors	:	Directors of our Company and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
Documents	:	Collectively, this Abridged Prospectus together with the NPA and RSF
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Our shareholders whose names appear in our Record of Depositors on the Entitlement Date
Entitlement Date	:	27 December 2018 at 5.00 p.m., being the date and time on which our Entitled Shareholders must be registered as members and whose names appear in our Record of Depositors in order to participate in the Rights Issue with Warrants
EPS	:	Earnings per Share

Exercise Price	:	RM0.06, being the price at which 1 Warrant is exercisable into 1 new NICE Share, subject to adjustments in accordance with the provisions of the Deed Poll
Excess Rights Shares with Warrants	:	Rights Shares with Warrants which are not taken up or not validly taken up by our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) by the Closing Date
Excess Rights Shares with Warrants Applications	:	Applications for Excess Rights Shares with Warrants as set out in Section 10.8 of this Abridged Prospectus
FPE	:	Financial period ended
FYE	:	Financial year ended
HKD	:	Hong Kong Dollar
Hong Kong	:	Hong Kong Special Administrative Region of the PRC
IMR Reports	:	Independent market research reports on the jewellery industry and tourism and hotel industry in Malaysia dated 3 December 2018 prepared by Infobusiness Research & Consulting Sdn Bhd (498926-P)
Jewellery Business	:	Our existing business of distribution and trading of jewellery and ornaments
Julian Foo	:	Julian Foo Kuan Lin, our Executive Director & Chief Executive Officer and major shareholder as well as one of the Undertaking Shareholders
LAT	:	Loss after tax
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	3 December 2018, being the latest practicable date prior to the registration of this Abridged Prospectus
LTD	:	20 June 2018, being the last trading date prior to the announcement of the revisions to the Rights Issue with Warrants on 21 June 2018
Market Day(s)	:	Any day(s) between Mondays to Fridays (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
Maximum Scenario	:	Assuming all our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) fully subscribe for their respective entitlements to the Rights Shares with Warrants
Mercury Securities or Principal Adviser	:	Mercury Securities Sdn Bhd (113193-W)

DEFINITIONS (Cont'd)

Minimum Scenario	:	Assuming the Rights Issue with Warrants is undertaken on a minimum subscription of 350,000,000 Rights Shares with 210,000,000 Warrants by the Undertaking Shareholders raising minimum gross proceeds of approximately RM15.8 million pursuant to their Undertakings
NA	:	Net assets
NCL	:	Niche Capital (HK) Limited (Corporation No. 1660356), our wholly-owned subsidiary
NICE or our Company	:	Niche Capital Emas Holdings Berhad (527272-V)
NICE Group or our Group	:	Collectively, NICE and our subsidiaries
NICE Shares or Shares	:	Ordinary shares in NICE
NPA	:	Notice of provisional allotment pursuant to the Rights Issue with Warrants
Official List	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
Pang Ling	:	Pang Ling, our substantial shareholder and also one of the Undertaking Shareholders
PAT	:	Profit after tax
PRC	:	People's Republic of China
Provisional Allotments	:	Rights Shares with Warrants provisionally allotted to our Entitled Shareholders pursuant to the Rights Issue with Warrants
Record of Depositors	:	Record of securities holders established and maintained by Bursa Depository pursuant to the Rules of Bursa Depository
Reporting Accountants	:	UHY (AF 1411)
Rights Issue Price	:	Issue price of RM0.045 per Rights Share
Rights Issue with Warrants	:	Renounceable rights issue of up to 1,665,189,250 Rights Shares on the basis of 5 Rights Shares for every 1 existing NICE Share held on the Entitlement Date, together with up to 999,113,550 Warrants on the basis of 3 Warrants for every 5 Rights Shares subscribed for at the Rights Issue Price
Rights Shares	:	Up to 1,665,189,250 new NICE Shares to be issued pursuant to the Rights Issue with Warrants
RM and sen	:	Ringgit Malaysia and sen, respectively
RSF	:	Rights subscription form pursuant to the Rights Issue with Warrants
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions

DEFINITIONS (Cont'd)

Rules of Bursa Depository	:	Rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia
Share Registrar	:	AGRITEUM Share Registration Services Sdn Bhd (578473-T)
Shareholders	:	Registered holders of NICE Shares
SICDA	:	Securities Industry (Central Depositories) Act, 1991
Tan Sri Vincent	:	Tan Sri Lee Fook Long, our shareholder and also one of the Undertaking Shareholders
TERP	:	Theoretical ex-rights price
Undertaking Shareholders	:	Collectively, Julian Foo, Pang Ling and Tan Sri Vincent
Undertakings	:	Irrevocable written undertakings dated 6 June 2018 from the Undertaking Shareholders to subscribe for an aggregate 350,000,000 Rights Shares with 210,000,000 Warrants in order to achieve the subscription level under the Minimum Scenario
VWAP	:	Volume weighted average market price
Warrants	:	Up to 999,113,550 free detachable warrants to be issued pursuant to the Rights Issue with Warrants

All references to "our Company" in this Abridged Prospectus are made to NICE and references to "our Group" are to our Company and our subsidiaries. All references to "we", "us", "our" and "ourselves" are to our Company and where the context otherwise requires, shall include our subsidiaries. All references to "you" and "your" in this Abridged Prospectus are to our Entitled Shareholder(s) and/or where the context otherwise requires, their renouncee(s)/transferee(s).

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any legislation, statute, guidelines, rules or regulations is a reference to that legislation, statute, guidelines, rules or regulations as for the time being amended or re-enacted.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to time of day or date in this Abridged Prospectus shall be a reference to Malaysian time and date respectively, unless otherwise stated.

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Company No. 527272-V

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Age	Address	Nationality	Profession
Datuk Khairul Idham Ismail *(Independent Non-Executive Chairman)*	43	19, Jalan 7 Kemensah Heights 68000 Ampang Selangor Darul Ehsan	Malaysian	Company Director
Julian Foo Kuan Lin *(Executive Director & Chief Executive Officer)*	34	3-02-11, Emerald Serviced Apartment Jalan PJU 8/3 Bandar Damansara Perdana 47820 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Mah Weng Kee *(Non-Independent Non-Executive Director)*	56	71, Jalan Jalil Perkasa 9 Taman Esplanade, Bukit Jalil 57000 Kuala Lumpur Wilayah Persekutuan	Malaysian	Company Director
Ng Chin Nam *(Senior Independent Non-Executive Director)*	48	243, Jalan Murni Taman Desa Murni 13800 Butterworth Penang	Malaysian	Company Director
Dato' Tan Sek Yin *(Independent Non-Executive Director)*	62	33, Persiaran Brash 31400 Ipoh Perak Darul Ridzuan	Singaporean	Company Director
Tong Siut Moi *(Independent Non-Executive Director)*	49	9, Jalan SE 2B Sunway Eastwood Taman Equine Bandar Putra Permai 43300 Seri Kembangan Selangor Darul Ehsan	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Ng Chin Nam	Chairman	Senior Independent Non-Executive Director
Datuk Khairul Idham Ismail	Member	Independent Non-Executive Chairman
Dato' Tan Sek Yin	Member	Independent Non-Executive Director
Tong Siut Moi	Member	Independent Non-Executive Director

CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARY	:	Ong Tze-En (MAICSA 7026537) Villa Batu Bukit 7-2-1, Jalan Batu Bukit 10470 Tanjung Tokong Penang Tel: +604 229 4390 Fax: +604 226 5860
REGISTERED OFFICE	:	Suite 16-1 (Penthouse Upper) Menara Penang Garden 42A, Jalan Sultan Ahmad Shah 10050 George Town Penang Tel: +604 229 4390 Fax: +604 226 5860
HEAD OFFICE	:	Unit 3.1, 3rd Floor, Wisma Leader No. 8, Jalan Larut 10050 George Town Penang Tel: +604 229 8108 Fax: +604 229 7108 Email: info@nichecapital.com.my Website: www.nichecapital.com.my
SHARE REGISTRAR	:	AGRITEUM Share Registration Services Sdn Bhd 2nd Floor, Wisma Penang Garden 42, Jalan Sultan Ahmad Shah 10050 George Town Penang Tel: +604 228 2321 Fax: +604 227 2391
AUDITORS AND REPORTING ACCOUNTANTS	:	UHY (AF 1411) Chartered Accountants Suite 11.05, Level 11 The Garden South Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Wilayah Persekutuan Tel: +603 2279 3088 Fax: +603 2279 3099
SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS	:	Wei Chien & Partners D-20-02, Menara Suezcap 1 No. 2, Jalan Kerinchi Gerbang Kerinchi Lestari 59200 Kuala Lumpur Wilayah Persekutuan Tel: +603 7931 9622 Fax: +603 7931 9612

CORPORATE DIRECTORY (Cont'd)

INDEPENDENT MARKET RESEARCHER	:	Infobusiness Research & Consulting Sdn Bhd C4-3A-2, Solaris Dutamas No. 1, Jalan Dutamas 1 50480 Kuala Lumpur Wilayah Persekutuan Tel: +603 6205 3930 Fax: +603 6205 3927
PRINCIPAL BANKER	:	Alliance Bank Malaysia Berhad Unit A-0G-02, Block A Plaza Mont' Kiara 2, Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur Wilayah Persekutuan Tel: +603 5516 9988 Fax: +603 6201 2607
PRINCIPAL ADVISER	:	Mercury Securities Sdn Bhd L-7-2, No. 2, Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Wilayah Persekutuan Tel: +603 6203 7227 Fax: +603 6203 7117
STOCK EXCHANGE LISTING	:	Main Market of Bursa Securities

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Company No. 527272-V

Niche Capital Emas

NICHE CAPITAL EMAS HOLDINGS BERHAD
(Company No. 527272-V)
(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

Registered Office

Suite 16-1 (Penthouse Upper)
Menara Penang Garden
42A, Jalan Sultan Ahmad Shah
10050 George Town
Penang

27 December 2018

Board of Directors
Datuk Khairul Idham Ismail (*Independent Non-Executive Chairman*)
Julian Foo Kuan Lin (*Executive Director & Chief Executive Officer)*
Mah Weng Kee (*Non-Independent Non-Executive Director)*
Ng Chin Nam (*Senior Independent Non-Executive Director*)
Dato' Tan Sek Yin (*Independent Non-Executive Director*)
Tong Siut Moi (*Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,665,189,250 RIGHTS SHARES ON THE BASIS OF 5 RIGHTS SHARES FOR EVERY 1 EXISTING NICE SHARE HELD BY OUR ENTITLED SHAREHOLDERS AS AT 5.00 P.M. ON THURSDAY, 27 DECEMBER 2018, TOGETHER WITH UP TO 999,113,550 WARRANTS ON THE BASIS OF 3 WARRANTS FOR EVERY 5 RIGHTS SHARES SUBSCRIBED FOR AT AN ISSUE PRICE OF RM0.045 PER RIGHTS SHARE

1. INTRODUCTION

On 10 August 2017, Mercury Securities had, on behalf of our Board, announced that our Company proposed to undertake the following proposals:

(i) proposed renounceable rights issue of up to 1,332,151,400 Rights Shares on the basis of 4 Rights Shares for every 1 existing NICE Share held on the Entitlement Date, together with up to 666,075,700 Warrants on the basis of 2 Warrants for every 4 Rights Shares subscribed for at an issue price of RM0.045 per Rights Share; and

(ii) proposed capitalisation of RM54,003,850 in aggregate of the amount owing to certain creditors of NCL, arising from the supply of inventories to our Group, via the issuance of 1,080,077,000 Shares at an issue price of RM0.05 per Share, pursuant to the settlement agreements entered into between NICE, NCL and the said creditors ("**Settlement Agreements**").

Subsequently, on 14 May 2018, Mercury Securities had, on behalf of our Board, announced that:

(i) the conditions precedent of the Settlement Agreements had not been fulfilled within the period stipulated therein. As such, the Settlement Agreements have, ipso facto, been terminated effective 10 May 2018 and thus, our Company will not proceed with the proposed capitalisation; and

(ii) our Company intended to proceed with proposed renounceable rights issue, subject to revisions in view of the termination of the Settlement Agreements.

Following the termination of the Settlement Agreements, we have returned approximately RM50.8 million of unsold inventories to the said creditors.

On 21 June 2018, Mercury Securities had, on behalf of our Board, announced the revisions to the proposed renounceable rights issue to issue up to 1,665,189,250 Rights Shares on the basis of 5 Rights Shares for every 1 existing NICE Share held on the Entitlement Date, together with up to 999,113,550 Warrants on the basis of 3 Warrants for every 5 Rights Shares subscribed for at an issue price of RM0.045 per Rights Share.

On 8 October 2018, Mercury Securities had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 8 October 2018, approved the following:

(i) admission to the Official List and the listing of and quotation for up to 999,113,550 Warrants to be issued pursuant to the Rights Issue with Warrants;

(ii) listing of and quotation for up to 1,665,189,250 new NICE Shares to be issued pursuant to the Rights Issue with Warrants; and

(iii) listing of and quotation for up to 999,113,550 new NICE Shares to be issued pursuant to the exercise of the Warrants.

Bursa Securities' approval is subject to the following conditions:

	Conditions	**Status of Compliance**
(i)	NICE and Mercury Securities, being the Principal Adviser, must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants.	To be complied
(ii)	NICE and Mercury Securities to inform Bursa Securities upon the completion of the Rights Issue with Warrants.	To be complied
(iii)	NICE and Mercury Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed.	To be complied
(iv)	NICE to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied
(v)	To incorporate the comments made in the circular to shareholders.	Complied

On 28 November 2018, our Shareholders have approved the Rights Issue with Warrants at our EGM. A certified true extract of the ordinary resolution in respect of the Rights Issue with Warrants passed by our Shareholders at the aforesaid EGM is set out in **Appendix I** of this Abridged Prospectus.

On 12 December 2018, Mercury Securities had, on behalf of our Board, announced the Entitlement Date along with the other relevant dates pertaining to the Rights Issue with Warrants.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or Mercury Securities.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Rights Issue with Warrants

In accordance with the terms of the Rights Issue with Warrants as approved by Bursa Securities and our Shareholders at our EGM held on 28 November 2018, and subject to the terms of this Abridged Prospectus and the accompanying documents, our Company will provisionally allot up to 1,665,189,250 Rights Shares together with up to 999,113,550 Warrants on the basis of 5 Rights Shares for every 1 existing NICE Share held by our Entitled Shareholders on the Entitlement Date, together with 3 Warrants for every 5 Rights Shares subscribed for at the Rights Issue Price of RM0.045.

The maximum number of 1,665,189,250 Rights Shares and 999,113,550 Warrants were arrived at after taking into consideration our Company's existing issued share capital of RM32,849,664 comprising 333,037,850 Shares.

The Rights Issue with Warrants will be undertaken on a minimum subscription level of 350,000,000 Rights Shares with 210,000,000 Warrants via the Undertakings by the Undertaking Shareholders, details of which is set out in Section 3 of this Abridged Prospectus.

As the Shares and Warrants are prescribed securities, your CDS Account will be duly credited with the number of Provisional Allotments that you are entitled to subscribe in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed in this Abridged Prospectus, the NPA notifying you the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for the Provisional Allotments as well as to apply for Excess Rights Shares with Warrants if you so choose to. However, you will only receive this Abridged Prospectus, together with the NPA and RSF when you have an address in Malaysia as stated in our Record of Depositors or when you have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date.

Any dealings in our securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants and new NICE Shares to be issued arising from the exercise of the Warrants will be credited directly into the respective CDS Accounts of the successful applicants and holders of Warrants who exercise their Warrants (as the case may be). No physical certificates will be issued to the successful applicants, nor will any physical certificates be issued for the new NICE Shares to be issued arising from the exercise of the Warrants.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, you can subscribe for and/or renounce your entitlements to the Rights Issue with Warrants in full or in part. The renunciation of the Rights Shares will also entail the renunciation of the Warrants to be issued together with the Rights Shares. If our Entitled Shareholders decide to accept only part of their Provisional Allotments, they shall be entitled to the Warrants in proportion to their acceptance of their Provisional Allotments. For the avoidance of doubt, the Rights Shares and Warrants are not separately renounceable.

The Rights Shares with Warrants that are not taken up or not validly subscribed will be made available for Excess Rights Shares with Warrants Applications by other Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable). Our Board intends to allocate the Excess Rights Shares with Warrants (if any) in a fair and equitable manner and in accordance with the procedures set out in Section 10.7 of this Abridged Prospectus.

We will allot the Rights Shares with Warrants and despatch the notices of allotment to the successful applicants within 8 Market Days from the Closing Date or such other period as may be prescribed by Bursa Securities.

The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants will be issued in registered form and constituted by the Deed Poll. The salient terms of the Warrants are set out in Section 2.4 of this Abridged Prospectus.

The Warrants will be admitted to the Official List and the listing of and quotation for the Rights Shares and Warrants will commence 2 Market Days upon the receipt of an application for quotation for the Warrants as specified under the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to the successful applicants, and receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited.

2.2 Basis and Justification for the Rights Issue Price and Exercise Price

Rights Shares

Our Board had fixed the Rights Issue Price at RM0.045 per Rights Share after taking into consideration, amongst others, the following:

(i) our Group's funding requirements as set out in Section 5 of this Abridged Prospectus;

(ii) the historical trading prices of NICE Shares which ranged between RM0.0350 to RM0.1050 for the past 12 months up to the LTD;

(iii) the prospects of our Group premised on the objectives of our business strategies will be realised upon deployment of the funds to be raised from the Rights Issue with Warrants as set out in Section 5 of this Abridged Prospectus; and

(iv) the theoretical fair value of RM0.02 for each of the 3 Warrants attached to the 5 Rights Shares (Source: Black Scholes option pricing valuation from Bloomberg as at the LTD).

The Rights Issue Price represents a premium of approximately 2% to the TERP of NICE Shares of RM0.0442 calculated based on the 5-day VWAP of NICE Shares up to and including the LTD of RM0.04.

Premised on the above and the commitment by the Undertaking Shareholders to subscribe for 350,000,000 Rights Shares together with 210,000,000 Warrants, our Board is of the opinion that the Rights Issue Price is reasonable.

Warrants

Our Board had fixed the Exercise Price at RM0.06 after taking into consideration the following:

(i) the Warrants will be issued at no cost to our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who successfully subscribed for the Rights Shares;

(ii) the historical trading prices of NICE Shares which ranged between RM0.0350 to RM0.1050 for the past 12 months up to the LTD; and

(iii) the TERP of NICE Shares of RM0.0442.

The Exercise Price represents a premium of approximately 36% to the TERP of NICE Shares of RM0.0442.

2.3 Ranking of the Rights Shares and New NICE Shares to be Issued Arising from the Exercise of the Warrants

The holders of the Warrants will not be entitled to any voting rights or participation in any form of distribution and/or offer of further securities in our Company until and unless such holders of the Warrants exercise their Warrants for new NICE Shares.

The Rights Shares and new NICE Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the then existing NICE Shares in issue, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions in respect of which the entitlement date is prior to the date of allotment of the Rights Shares and new NICE Shares to be issued arising from the exercise of the Warrants.

2.4 Salient Terms of the Warrants

The salient terms of Warrants to be issued pursuant to the Rights Issue with Warrants are set out as follows:

Issue size	:	Up to 999,113,550 Warrants.
Form and denomination	:	The Warrants will be issued in registered form and constituted by the Deed Poll.
Exercise Rights	:	Each Warrant entitles the holder to subscribe for 1 new NICE Share at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise Period	:	The Warrants may be exercised at any time within a period of 5 years commencing on and including the date of issuance of the Warrants and ending on the close of business at 5.00 p.m. on the last Market Day immediately preceding the date which is the 5th anniversary of the date of issuance of the Warrants. Any Warrants which are not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
Exercise Price	:	RM0.06 only payable in respect of each NICE Share, subject to adjustments in accordance with the provisions of the Deed Poll.
Mode of exercise	:	The holders of the Warrants are required to lodge a duly completed, signed and stamped exercise notice, as set out in the Deed Poll, with our Share Registrar together with payment of the Exercise Price by way of bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia in accordance with the provisions of the Deed Poll.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of the Warrants shall comprise of 100 units of Warrants carrying the rights to subscribe for 100 new NICE Shares at any time during the Exercise Period, unless otherwise revised by the relevant authorities.

Rights of the holder of the Warrants	:	The Warrants do not entitle the holders to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the new NICE Shares to be allotted and issued arising from the exercise of the Exercise Rights by the holders of the Warrants. The Warrants do not entitle the holders of the Warrants to any voting rights in any general meeting of our Company until and unless the holders of the Warrants exercise their Exercise Rights represented by the Warrants and the new NICE Shares have been allotted and issued to such holders.
Rights in the event of winding up, liquidation, compromise and/or arrangement	:	Where a resolution has been passed for a members' voluntary winding up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the amalgamation of our Company with one or more companies, then: (i) for the purpose of such winding up, compromise or scheme of arrangement (other than consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the holder of the Warrants (or some other person designated by them for such purpose by special resolution) shall be a party, the terms of such winding up, compromise or scheme of arrangement shall be binding on all the holders of the Warrants; or (ii) any other case, every holder of the Warrants shall be entitled to exercise the Exercise Rights at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of our Company or within 6 weeks from the granting of the court order approving the winding up, compromise or arrangement, as the case may be, by the irrevocable surrender of his Warrants to our Company by submitting the duly completed exercise notice(s) authorising the debit of his Warrants, together with payment of the relevant payments and fees for the exercise money, to elect to be treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement, exercised the Exercise Rights to the extent specified in the exercise notice(s) and be entitled to receive out of the assets of our Company which would be available in liquidation as if he had on such date been the holder of the new NICE Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company must give effect to such election accordingly. All Exercise Rights which have not been exercised within the above 6 weeks of either the passing of such resolution for the members' voluntary winding up or the granting of the court order for the approval of such winding up, compromise or arrangement, as the case may be, will lapse and all the unexercised Warrants will cease to be valid for any purpose. If our Company is wound up (other than by way of a members' voluntary winding up), all the Exercise Rights which have not been exercised prior to the date of the commencement of the winding up shall lapse and cease to be valid for any purpose.

Adjustments in the Exercise Price and/or number of Warrants	:	The Exercise Price and/or the number of unexercised Warrants in issue may be subject to adjustments from time to time by our Board in consultation with an approved principal adviser and/or certified by the auditors under certain circumstances, amongst others, rights issue, bonus issue, consolidation of shares or issuance of securities convertible into shares, in accordance with the provisions of the Deed Poll.
Modifications	:	Save as otherwise provided in the Deed Poll, a special resolution of the Warrant holders is required to sanction any modifications, amendments, deletions or additions in respect of the rights of the holders of the Warrants.
Transferability	:	The Warrants shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
Governing law and jurisdiction	:	The Deed Poll and the Warrants shall be governed by the laws of Malaysia and the Courts of Malaysia shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Deed Poll.

2.5 Details of Other Corporate Exercises

Save for the Rights Issue with Warrants, there are no other corporate exercises which has been approved by the regulatory authorities but yet to be completed as at the LPD.

3. SHAREHOLDERS' UNDERTAKINGS

Our Company intends to raise a minimum of approximately RM15.8 million from the Rights Issue with Warrants to meet our Group's funding requirements as set out in Section 5 of this Abridged Prospectus.

In view of the above, our Board has determined to undertake the Rights Issue with Warrants on a minimum subscription level of 350,000,000 Rights Shares together with 210,000,000 Warrants.

The minimum subscription level will be met via Undertakings from the Undertaking Shareholders as follows:

(i) Julian Foo to subscribe for partial of his rights entitlements of 150,000,000 Rights Shares together with 90,000,000 Warrants;

(ii) Pang Ling to subscribe for partial of her rights entitlements of 100,000,000 Rights Shares together with 60,000,000 Warrants; and

(iii) Tan Sri Vincent to subscribe for:

  (a) his rights entitlements of 5,000,000 Rights Shares together with 3,000,000 Warrants; and

  (b) Excess Rights Shares with Warrants of 95,000,000 Rights Shares with 57,000,000 Warrants.

The details of the Undertakings are as follows:

	Direct Shareholdings as at the LPD		Entitlement		Undertakings						
									Total		
Undertaking Shareholders	**No. of Shares**	**%**	**No. of Rights Shares**	**%**	**No. of Rights Shares**	**%[(1)]**	**No. of Excess Rights Shares**	**%[(1)]**	**No. of Rights Shares**	**%[(1)]**	**RM**
Julian Foo	73,930,000	22.2	369,650,000	22.2	[(2)]150,000,000	9.0	-	-	150,000,000	9.0	6,750,000
Pang Ling	20,600,000	6.2	103,000,000	6.2	100,000,000	6.0	-	-	100,000,000	6.0	4,500,000
Tan Sri Vincent	1,000,000	0.3	5,000,000	0.3	5,000,000	0.3	95,000,000	5.7	100,000,000	6.0	4,500,000

Notes:

(1) Based on the maximum number of 1,665,189,250 Rights Shares available for subscription pursuant to the Rights Issue with Warrants.

(2) Julian Foo only undertakes to subscribe for 150,000,000 Rights Shares out of his total rights entitlements of 369,650,000 Rights Shares under the Minimum Scenario as it is not his intention to trigger a mandatory take-over obligation under the Code and the Rules ("**Take-Over Obligation**") upon completion of the Rights Issue with Warrants. For information purposes, his resultant shareholdings in our Company upon completion of the Rights Issue with Warrants under the Minimum Scenario will be 32.8% of our enlarged issued share capital. For avoidance of doubt, Julian Foo may additionally subscribe for up to his full rights entitlements, subject to him and/or person(s) acting in concert with him not triggering any Take-Over Obligation upon completion of the Rights Issue with Warrants.

Julian Foo may also, as a result of exercise of the Warrants held by him, trigger the Take-Over Obligation. For information purposes, his resultant shareholdings in our Company under the Minimum Scenario and assuming he exercises all his Warrants will be 35.2% of our enlarged issued share capital. As it is not his intention to trigger the Take-Over Obligation, he will at all times observe and comply with the Code and the Rules prior to the exercise of any Warrants.

Pursuant to the Undertakings, the Undertaking Shareholders have:

(i) irrevocably and unconditionally warranted that they shall not sell or in any way dispose of or transfer their respective existing interest in our Company or any part thereof during the period commencing from the date of the Undertakings up to the Entitlement Date; and

(ii) confirmed that they have sufficient financial means and resources to subscribe in full for the number of Rights Shares under their respective Undertakings. Mercury Securities, as our Principal Adviser for the Rights Issue with Warrants, has verified the same.

The Undertakings provided by the Undertaking Shareholders reflect their commitment and confidence in our Group's business and prospects. As the minimum subscription level will be fully satisfied via the Undertakings, we will not procure any underwriting arrangement for the remaining Rights Shares with Warrants for which no other irrevocable undertaking to subscribe for has been obtained.

We confirm that the Undertakings will not give rise to any Take-Over Obligation by any of the Undertaking Shareholders under the Code and the Rules upon completion of the Rights Issue with Warrants.

In addition, our Company will also be in compliance with the public shareholding spread requirement of Bursa Securities under the Minimum Scenario as shown below:

	As at the LPD		**After the Rights Issue with Warrants**	
	No. of Shares '000	**%**	**No. of Shares '000**	**%**
Issued share capital	333,038	100.0	683,038	100.0
Less: Directors and/or substantial shareholders and/or persons connected to them	117,047	35.1	446,580	65.4
Public shareholders	215,991	64.9	236,458	34.6

4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

After due consideration of the various methods of fund raising available to meet our Group's funding requirements as set out in Section 5 of this Abridged Prospectus, our Board is of the opinion that the Rights Issue with Warrants is deemed as the most suitable and expedient form of fund raising based on the following:

(i) the issuance of Rights Shares allows us to raise funds without incurring finance costs as compared to other means of financing such as bank borrowings or issuance of debt instruments. Additional finance costs will cause cash outflow in respect of debt and interest servicing, increase our expenses and in turn, adversely impact our financial performance;

(ii) the issuance of Rights Shares on a pro-rata basis provides an opportunity for our existing Shareholders to increase their equity participation in our Company without further dilution provided that all our Entitled Shareholders subscribe in full for their respective entitlements;

(iii) the Warrants, which are attached to the Rights Shares, are intended to provide an added incentive to our Entitled Shareholders to subscribe for their respective entitlements under the Rights Issue with Warrants as the Warrants, when traded and/or exercised for new NICE Shares, will provide them with potential capital appreciation, taking into consideration of our Group's prospects and future performance of NICE Shares; and

(iv) the Warrants will enable us to raise additional funds as and when any of the Warrants are exercised over the tenure of the Warrants, which can be used for working capital requirements of our Group.

5. UTILISATION OF PROCEEDS

We expect to raise minimum gross proceeds of approximately RM15.8 million from the Rights Issue with Warrants, which will be utilised in the following manner:

Proposed utilisation	Note	Minimum Scenario		Maximum Scenario		Expected time frame for utilisation of proceeds from date of listing of the Rights Shares
		RM'000	%	RM'000	%	
Jewellery Business expansion						
- Jewellery emporium(s)	5.1(i)	1,800		9,300		
- Inventories	5.1(ii)	8,500		48,500		
- Processing factory	5.1(iii)	2,000		2,000		
Sub-total	**5.1**	**12,300**	**78.1**	**59,800**	**79.8**	Within 24 months
Working capital	5.2	1,450	9.2	13,134	17.5	Within 24 months
Estimated expenses	5.3	2,000	12.7	2,000	2.7	Within 3 months
Total		**15,750**	**100.0**	**74,934**	**100.0**	

The actual proceeds to be raised from the Rights Issue with Warrants will depend on the actual number of Rights Shares that will be subscribed by our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable).

Prior to being utilised for the above purposes, the proceeds from the Rights Issue with Warrants will be placed in interest-bearing deposits and/or short-term money market instruments with financial institutions, as our Board, in its absolute discretion, deems fit and in the best interest of our Group. The resulting interest income derived from such short-term placements will be used as additional working capital for our Group.

Up to RM59.9 million may be raised by our Company if all the Warrants are fully exercised under the Maximum Scenario. The actual proceeds to be raised from the exercise of the Warrants are dependent on the actual number of Warrants exercised during the tenure of the Warrants. Such proceeds, when available over the tenure of the Warrants of 5 years, will be utilised as additional working capital for our Group.

5.1 Jewellery Business Expansion

As part of our plans to do more targeted marketing in Malaysia through amongst others, the establishment of jewellery emporium(s) focusing on jadeite jewelleries as the key product differentiator from other existing local players, the proceeds earmarked for the Jewellery Business expansion are expected to be utilised in the following manner:

Notes:

(i) We intend to utilise up to RM9.3 million of the proceeds to establish up to 4 jewellery emporiums to showcase and entice visitors to purchase our jewellery products. The proceeds earmarked for the jewellery emporium(s) are estimated to be approximately RM2.0 million to RM3.0 million for each emporium (depending on the locality of the emporium), which comprise amongst others, renovation costs, including interior design fees and purchase of furniture and equipment.

To kick-start this strategy, we have leased approximately 12,964 square feet of vacant retail space in an existing commercial complex known as "De Garden Mall" in Ipoh for our first jewellery emporium. The initial tenure of the lease is 1 year and thereafter renewable for 5 further terms of 1 year each at the option of our Group.

The renovation of the jewellery emporium in De Garden Mall will be done in 2 phases, with phase 1 and phase 2 are expected to cost approximately RM0.2 million and RM1.8 million respectively. Phase 1 involves the renovation of approximately 2,320 square feet of the leased area to facilitate the initial sale of jewelleries, whilst phase 2 involves amongst others, the renovation of the remaining leased area to provide more comprehensive experience options to customers during visitation.

We have completed phase 1 renovation using internally generated funds and expect to commence sales of jewelleries by early February 2019. We will commence phase 2 renovation upon completion of the Rights Issue with Warrants and expect the jewellery emporium to be fully functional within 4 months thereafter.

We have identified Kuala Lumpur, Penang and Malacca as potential locations for the remaining 3 jewellery emporiums and will embark on the same after completion of the first jewellery emporium in De Garden Mall, subject to availability of funds. We plan to open the jewellery emporiums in the following priority and within the following time frames:

No.	Location	Expected fime frame from date of listing of the Rights Shares
1.	Kuala Lumpur	Within 12 months
2.	Penang	Within 24 months
3.	Malacca	Within 24 months

Please refer to Section 7.4 of this Abridged Prospectus for further details of the jewellery emporium.

(ii) We intend to utilise up to RM48.5 million of the proceeds (or an average of approximately RM12.1 million per jewellery emporium) to purchase inventories, including precious metals such as gold and silver as well as diamonds and other gemstones for amongst others, the setting of the jadeite products. The purchase of such inventories, which is in line with our business expansion plans i.e. the establishment of jewellery emporium(s), would enable us to offer a wide and comprehensive range of products to our customers, i.e. from mass market to high-end products in order to cater to the broad spectrum of customers. The amount of proceeds to be utilised for the purchase of inventories was arrived at after taking into consideration, amongst others, the following:

- our Group's level of inventories as at 30 June 2018 of approximately RM16.6 million, which are mainly for our existing wholesale operations and jewellery retail store in Weil Hotel as well as for the expected commencement of operations of phase 1 of our jewellery emporium in De Garden Mall by early February 2019;

- the minimum amount of inventories required for our jewellery retail store in Weil Hotel which, based on our current operations, amounted to approximately RM3,600 per square foot; and

- the size of the said store of approximately 250 square feet as compared to the planned size of the retail jewellery section of the emporium(s) of approximately 2,000-2,500 square feet.

The proceeds earmarked for the purchase of inventories are expected to be utilised in the following manner:

Inventory	Note	Minimum Scenario	Maximum Scenario
		RM'000	RM'000
Gold		1,000	8,000
Silver		500	500
Raw and semi-cut jadeite stones	(a)	3,500	15,000
Diamond and other gemstones	(b)	500	5,000
Jadeite, diamond and other gemstone jewelleries and products	(c)	3,000	20,000
Total		**8,500**	**48,500**

Notes:

(a) The raw and semi-cut jadeite stones will be processed into jadeite jewelleries and other jadeite products at the processing factory to be established in Ipoh as detailed in note (iii) below.

(b) Comprise loose stones, i.e. raw materials, which will be converted into jewelleries after mounting in gold or silver settings together with amongst others, our Group's processed raw and semi-cut jadeite stones.

(c) Comprise finished products which will be sold to customers in its original form, i.e. without any further processing.

(iii) We currently outsource the processing of raw and semi-cut jadeite stones to 3rd party service providers located in the PRC. In order to reduce the cost of processing and improve recovery rates of raw materials, through better control over the raw and semi-cut jadeite stones processing and thereby reduce wastage, as well as to cater to customers' requirements for customised jewellery settings on a timely basis, we intend to utilise approximately RM2.0 million of the proceeds to set up our own processing factory. We have leased an existing vacant factory measuring approximately 10,000 square feet in Ipoh. The tenure of the lease is 1 year and thereafter renewable for 2 further terms of 1 year each at the option of our Group. The proceeds will be utilised for amongst others, renovation cost, purchase of machineries for cutting, polishing and setting of jewelleries and purchase of an overhead crane, forklifts and a motor vehicle for handling and transportation of inventories.

We have selected Ipoh as the site for the processing factory in view of amongst others, its proximity to our first jewellery emporium and existing jewellery retail store, both of which are located in Ipoh, as well as its central location to our Group's other planned jewellery emporium(s) in Kuala Lumpur, Penang and Malacca.

We will commence renovation of the processing factory upon completion of the Rights Issue with Warrants and expects operations to commence within 4 months after the completion of the Rights Issue with Warrants.

The renovation and operations of the processing factory will be overseen by our Group's General Manager of Operations. After commencement of renovation of the processing factory, we will also recruit a factory manager and other general workers to support our Group's General Manager of Operations in the operations of the factory. In addition, we have also identified and are in discussions with an artisan from the PRC to be based in the factory to provide the finishing touches to our Group's jewelleries, when required.

Please refer to Section 7.4 of this Abridged Prospectus for further details of the processing factory.

5.2 Working Capital

We intend to utilise up to RM13.1 million of the proceeds to finance the working capital requirements for our day-to-day operations, including the operation of our jewellery emporium(s), existing retail outlet in Weil Hotel and processing factory as follows:

Details	**Note**	**Minimum Scenario**	**Maximum Scenario**
		RM'000	**RM'000**
Operation overheads	(i)	750	5,400
Advertising and promotion expenses	(ii)	500	5,000
Other administrative expenses	(iii)	200	2,734
Total		**1,450**	**13,134**

Notes:

(i) Operation overheads relate to expenses for the processing factory, jewellery emporium(s) and retail outlet which include but are not limited to, utilities, rental, repair and maintenance, security, insurance premium and staff related expenses such as salaries for general workers and sales staffs.

(ii) Advertising and promotion expenses include digital, print and media advertising, private event hosting and attendance at trade shows and exhibitions.

(iii) Other administrative expenses include payments to service providers (e.g. auditors, company secretary, share registrar, tax agent), office staff salaries and related expenses, travelling and other office expenses.

5.3 Estimated Expenses

The estimated expenses consist of professional fees, fees payable to the relevant authorities, expenses to convene EGM, printing, advertising and other miscellaneous expenses. Any surplus or shortfall of the estimated expenses in relation to the Rights Issue with Warrants will be adjusted accordingly to/from the proceeds allocated for working capital purposes.

6. RISK FACTORS

You and/or your renouncee(s)/transferee(s) (if applicable) should carefully consider, in addition to all other information contained in this Abridged Prospectus, the following risk factors which may have an impact on the future performance of our Group, before subscribing for or investing in the Rights Issue with Warrants.

6.1 Risks Relating to Our Group

6.1.1 Competition

Our Group faces competition from other domestic and international players of jewelleries, including jadeite products in raw or semi-finished or finished forms. Our competitors may have relative advantages in amongst others, distribution network with more retail outlets, brand recognition with acceptance among consumers as well as established manufacturing techniques and craftsmanship as we are a relatively new player in the jewellery industry in Malaysia. Competition may arise in terms of product pricing, promotional campaigns and strategic location of outlets. Our competitors may adopt aggressive pricing strategies, undertake more successful marketing efforts, develop designs/products that are similar to our offerings or achieve greater market acceptance. Our revenue and/or profit margin may decline if we are not able to compete successfully with the existing competitors and/or new entrants in the industry.

6.1.2 Business risk

Our Group is exposed to risks inherent to the Jewellery Business including, fluctuations in prices of raw materials such as gold, silver, diamond and other gemstones, changing consumer preferences, volatility in foreign exchange rates as well as changes in the legal and regulatory framework. There is no assurance that any changes to these factors will not have a material adverse impact to our Group's financial performance and business.

We plan to establish jewellery emporium(s) focusing on jadeite jewelleries as the key product differentiator from other existing local players as part of our Jewellery Business expansion plan. Phase 1 of our first jewellery emporium in De Garden Mall is expected to commence sales of jewelleries by early February 2019. As a result, we may face increasing challenges and risks arising from such retailing activities including, amongst others, maintaining a wide range of jewellery products to cater to different market segments and challenges in inventory management resulting therefrom as well as seasonality in market demand for jewellery products. Challenges in inventory management may include amongst others, inventories deemed unfashionable due to changing consumer preferences and tastes which will lead to additional costs for jewellery polishing, remodelling and resetting as well as holding costs to maintain a high level of inventory for extended period of time until the point of sales. While we have commenced retail activities of jadeite jewellery through our retail outlet in Weil Hotel in March 2018, there can be no assurance that our venture into the retail space of the Jewellery Business will be successful and the anticipated benefits therefrom will be realised.

We currently outsource the processing of raw and semi-cut jadeite stones to 3rd party service providers located in the PRC but we intend to set up our own processing factory in Ipoh upon completion of the Rights Issue with Warrants. The processing factory will enable our Group to process raw and semi-cut jadeite stones in-house in order to reduce processing cost and wastage, improve recovery rates of raw materials as well as cater to customers' requirements for customised jewellery settings on a timely basis. However, there is no assurance that the aforementioned expected benefits will outweigh the costs to be incurred from setting up our own processing factory which will include amongst others, renovation cost, purchase of equipment, machineries and motor vehicle as well as staff costs of general workers and artisan for the processing factory.

6.1.3 Operational risks

Our Group's inventories mainly comprise of gold, silver, jadeite, diamond and other gemstone products, which can be of high value items. Hence, adequate security measures are imperative to protect any loss due to theft and robbery. To ensure the security of our inventories, our Group has taken preventive and precautionary measures including installation of closed circuit security systems and safes/strong rooms for storage of inventories. In addition, we also insure our inventories against unforeseen circumstances such as fire, theft and robbery. As at the date of this Abridged Prospectus, the insurance coverage for our inventories is up to approximately RM5.3 million.

Although our Group has taken reasonable steps to mitigate the security risks, there is no assurance that undesirable incidences would not occur or would not have a material adverse effect on our business and financial performance.

6.1.4 Dependency on key management

We believe that the turnaround in our Group's financial performance depends to a large extent on the abilities and continued efforts of our existing Directors and other key management personnel. The loss of any key management personnel without suitable or timely replacements may adversely affect our Group's business and financial performance. Although we seek to limit our dependency on and to retain our key management personnel through the efforts mentioned above, there can also be no assurance that any transition in our key management personnel would not have a material adverse effect on our Group's business and financial performance.

6.1.5 Changes in political, economic and regulatory conditions

Any adverse developments in the political, economic and regulatory conditions in Malaysia as well as in countries where our inventories such as gold, jadeite, diamond and other gemstones are mined or where we sell our jadeite and other gemstone products through wholesale could materially and adversely affect our Group's financial and business prospects. Political and economic uncertainties such as changes in government legislations and policies affecting the industry in which we operate in, risk of civil unrest, expropriation, methods of taxation and currency exchange controls may impact our Group's business and financial performance.

Any downturn in the local and global economies would reduce disposable income and consumer confidence. As jewelleries are generally considered luxury items, any reduction in disposable income and consumer confidence would ultimately have an adverse impact on consumer expenditure on jewellery products.

6.2 Risks Relating to the Rights Issue with Warrants

6.2.1 Investment risk

The market price of the new securities arising from the Rights Issue with Warrants, like all other listed securities traded on Bursa Securities, are subject to fluctuation and will be influenced by, amongst others, prevailing market sentiments, volatility of the stock market, volatility of NICE Shares and Warrants, movements in interest rate, outlook of the industry in which we operate in and our future financial performance. In view of this, there can be no assurance that NICE Shares will trade at or above the TERP disclosed in Section 2.2 of this Abridged Prospectus.

The Warrants are new instruments issued by our Company. Therefore, there can be no assurance that an active market for the Warrants will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants will be "in-the-money" during the Exercise Period.

6.2.2 Failure or delay in the completion of the Rights Issue with Warrants

The Rights Issue with Warrants may be aborted or delayed if a material adverse change of events or circumstances such as force majeure events, which is beyond the control of our Group and Principal Adviser arises prior to the completion of the Rights Issue with Warrants.

In the event of failure in the completion of the Rights Issue with Warrants, all application monies received pursuant to the Rights Issue with Warrants will be refunded without interest to our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who have subscribed for the Rights Shares with Warrants in accordance with Section 243 of the CMSA. If such monies are not refunded within 14 days after our Company becomes liable, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC.

In the event that the Rights Issue with Warrants is cancelled and the Rights Shares with Warrants have been validly allotted to you and/or your renouncee(s)/transferee(s) (if applicable), a return of monies to you and/or your renouncee(s)/transferee(s) (if applicable) can only be achieved by way of cancellation of our share capital as provided under the Act. Such cancellation may be carried out with the approval of our shareholders by way of a special resolution in a general meeting, consent of our creditors where applicable and may require the confirmation of the High Court of Malaya or supported by a solvency statement made by all our Directors. There can be no assurance that such monies can be recovered within a short period of time or at all under such circumstances.

6.2.3 Potential dilution

Entitled Shareholders who do not or are not able to accept their Provisional Allotments will have their proportionate ownership and voting interests in our Company reduced in the enlarged issued share capital of our Company. Consequently, their proportionate entitlements to any future distribution, rights and/or allotment that our Company may declare, make or pay after completion of the Rights Issue with Warrants will correspondingly be diluted.

6.3 Forward Looking Statements

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this Abridged Prospectus are based on estimates and assumptions made by our Group, unless stated otherwise. Although our Board believes these forward-looking statements to be reasonable at this point in time given the prevailing circumstances, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements.

Such factors include, inter-alia, the risk factors as set out in this section.

7. INDUSTRY OVERVIEW AND OUTLOOK

7.1 Overview and Outlook of the Malaysian Economy

The outlook for the Malaysian economy remains resilient in the near term despite considerable external and domestic headwinds. Real Gross Domestic Product ("**GDP**") is projected to expand 4.8% and 4.9% in 2018 and 2019, respectively, supported mainly by domestic demand.

Private sector expenditure, in particular, household spending will remain as the anchor of growth following a continuous increase in employment and wages amid benign inflation. Meanwhile, private investment will be supported by new and ongoing projects in the services and manufacturing sectors. On the contrary, public expenditure is expected to grow marginally in 2018 and contract in 2019 following the lower capital outlays by public corporations.

The services sector is projected to remain firm supported by consumption and domestic tourism activities, as well as strong demand for information and communications technology, transport and finance (2019: 5.9%, 2018: 6.3%). The manufacturing sector is estimated to record a steady growth in tandem with developments in the global semiconductor industry (2019: 4.7%, 2018: 4.9%).

Malaysia's near-term growth outlook remains resilient with sound macroeconomic fundamentals, stable financial conditions as well as a broad-based and diversified economic structure. Domestic demand continues to drive the economy while the external sector benefits from steady global growth and trade activities. Nevertheless, as a highly open economy, Malaysia faces several risks relating to uncertainties in the external environment. Heightening financial market volatility as well as escalating protectionism and trade tensions, which could have a dampening effect on global trade and investment flows, are expected to have an adverse impact on Malaysia's economic growth.

(Source: IMR Reports)

7.2 Overview and Outlook of the Jewellery Industry in Malaysia

Jade is a generic term for jadeite and nephrite, which are 2 distinct silicate minerals. Jadeite is more valued as it is very rare. It commands much higher prices than nephrite because it comes in much more vivid green colours and finer translucency than nephrite. The Chinese have a much higher regard for jade than any other race. For thousands of years, jade has been the most popular gemstone among the Chinese.

Malaysia has a significant population of ethnic Chinese. They are the main consumers of jade jewellery in the country. Consumers in Malaysia are gradually experiencing improvements in their lifestyles, leading to a change in demand for luxury goods, including gemstone jewellery such as jade jewellery. Though jade jewellery is often associated with the ethnic Chinese in Malaysia, there has been growing demand and acceptance among the ethnic Malays in Malaysia.

In the jewellery market in Malaysia, product variety and differentiation are the main strategies to remain competitive. Other factors include jewellery manufacturing technique, excellent craftsmanship, unique designs and branding. As consumers become more sophisticated and detailed-oriented, they tend to favour jewellery that is innovative, unique and fashionable with a high degree of workmanship.

Store-based retailing dominates the sales of gemstones such as jade jewellery in Malaysia. These stores reach out to consumers via an extensive network of outlets, as well as constant marketing and advertising activities. Retailers organise sales and promotional events to boost sales on a periodical basis. The wide product range available in these stores allow consumers to compare between brands, besides other valuable information provided by the store assistants.

The jewellery market in Malaysia in 2017 was worth about RM6.60 billion. It is anticipated to increase by 2.1% and 1.9% in 2018 and 2019 to reach RM6.74 billion and RM6.87 billion, respectively.

The jade jewellery market was worth about RM412.76 million in Malaysia in 2017. It is expected to increase to RM421.34 million and RM429.35 million in 2018 and 2019, representing growths of 2.1% and 1.9%, respectively.

Shopping has become a favourite past time for many Malaysians and foreign tourists alike. Retailers are increasingly positioning shopping as an intrinsic part of a desired consumer lifestyle and as such, have been aligning their businesses to match consumers' expectations. To capitalise on this trend, jewellery retailers have increased their presence in the retail market, particularly in shopping malls. In general, they tend to stock a wide collection of jewellery products, as it may lead to higher sales due to the fact that consumers can browse and select among a wide plethora of jewellery products on display and to satisfy their changing preferences.

(Source: IMR Reports)

7.3 Overview and Outlook of the Tourism and Hotel Industry in Malaysia

Tourism is a vital component of the services sector. Tourism contributed 13.4% to Malaysia's GDP, 11.8% to total employment and 6.7% to total investments in 2017. The tourism industry is a promoted industry under the Economic Transformation Programme 2010-2020 ("**ETP**"). Under the ETP, the tourism industry has been identified as 1 of 12 national key economic areas ("**NKEA**"). A NKEA is defined as a driver of economic activity that has the potential to directly and materially contribute a quantifiable amount of economic growth to the Malaysian economy.

On the national level, tourist arrivals from overseas increased from 25.7 million in 2013 to 25.9 million in 2017.

The PRC was the third largest tourist generating market after Singapore and Indonesia, for the years between 2013 and 2017. In terms of market share, tourists from the PRC rose from 7.0% to 8.9% of foreign tourist arrivals between 2013 and 2017. Tourist arrivals from the PRC expanded at a faster compounded annual growth rate ("**CAGR**") of 6.3%, as compared to total overall foreign tourist arrivals which increased at a CAGR of 0.2%, during the corresponding period. This was partly due to the cultural familiarity and numerous leisure options in Malaysia.

Shopping has emerged to become the largest component of expenditure of foreign tourism in Malaysia, rising from 30.2% in 2013 to 32.7% in 2017, surpassing accommodation in 2015. It is clear that many foreign tourists take advantage of the plethora of shopping complexes in Malaysia to conduct their shopping.

Shopping accounted for the largest component of expenditures in domestic tourism, rising from 29.0% in 2013 to 36.3% in 2017. Shopping encompasses the purchase of goods during the trip such as jewellery, souvenirs, paintings, etc. These goods can be for either personal use or to be given away as gifts. On the other hand, accommodation declined from 10.2% to 8.6% during the corresponding period.

Malaysia is one of the more popular tourism destinations in Southeast Asia and this is anticipated to continue into the foreseeable future. The weaker ringgit is also providing a boost to the tourism industry. The Government has revised down its forecast for the number of tourist arrivals to 30 million in 2020, representing a CAGR of 5.0% from the 25.9 million tourist arrivals recorded in 2017. However, in terms of expenditures from foreign tourism, they are expected to increase even faster at a CAGR of 6.8% to reach RM100 billion in 2020, from the RM82.2 billion registered in 2017.

A trend observed by Tourism Malaysia is that in addition to the Southeast Asian countries, the Far East (including the PRC, South Korea and Japan) are becoming important sources of tourists. This is a big shift from a decade ago when most tourists were from Europe and the Middle East.

(Source: IMR Reports)

7.4 Prospects of Our Group

As part of our value creation to our shareholders, we are expanding our Jewellery Business via the establishment of our first retail outlet in Weil Hotel (which commenced operations in March 2018), the jewellery emporium in De Garden Mall and a processing factory, all located in Ipoh, Perak.

We have completed phase 1 renovation of the jewellery emporium in De Garden Mall, using internally generated funds, and expect to commence sales of jewelleries by early February 2019. We will commence phase 2 renovation upon completion of the Rights Issue with Warrants and expect the jewellery emporium to be fully functional within 4 months thereafter.

The jewellery emporium in De Garden Mall is strategically located less than 5 minutes' drive from the North-South Expressway exit and easily accessible to attract northbound tourists. The jewellery emporium in De Garden Mall will be used for, amongst others, retail space for the display and sales of jewellery products, a gallery to exhibit and showcase unique jadeite pieces and display other tourist centric products to attract visitors.

Our Group intends to and has been in discussions with several parties to promote the jewellery emporium in De Garden Mall through the following:

- collaboration with in-bound tour operators to drive potential customers to the jewellery emporium. We expect to formalise the collaboration after commencement of operations of phase 1 of the jewellery emporium as the tour operators require the jewellery emporium to be functional before including the emporium in their tour itineraries. Currently, we are informally collaborating with some freelance operators to bring tourists to our retail outlet in Weil Hotel to improve sales; and

- collaboration with suppliers of local specialty products and food and beverage operators to provide a range of products of interest for tourists to bolster the jewellery emporium as a tourist destination, which is expected to be formalised after commencement of renovation of phase 2 of the jewellery emporium.

We intend to replicate this jewellery emporium concept by opening up to 3 additional sites to be identified but are intended to be located in Kuala Lumpur, Penang and Malacca, subject to availability of funds.

Our Group's processing factory will also offer additional services such as jewellery customisation and tailored settings to meet the individual specifications of our customers. Currently, processing of the jadeite products is outsourced to processing facilities in the PRC. The processing factory will have the capabilities of, amongst others, jewellery design, stone cutting and polishing as well as setting of gemstones. In addition to purchasing machines, local and/or foreign skilled artisans will also be hired to offer these additional services.

Additionally, the processing factory will facilitate better control over cost, quality and timing of the processing of our Group's raw jadeite stones and provide improved efficiency and recovery rates from the raw jadeite stones. Over time, the processing factory may allow us to improve our operational efficiencies and our Group's performance as well as enable us to develop and acquire relevant skill sets to reduce the dependency on outsourcing of such services.

Our Board endeavours to improve the business and financial performance of our Group to continue to create and deliver value to our shareholders. To achieve these objectives, we are adopting amongst others, the following key strategies to grow our Jewellery Business:

(i) Entry into the Malaysian jewellery retail segment

We will expand our presence in the retail segment of the jewellery industry in Malaysia through the establishment of jewellery store(s) and jewellery emporium(s) as well as embark on digital marketing, focusing on jadeite jewelleries as the key product differentiator from existing local competitors, who focus mainly on gold and diamond jewellery products.

(ii) Targeted marketing focusing on in-bound tourists from the PRC

Traditionally, jadeite jewelleries are well sought after by the ethnic Chinese. Currently, tourists from the PRC have comparative cost advantages when purchasing such products from Malaysia as jewellery products are exempted from sales tax as compared to them having to pay up to 26% government tax (valued added tax of 16% and consumption tax of 10%) when such purchases are made in the PRC.

We intend to capitalise on these cost advantages to tourists from the PRC and their traditional demand for jadeite jewelleries to drive sales for our jewellery store and jewellery emporium(s) in Malaysia. Subsequently, we intend to collaborate with in-bound tour operators to bring in tourists, including PRC tourists, to the jewellery emporium(s).

(iii) Differentiation of product mix relative to our competitors

The current main players in the jewellery retail segment in Malaysia focus mainly on gold and diamond products as their key offerings to their customers.

We intend to stock our jewellery outlets with a higher mix of jadeite jewelleries relative to the level of gold, diamond and other gemstone products. We expect that a wider range of jadeite jewelleries will attract walk-in customers to visit our jewellery outlets.

(iv) Wholesaling

Our Group plans to capitalise on wholesaling opportunities in Malaysia and the PRC, including Hong Kong by leveraging on our access to sources of supply of jadeite stones and jadeite jewelleries.

We plan to capitalise on such relationships to purchase higher quantity jadeite stones and resell such stocks on a wholesale basis mainly to buyers in the PRC, including Hong Kong where internationally acclaimed trade exhibitions/events are held periodically and are attended by a wide spectrum of players from both the supply and demand sides of the jewellery value chain.

Premised on our Group's plans for expansion of our Jewellery Business and successful implementation of the key strategies as detailed above, coupled with the positive outlook of the:

- Malaysian economy as detailed in Section 7.1 of this Abridged Prospectus;
- jewellery industry in Malaysia as detailed in Section 7.2 of this Abridged Prospectus; and
- tourism and hotel industry in Malaysia as detailed in Section 7.3 of this Abridged Prospectus,

our Board believes that the Rights Issue with Warrants would augurs well to improve the financial performance of our Group. Barring any unforeseen circumstances, our Board is optimistic that the completion of the Rights Issue with Warrants is positive to our Group's prospects and would contribute to our future earnings.

(Source: Our Board and Management)

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Share Capital

The pro forma effects of the Rights Issue with Warrants on the issued share capital of our Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	**RM'000**	**No. of Shares**	**RM'000**
	'000		**'000**	
Issued share capital as at the LPD	333,038	32,850	333,038	32,850
To be issued pursuant to the Rights Issue with Warrants	350,000	(1)11,550	1,665,189	(1)54,951
	683,038	**44,400**	**1,998,227**	**87,801**
To be issued assuming full exercise of the Warrants	210,000	(2)16,800	999,114	(2)79,929
Enlarged issued share capital	**893,038**	**61,200**	**2,997,341**	**167,730**

Notes:

(1) After adjusting for the creation of warrants reserve based on the theoretical fair value of the Warrants of RM0.02 per Warrant (Source: Black Scholes option pricing valuation from Bloomberg as at the LPD).

(2) After adjusting for the reversal of the warrants reserve pursuant to the full exercise of the Warrants.

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8.2 NA per Share and Gearing

Based on our latest audited consolidated statements of financial position as at 30 June 2018, the pro forma effects of the Rights Issue with Warrants on the NA per Share and gearing of our Group are as follows:

		Minimum Scenario		Maximum Scenario	
		I	II	I	II
	Audited as at 30 June 2018	After the Rights Issue with Warrants	After I and assuming full exercise of the Warrants	After the Rights Issue with Warrants	After I and assuming full exercise of the Warrants
	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	32,850	[2]44,400	[3]61,200	[2]87,801	[3]167,730
Reserves	(13,257)	[1](15,257)	(15,257)	[1](15,257)	(15,257)
Warrant reserve	-	[2]4,200	[3]-	[2]19,982	[3]-
Shareholders' funds / NA	**19,593**	**33,343**	**45,943**	**92,526**	**152,473**
No. of Shares in issue ('000)	333,038	683,038	893,038	1,998,227	2,997,341
NA per Share (RM)	**0.06**	**0.05**	**0.05**	**0.05**	**0.05**
Total bank borrowings	20	20	20	20	20
Gearing (times)	[4]	[4]	[4]	[4]	[4]

Notes:

(1) After deducting the estimated expenses of approximately RM2.0 million in relation to the Rights Issue with Warrants.

(2) After adjusting for the creation of warrants reserve based on the theoretical fair value of the Warrants of RM0.02 per Warrant amounting to approximately RM4.2 million (under Minimum Scenario) and RM20.0 million (under the Maximum Scenario) (Source: Black Scholes option pricing valuation from Bloomberg as at the LPD).

(3) After adjusting for the reversal of the warrants reserve pursuant to the full exercise of the Warrants.

(4) Less than 0.01.

8.3 Earnings and EPS

The Rights Issue with Warrants is not expected to have any material effect on the earnings of our Group for the FYE 30 June 2018 as it is only expected to be completed in the 1st quarter of 2019.

However, the Rights Shares to be issued pursuant to the Rights Issue with Warrants will result in a corresponding dilutive impact on our Group's EPS due to the increase in the number of Shares in issue.

Subject to our future earnings, our Group's EPS may also be diluted in the future financial years as a result of the increase in the number of Shares in issue arising from the exercise of the Warrants.

Nevertheless, the Rights Issue with Warrants is expected to contribute positively to the future earnings of our Group when the benefits of the utilisation of proceeds therefrom as set out in Section 5 of this Abridged Prospectus are realised.

For illustrative purposes, based on our latest audited consolidated financial statements for the FYE 30 June 2018, the pro forma dilution effects on the basic EPS of our Group is set out below:

		Minimum Scenario		**Maximum Scenario**	
		I	**II**	**I**	**II**
	Audited as at 30 June 2018	**After the Rights Issue with Warrants**	**After I and assuming full exercise of the Warrants**	**After the Rights Issue with Warrants**	**After I and assuming full exercise of the Warrants**
PAT attributable to the equity holders of our Company (RM'000)	946	946	946	946	946
No. of Shares ('000)	333,038	683,038	893,038	1,998,227	2,997,341
Basic EPS (sen)	**0.28**	**0.14**	**0.11**	**0.05**	**0.03**

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9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working Capital

Our Board is of the opinion that after taking into account the proceeds from the Rights Issue with Warrants, our existing cash and bank balances and the funds to be generated from our operations, our Group will have sufficient working capital to meet our operational requirements over a period of 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group do not have any borrowings from local and/or foreign financial institutions. After making all reasonable enquiries, there has not been any default on payments of either interest and/or principal sums on any of our Group's borrowings for the FYE 30 June 2018 and the subsequent financial period up to the LPD.

9.3 Contingent Liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group.

9.4 Material Commitments

As at the LPD, there are no material commitments for capital expenditure incurred or known to be incurred by our Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group.

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10. INSTRUCTIONS FOR ACCEPTANCE, SALE/TRANSFER, EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS AND PAYMENT

10.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants provisionally allotted to you, as well as to apply for Excess Rights Shares with Warrants if you choose to do so. This Abridged Prospectus and the RSF are also available on the website of Bursa Securities (http://www.bursamalaysia.com).

10.2 NPA

The Provisional Allotments are prescribed securities pursuant to Section 14(5) of the SICDA. Therefore, all dealings in such Provisional Allotments will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/or your renouncee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

10.3 Procedures for Full Acceptance and Payment

Acceptance of and payment for the Provisional Allotments must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not strictly conform to the terms and conditions of this Abridged Prospectus, the NPA or the RSF or the notes and instructions contained in this Documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR PROVISIONAL ALLOTMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY. IN ACCORDANCE WITH SECTION 232(2) OF THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

You and/or your renouncee(s)/transferee(s) (if applicable) who wish to accept the Provisional Allotments either in full or in part, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to our Share Registrar at the following address:

AGRITEUM Share Registration Services Sdn Bhd
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 George Town
Penang
Tel: +604 228 2321
Fax: +604 227 2391

so as to arrive no later than **5.00 p.m. on Monday, 14 January 2019**, being the last time and date for acceptance of and payment for the Provisional Allotments.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbroker, our registered office, our Share Registrar or Bursa Securities' website (http://www.bursamalaysia.com).

1 RSF can only be used for acceptance of Provisional Allotments standing to the credit of 1 CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. If successful, the Rights Shares with Warrants subscribed for will be credited into your respective CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed with this Abridged Prospectus. In order to facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

If acceptance of and payment for the Provisional Allotments (whether in full or in part, as the case may be) are not received by our Share Registrar by 5.00 p.m. on Monday, 14 January 2019, being the last time and date for acceptance and payment for the Provisional Allotments, you and/or your renouncee(s)/transferee(s) (if applicable) will be deemed to have declined the Provisional Allotments and it will be cancelled. Proof of time of postage will not constitute proof of time of receipt by our Share Registrar.

Our Board will then have the right to allot such Rights Shares with Warrants not taken up or not validly taken up to applicants who have applied for the Excess Rights Shares with Warrants in the manner as set out in Section 10.7 of this Abridged Prospectus. Our Board reserves the right not to accept any application or to accept any application in part only without assigning any reason thereof.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MADE PAYABLE TO "NICE RIGHTS ISSUE ACCOUNT", CROSSED "A/C PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES AND WARRANTS WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

YOU SHOULD NOTE THAT ALL RSF(S) AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

10.4 Procedures for Part Acceptance

You are entitled to accept part of your Provisional Allotments that can be subscribed/applied for provided always that the minimum number of Rights Shares that can be subscribed for or accepted is 5 Rights Shares with 3 Warrants. Fractions of a Rights Share and/or Warrant arising from the Rights Issue with Warrants shall be disregarded and be dealt with as our Board in its absolute discretion deems fit and expedient and in the best interest of our Company. You and/or your renouncee(s)/transferee(s) (if applicable) should take note that a trading board lot comprises 100 NICE Shares and 100 Warrants respectively.

You must complete both Part I(A) and Part II of the RSF by specifying the number of Rights Shares with Warrants which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the same manner as set out in Section 10.3 of this Abridged Prospectus.

The portion of the Provisional Allotments that has not been accepted or renounced will be made available to the applicants for Excess Rights Shares with Warrants Applications.

10.5 Procedures for Sale or Transfer of Provisional Allotments

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more persons, you may do so through your stockbroker during the period up to the last date and time for sale or transfer of the Provisional Allotments without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account(s). You may sell such entitlement on Bursa Securities or transfer to such person(s) as may be allowed under the Rules of Bursa Depository, both for the period up to the last date and time for transfer of the Provisional Allotments.

If you have sold or transferred only part of your Provisional Allotments, you may still accept the balance of your Provisional Allotments by completing Parts I(A) and II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar. Please refer to Section 10.3 of this Abridged Prospectus for the procedures for acceptance and payment.

YOU ARE ADVISED TO READ, UNDERSTAND AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. HOWEVER, YOU ARE ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT(S) THAT ARE AVAILABLE FOR SETTLEMENT OF THE SALE OR TRANSFER.

10.6 Procedures for Acceptance by Renouncee(s)/Transferee(s)

As a renouncee(s)/transferee(s), the procedures for acceptance, selling or transferring of Provisional Allotments, applying for Excess Rights Shares with Warrants and/or payment is the same as that which is applicable to our Entitled Shareholders as described in Sections 10.3, 10.4, 10.5 and 10.7 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or the RSF, you can request the same from your stockbroker, our Registered Office, our Share Registrar or at or Bursa Securities' website (http://www.bursamalaysia.com).

TRANSFEREE(S) AND/OR RENOUNCEE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.7 Procedures for Excess Rights Shares with Warrants Applications

If you wish to apply for additional Rights Shares with Warrants in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it together with a separate remittance in RM for the full and exact amount payable in respect of the Excess Rights Shares with Warrants applied for, to our Share Registrar so as to arrive no later than **5.00 p.m. on Monday, 14 January 2019**, being the last time and date for Excess Rights Shares with Warrants Applications.

Payment for the Excess Rights Shares with Warrants Application(s) should be made in the same manner as set out in Section 10.3 of this Abridged Prospectus except that the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia must be made payable to "**NICE EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name, contact number, address and your CDS Account number in block letters, so as to be received by our Share Registrar by the Closing Date. The payment must be made for the full and exact amount payable for the Excess Rights Shares with Warrants Application(s). Any excess or insufficient payment may be rejected at the absolute discretion of our Board.

It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, in a fair and equitable manner and in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for Excess Rights Shares with Warrants, calculated based on their respective shareholdings in our Company as at the Entitlement Date;

(iii) thirdly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for Excess Rights Shares with Warrants, calculated based on the quantum of their respective Excess Rights Shares with Warrants Applications; and

(iv) finally, on a pro-rata basis and in board lots, to the renouncee(s)/transferee(s) (if applicable) who have applied for Excess Rights Shares with Warrants, calculated based on the quantum of their respective Excess Rights Shares with Warrants Applications.

In the event of any balance of Excess Rights Shares with Warrants after the above allocations are completed, the balance will be allocated again through the same sequence of allocations as set out in (ii) to (iv) above until all Excess Rights Shares with Warrants are allocated.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in the (i) to (iv) above is achieved.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES AND WARRANTS WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

WHERE AN EXCESS RIGHTS SHARES WITH WARRANTS APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

10.8 CDS Account

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the new securities arising from the Rights Shares with Warrants are prescribed securities and as such, all dealings in such said securities will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application(s) being rejected.

Your subscription for the Rights Shares with Warrants shall signify your consent to receive such Rights Shares and Warrants as deposited securities which will be credited directly into your CDS Account. No physical certificates will be issued.

All Excess Rights Shares with Warrants shall be credited directly into the CDS Account of the successful applicants. If you have multiple CDS Accounts into which the Provisional Allotments have been credited, you cannot use a single RSF to accept all these Provisional Allotments. Separate RSFs must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the Rights Shares with Warrants that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

10.9 Laws of Foreign Jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdictions and have not been (and will not be) lodged, registered or approved pursuant to or under any legislations (or with or by any regulatory authority or other relevant bodies) of any jurisdictions other than Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia.

Accordingly, the Documents have not been (and will not be) sent to foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) may collect the Documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents.

The foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so. Our Company, our Board and officers, our Share Registrar, Mercury Securities and/or other experts ("**Parties**") would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdictions to which the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are or may be subject.

The foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject. The Parties shall not accept any responsibility or liability in the event that any acceptance or renunciation or sale or transfer made by any foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such countries or jurisdictions.

The foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdictions and our Company shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) for any such issue, transfer or other taxes or other requisite payments. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue with Warrants. Such foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing the RSF, the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are deemed to have represented, warranted, acknowledged and declared in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

(i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any countries or jurisdictions to which the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are or may be subject;

(ii) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have complied with the laws to which they are or may be subject to connection with the acceptance or renunciation of the Provisional Allotments;

(iii) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are not nominees or agents of any person in respect of whom the Parties would, by acting on the acceptance of renunciation of the Provisionally Allotments, be in breach of the laws of any jurisdiction to which that person is or may be subject;

(iv) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are aware that the Rights Shares and Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have obtained a copy of this Abridged Prospectus and have had access to such financial and other information and have been provided the opportunity to ask such questions to the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants; and

(vi) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Warrants.

Persons receiving the Documents (including without limitation, custodians, nominees and trustees) must not, in connection with the offer, distribute or send the Documents into any foreign jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If the Documents are received by any persons in such jurisdictions, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection therewith.

Any person who does forward the Documents to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares with Warrants from any such application by foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Warrants as invalid if we believe that such acceptance may violate applicable legal or regulatory requirements.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN ENTITLED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS SHARES WITH WARRANTS UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS OF SUCH TERRITORY.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions set out in this Abridged Prospectus and the accompanying NPA and RSF enclosed herein.

12. FURTHER INFORMATION

Please refer to the attached appendices for further information.

Yours faithfully
For and on behalf of our Board
NICHE CAPITAL EMAS HOLDINGS BERHAD

JULIAN FOO KUAN LIN
Executive Director & Chief Executive Officer

APPENDIX I

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM HELD ON 28 NOVEMBER 2018

CERTIFIED TRUE COPY
12 DEC 2018
Ong Tze-En
Company Secretary
MAICSA 7026537

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)

EXTRACT of the Minutes of the Extraordinary General Meeting ("EGM") of Niche Capital Emas Holdings Berhad ("NICE" or "the Company") held at M Central, Level 2, M Roof Hotel & Residences, Jalan Dato' Lau Pak Kuan, Taman Ipoh, 31400 Ipoh Perak, Malaysia on Wednesday, 28 November 2018 at 11.30 am.

It was **RESOLVED:**

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,665,189,250 NEW ORDINARY SHARES IN NICE ("NICE SHARES") ("RIGHTS SHARES") ON THE BASIS OF 5 RIGHTS SHARES FOR EVERY 1 EXISTING NICE SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER, TOGETHER WITH UP TO 999,113,550 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF 3 WARRANTS FOR EVERY 5 RIGHTS SHARES SUBSCRIBED FOR AT AN ISSUE PRICE OF RM0.045 PER RIGHTS SHARE ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

THAT subject to the relevant approvals being obtained from the relevant authorities and/or parties (where applicable), approval be and is hereby given to the Board of Directors of the Company ("Board") for the following:

(a) to allot (provisionally or otherwise) and issue by way of a renounceable rights issue of up to 1,665,189,250 Rights Shares on the basis of 5 Rights Shares for every 1 existing NICE Share held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board ("Entitled Shareholders") at an issue price of RM0.045 per Rights Share, together with up to 999,113,550 Warrants on the basis of 3 Warrants for every 5 Rights Shares subscribed;

(b) to enter into and execute the deed poll to constitute the Warrants in relation to the Proposed Rights Issue with Warrants ("Deed Poll") and to do all acts, deeds and things as the Board may deem fit and expedient in order to implement, finalise and give effect to the Deed Poll;

(c) to use the proceeds to be derived from the Proposed Rights Issue with Warrants for the purposes as set out in the Circular to the shareholders dated 26 October 2018 and to vary the manner and/or purpose of use of such proceeds as the Board may deem fit and in the best interest of the Company;

(d) to issue and allot such number of additional Warrants as may be required or permitted to be issued as a result of any adjustments under the provisions of the Deed Poll ("Additional Warrants") and to adjust from time to time the exercise price of the Warrants as a consequence of the adjustments under the provision of the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Malaysia Securities Berhad and any other relevant authorities or parties (if required);

(e) to allot and issue such number of new NICE Shares credited as fully paid-up to the holders of the Warrants arising from the exercise of the Warrants and such further new NICE Shares as may be required or permitted to be issued pursuant to the exercise of the Additional Warrants; and

(f) to deal with any fractional entitlement that may rise from the Proposed Rights Issue with Warrants and any fractional new NICE Shares arising from the exercise of the Warrants (or the Additional Warrants, as the case may be) in such manner as the Board shall in its sole and absolute discretion deem fit or expedient and in the best interests of the Company,

THAT the Rights Shares which are not taken up or validly taken up shall be made available for excess application by the Entitled Shareholders and/or their renouncee(s) and such excess Rights Shares shall be allocated by the Board in a fair and equitable manner on a basis to be determined by the Board and announced later by the Company;

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM HELD ON 28 NOVEMBER 2018 (Cont'd)

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272V)
EXTRACT of the Minutes of the Extraordinary General Meeting ("EGM")of Niche Capital Emas Holdings Berhad ("NICE" or "the Company") held at M Central, Level 2, M Roof Hotel & Residences, Jalan Dato' Lau Pak Kuan, Taman Ipoh, 31400 Ipoh Perak, Malaysia on Wednesday, 28 November 2018

THAT the Rights Shares shall, upon allotment and issue, rank pari passu in all respects with the then existing NICE Shares, save and except that the Rights Shares so allotted and issued will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date of which is prior the date of allotment and issuance of the Rights Shares;

THAT the new NICE Shares to be issued arising from the exercise of the Warrants (or the Additional Warrants, as the case may be) shall, upon allotment and issue, rank pari passu in all respects with the then existing NICE Shares, save and except that the new NICE Shares so allotted and issued will not be entitled to any dividends, rights, allotments and other distributions that may be declared, made or paid, the entitlement date of which is prior the date of allotment and issuance of the new NICE Shares to be issued arising from the exercise of the Warrants (or the Additional Warrants, as the case may be);

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds, and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, to give full effect to and to complete the Proposed Rights Issue with Warrants, with full powers to assent and/or accept to any conditions, modifications, variations, arrangements and/or amendments as the Board in its absolute discretion may deem fit and/or as may be imposed by any relevant authorities and/or parties in connection with the Proposed Rights Issue with Warrants.

CERTIFIED TRUE EXTRACT

Datuk Khairul Idham Bin Ismail
Chairman of the Board

Ong Tze-En
(MAICSA 7026537)
Secretary

Stamped for identification of the subsequent pages of the document certified to be sighted on the main page dated :

12 DEC 2018

Ong Tze-En
Company Secretary
MAICSA 7026537

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Our Company was incorporated in Malaysia on 26 September 2000 under the Act as a private limited company under the name of Yikon Corporation Sdn Bhd. On 16 October 2000, we converted into a public company under the name of Yikon Corporation Berhad and were listed on the then Second Board of the Kuala Lumpur Stock Exchange (presently known as Bursa Securities) on 4 June 2002. On 9 May 2011, we assumed our current name and are currently listed on the Main Market of Bursa Securities.

The principal activity of our Company is investment holding. Through our subsidiaries, our Group is involved in retail, distribution and trading of jewellery and ornaments. The details of our subsidiaries and their principal activities are set out in Section 5 of this **Appendix II**.

2. SHARE CAPITAL

2.1 Issued Share capital

As at the LPD, the issued share capital of our Company was RM32,849,664 comprising 333,037,850 NICE Shares.

2.2 Changes in Issued Share Capital

The changes in the issued share capital of our Company for the past 3 years prior to the LPD are as follows:

Date of Allotment	No. of Shares Allotted	Consideration	Cumulative Issued Share Capital
			RM
28 Dec 2015	24,039,000	Private placement	30,276,150
13 Mar 2017	30,276,100	Private placement	32,849,619
3 Aug 2017	250	Exercise of warrants 2012/2017	32,849,664

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3. SUBSTANTIAL SHAREHOLDERS

The pro forma effects of the Rights Issue with Warrants on our substantial shareholders' shareholdings are set out as below:

Minimum Scenario	Shareholding as at the LPD				I After the Rights Issue with Warrants				II After I and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Substantial Shareholder	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Julian Foo	73,930	22.2	-	-	223,930	32.8	-	-	313,930	35.2	-	-
Pang Ling	20,600	6.2	-	-	120,600	17.7	-	-	180,600	20.2	-	-
Yee Shia Ming	21,467	6.5	-	-	21,467	3.1	-	-	21,467	2.4	-	-
Tan Sri Vincent	1,000	0.3	-	-	101,000	14.8	-	-	161,000	18.0	-	-

Maximum Scenario	Shareholding as at the LPD				I After the Rights Issue with Warrants				II After I and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Substantial Shareholder	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Julian Foo	73,930	22.2	-	-	443,580	22.2	-	-	665,370	22.2	-	-
Pang Ling	20,600	6.2	-	-	123,600	6.2	-	-	185,400	6.2	-	-
Yee Shia Ming	21,467	6.5	-	-	128,802	6.5	-	-	193,203	6.5	-	-

4. DIRECTORS

The particulars of our Directors are set out in the Corporate Directory section of this Abridged Prospectus.

The pro forma effects of the Rights Issue with Warrants on our Directors' shareholdings are set out below:

Minimum Scenario

					I				II			
	Shareholding as at the LPD				**After the Rights Issue with Warrants**				**After I and assuming full exercise of the Warrants**			
	Direct		**Indirect**		**Direct**		**Indirect**		**Direct**		**Indirect**	
Director	**No. of Shares '000**	**%**	**No. of Shares '000**	**%**	**No. of Shares '000**	**%**	**No. of Shares '000**	**%**	**No. of Shares '000**	**%**	**No. of Shares '000**	**%**
Datuk Khairul Idham Ismail	-	-	-	-	-	-	-	-	-	-	-	-
Julian Foo	73,930	22.2	-	-	223,930	32.8	-	-	313,930	35.2	-	-
Mah Weng Kee	-	-	-	-	-	-	-	-	-	-	-	-
Ng Chin Nam	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Tan Sek Yin	390	0.1	(1)660	0.2	390	0.1	(1)660	0.1	390	(2)	(1)660	0.1
Tong Siut Moi	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

(1) Deemed interested via Top-Gold Resources Sdn Bhd pursuant to Section 8(4) of the Act.

(2) Less than 0.1.

Maximum Scenario

					I				II			
	Shareholding as at the LPD				After the Rights Issue with Warrants				After I and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Director	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Datuk Khairul Idham Ismail	-	-	-	-	-	-	-	-	-	-	-	-
Julian Foo	73,930	22.2	-	-	443,580	22.2	-	-	665,370	22.2	-	-
Mah Weng Kee	-	-	-	-	-	-	-	-	-	-	-	-
Ng Chin Nam	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Tan Sek Yin	390	0.1	(1)660	0.2	2,340	0.1	(1)3,960	0.2	3,510	0.2	5,940	0.2
Tong Siut Moi	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

(1) Deemed interested via Top-Gold Resources Sdn Bhd pursuant to Section 8(4) of the Act.

(2) Less than 0.1.

5. SUBSIDIARIES AND ASSOCIATES

As at the LPD, our Company does not have any associated companies. The details of our subsidiaries are as follows:

Company	Date and Place of Incorporation	Issued Share Capital	Effective Equity Interest	Principal Activities
			%	
Niche Express Gold Sdn Bhd	17 April 1997 / Malaysia	RM2	100	Processing of jewellery products
Niche Diamond Sdn Bhd	23 February 2006 / Malaysia	RM2	100	Sales of jewellery
Niche Capital (HK) Limited	26 August 2011 / Hong Kong	HKD 1,000	100	Trading, distribution and wholesale of jewellery and jadeite stones
Wawasan Pasifika Sdn Bhd	9 January 2015 / Malaysia	RM2	100	Dormant
Jadekey Bridge Sdn Bhd	11 January 2012 / Malaysia	RM2	100	Dormant

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6. PROFIT AND DIVIDEND RECORD

Our profit and dividend record based on our audited consolidated financial statements for the FYE 30 June 2016, 30 June 2017 and 30 June 2018 as well as unaudited 3-month FPE 30 September 2017 and 30 September 2018 are as follows:

	Audited			Unaudited	
	FYE 30 Jun 2016	FYE 30 Jun 2017	FYE 30 Jun 2018	FPE 30 Sep 2017	FPE 30 Sep 2018
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	13,837	14,791	13,159	2,225	2,201
Cost of sales	(12,500)	(9,250)	(8,243)	(1,118)	(1,271)
Gross profit ("**GP**")	1,337	5,541	4,916	1,107	930
Other income	5,122	86	104	-	2
Administrative expenses	(6,846)	(8,962)	(2,967)	(609)	(642)
Other expenses	(25)	(16)	(805)	(997)	(120)
Finance costs	(37)	(27)	(1)	(1)	(2)
Profit/(Loss) before tax	(449)	(3,378)	1,247	(500)	168
Taxation	(4)	(388)	(301)	-	-
PAT/(LAT)	**(453)**	**(3,766)**	**946**	**(500)**	**168**
PAT/(LAT) attributable to:					
- Owners of the parent	910	(2,638)	946	(500)	168
- Non-controlling interests	(1,363)	(1,128)	-	-	-
Earnings/(Loss) before interest, tax, depreciation and amortisation	(162)	(3,041)	1,260	(497)	178
GP margin (%)	9.7	37.5	37.4	49.8	42.3
PAT/(LAT) margin (%)	(3.3)	(25.5)	7.2	(22.5)	7.6
Weighted average number of Shares in issued ('000)	289,628	311,886	333,038	333,038	333,038
EPS/(Loss per Share) (sen)					
- Basic	(0.31)	(0.85)	0.28	(0.15)	0.05
- Diluted	(0.31)	(0.85)	0.28	(0.15)	0.05
Dividend (sen)	-	-	-	-	-

(i) Financial commentary for the FYE 30 June 2016

For the FYE 30 June 2016, our Group reported a revenue of RM13.8 million as compared to RM33.8 million in the 18-month FPE 30 June 2015. The significant decline was largely due to a drop in demand for our Group's products across all price ranges due to amongst others intense competition in the PRC.

Our Group reported a LAT of RM0.5 million for the FYE 30 June 2016 as compared to RM4.6 million for the FPE 30 June 2015. The lower loss was mainly due to reversal of a RM5.0 million bad debt from a former subsidiary, Yikon Jewellery Industry Sdn Bhd ("**YJI**") vide a settlement agreement entered into between our Company and YJI on 25 September 2015, whereby such amount owing to YJI by a subsidiary of our Company at that point in time, Yikon (H.K.) Limited ("**YHK**"), was assigned to our Company.

(ii) Financial commentary for the FYE 30 June 2017

For the FYE 30 June 2017, our Group recorded a revenue of RM14.8 million, an increase of 6.9% as compared to RM13.8 million achieved in the FYE 30 June 2016. Such increase was mainly due to our Group shifting our product offerings in July 2016 by undertaking wholesaling of jadeite stones and jadeite jewelleries in the PRC, including Hong Kong, as well as in Malaysia to improve our financial performance. Pursuant thereto, we recorded a revenue of approximately RM8.0 million from our wholesale business, which was partially offset by lower revenue recorded by our gold retail business in the PRC.

GP margin improved significantly to 37.5% from 9.7% in the previous financial year, mainly due to sales of higher margin jadeite products as compared to gold-based products.

Despite the higher GP of RM5.5 million achieved in the current financial year as compared to RM1.3 million in the previous financial year, LAT widened to RM3.8 million in the FYE 30 June 2017 from RM0.5 million in the FYE 30 June 2016. The higher losses were mainly due to a one-off loss on disposal of RM3.1 million recognised in the FYE 30 June 2017 arising from the de-consolidation of YHK after our Company reduced our equity interest in YHK from 51% to 36%.

(iii) Financial commentary for the FYE 30 June 2018

Our Group recorded a revenue of RM13.2 million for the FYE 30 June 2018, which was 11.0% lower than the previous financial year of RM14.8 million. The decline was mainly due to the de-consolidation of a former subsidiary, YHK in June 2017, as mentioned above, whereby our Group ceased to recognise any revenue from the PRC gold retail business during the financial year, which contributed approximately RM6.8 million revenue in the previous financial year. Such cessation of revenue recognition was partially offset by higher contribution from the wholesale of jadeite stones and jadeite jewellery of approximately RM5.2 million during the financial year.

Our Group turned around our financial performance and recorded a PAT of RM0.9 million as compared to a LAT of RM3.8 million in the previous financial year mainly due to non-occurrence of the loss on disposal of RM3.1 million incurred in the previous financial year as well as lower administrative expenses arising from the de-consolidation of YHK as explained above.

(iv) Financial commentary for the 3-month FPE 30 September 2018

Our Group recorded a revenue of RM2.2 million for the FPE 30 September 2018, which is consistent with the previous corresponding period.

GP margin declined to 42.3% from 49.8% in the previous corresponding period, mainly attributable to lower margin earned from the wholesale of jadeite products.

Despite the lower GP, our Group recorded a PAT of RM0.2 million as compared to a LAT of RM0.5 million in the previous corresponding period, mainly due to lower foreign exchange translation losses recorded in the FPE 30 September 2018 mainly as a result of the majority of our inventories now being kept in Malaysia and recorded in RM as compared to HKD in the previous corresponding period.

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7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of NICE Shares traded on Bursa Securities for the past 12 months preceding the date of this Abridged Prospectus is as follows:

	High	Low
	RM	RM
2017		
December	0.060	0.055
2018		
January	0.075	0.055
February	0.060	0.050
March	0.050	0.040
April	0.045	0.035
May	0.050	0.035
June	0.045	0.035
July	0.045	0.035
August	0.045	0.035
September	0.045	0.040
October	0.045	0.040
November	0.045	0.040
Last transacted market price on the LTD		0.040
Last transacted market price on the LPD		0.040
Last transacted market price of NICE Shares on 21 December 2018, being the last trading day prior to the ex-date for the Rights Issue with Warrants		0.040

(Source: Bloomberg)

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UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

12 December 2018

The Board of Directors
Niche Capital Emas Holdings Berhad
Suite 16-1 (Penthouse Upper)
Menara Penang Garden
42A Jalan Sultan Ahmad Shah
10050 Penang

Dear Sirs,

NICHE CAPITAL EMAS HOLDINGS BERHAD ("NICE" OR "THE COMPANY") AND ITS SUBSIDIARY COMPANIES (COLLECTIVELY REFERRED TO AS "NICE GROUP" OR "THE GROUP")

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018

We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of the NICE Group as at 30 June 2018, together with the accompanying notes thereto which have been prepared by the Board of Directors of the Company ("**Board**").

The Pro Forma Consolidated Statements of Financial Position is prepared for illustrative purposes only and for inclusion in the Abridged Prospectus of NICE ("**Abridged Prospectus**") in connection with the renounceable rights issue of up to 1,665,189,250 new ordinary shares in NICE ("**NICE Shares**") ("**Rights Shares**") on the basis of 5 Rights Shares for every 1 existing NICE Share, together with up to 999,113,550 free detachable warrants ("**Warrants**") on the basis of 3 Warrants for every 5 Rights Shares subscribed for at an issue price of RM0.045 per Rights Share ("**Rights Issue with Warrants**").

The applicable criteria on the basis of which the Board has compiled the Pro Forma Consolidated Financial Statements of Financial Position are described in Note 1 of Appendix A.

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Board to illustrate the impact of the Rights Issue with Warrants on the Consolidated Statements of Financial Position of the NICE Group as at 30 June 2018 had the Rights Issue with been effected on that date, set out in Appendix A and the notes set out in the accompanying Notes 2 to 7 to the Pro Forma Consolidated Statements of Financial Position in this letter.

As part of this process, information about the financial position has been extracted by the Board from the relevant audited financial statements as at 30 June 2018, on which an audit report has been published.

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The Board's Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Board is responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis set out in the accompanying notes thereto.

Our Responsibilities

Our responsibility is to express an opinion about whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, by the Board on the basis set out in the accompanying notes thereto.

We conducted our engagement in accordance with the International Standard on Assurance Engagements, ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the Malaysian Institute of Accountants. This standard requires us to comply with the ethical requirements, plan and perform procedures to obtain reasonable assurance on whether the Board has compiled, in all material respects, the pro forma financial information on the basis set out in the accompanying notes thereto.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Abridged Prospectus in relation to the Rights Issue with Warrants is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board in the compilation of Pro Forma Consolidated Statements of Financial Position provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence on whether:

- The related Pro Forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances.

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The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(i) the Pro Forma Consolidated Statements of Financial Position, which has been prepared by the Board, has been properly prepared on the basis stated in the accompanying Note 1 in Appendix A to the Pro Forma Consolidated Statements of Financial Position using financial statements prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and in a manner consistent with both the format to the financial statements and the accounting policies adopted by the Company; and

(ii) each material adjustment made to the information used in the preparation is appropriate for the purpose of preparing the Pro Forma Consolidated Statements of Financial Position.

Other Matters

This letter has been prepared for the purpose of inclusion in the Abridged Prospectus. Our work had been carried out in accordance with International Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Rights Issue with Warrants described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Rights Issue with Warrants.

Yours faithfully,

UHY
Firm Number: AF 1411
Chartered Accountants

LOH CHYE TEIK
Approved Number: 1652/08/2020 (J)
Chartered Accountant

Penang

Niche Capital Emas Holdings Berhad ("NICE") **Appendix A**
Pro Forma Consolidated Statements of Financial Position as at 30 June 2018

The Pro Forma Consolidated Statements of Financial Position as set out below have been prepared for illustrative purposes only to show the effect on the pro forma consolidated statements of financial position of the NICE Group as at 30 June 2018 and also based on the assumptions that the following events had been effected on that date.

Minimum Scenario

	Note	Group Level 30 June 2018 RM	Pro forma I After Rights Issue with Warrants RM	Pro forma II After Full Exercise of Warrants RM
NON-CURRENT ASSET				
Property, plant and equipment		288,198	288,198	288,198
CURRENT ASSETS				
Inventories		16,627,422	16,627,422	16,627,422
Trade receivables		5,851,005	5,851,005	5,851,005
Other receivables		5,374,429	5,374,429	5,374,429
Cash and bank balances	4	799,836	14,549,836	27,149,836
		28,652,692	42,402,692	55,002,692
Total Assets		28,940,890	42,690,890	55,290,890
EQUITY				
Share capital	5	32,849,664	44,399,664	61,199,664
Reserves	6	(13,257,247)	(15,257,247)	(15,257,247)
Warrant reserve	7	-	4,200,000	-
Total Equity		19,592,417	33,342,417	45,942,417
CURRENT LIABILITIES				
Trade payables		2,090,200	2,090,200	2,090,200
Other payables		6,779,235	6,779,235	6,779,235
Finance lease payables		20,371	20,371	20,371
Provision for taxation		458,667	458,667	458,667
		9,348,473	9,348,473	9,348,473
Total Liabilities		9,348,473	9,348,473	9,348,473
Total Equity and Liabilities		28,940,890	42,690,890	55,290,890
No. of Ordinary Shares		333,037,850	683,037,850	893,037,850
Net assets ("NA")		19,592,417	33,342,417	45,942,417
NA per Ordinary Share (RM)		0.06	0.05	0.05
Borrowings		20,371	20,371	20,371
Gearing ratio (times)		*	*	*

* Less than 0.01

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Niche Capital Emas Holdings Berhad ("NICE") **Appendix A**
Pro Forma Consolidated Statements of Financial Position as at 30 June 2018

The Pro Forma Consolidated Statements of Financial Position as set out below have been prepared for illustrative purposes only to show the effect on the pro forma consolidated statements of financial position of the NICE Group as at 30 June 2018 and also based on the assumptions that the following events had been effected on that date.

Maximum Scenario

	Note	Group Level 30 June 2018 RM	Pro forma I After Rights Issue With Warrants RM	Pro forma II After Full Exercise of Warrants RM
NON-CURRENT ASSET				
Property, plant and equipment		288,198	288,198	288,198
CURRENT ASSETS				
Inventories		16,627,422	16,627,422	16,627,422
Trade receivables		5,851,005	5,851,005	5,851,005
Other receivables		5,374,429	5,374,429	5,374,429
Cash and bank balances	4	799,836	73,733,352	133,680,165
		28,652,692	101,586,208	161,533,021
Total Assets		28,940,890	101,874,406	161,821,219
EQUITY				
Share capital	5	32,849,664	87,800,909	167,729,993
Reserves	6	(13,257,247)	(15,257,247)	(15,257,247)
Warrant reserve	7	-	19,982,271	-
Total Equity		19,592,417	92,525,933	152,472,746
CURRENT LIABILITIES				
Trade payables		2,090,200	2,090,200	2,090,200
Other payables		6,779,235	6,779,235	6,779,235
Finance lease payables		20,371	20,371	20,371
Provision for taxation		458,667	458,667	458,667
		9,348,473	9,348,473	9,348,473
Total Liabilities		9,348,473	9,348,473	9,348,473
Total Equity and Liabilities		28,940,890	101,874,406	161,821,219
No. of Ordinary Shares		333,037,850	1,998,227,100	2,997,340,650
Net assets ("NA")		19,592,417	92,525,933	152,472,746
NA per Ordinary Share (RM)		0.06	0.05	0.05
Borrowings		20,371	20,371	20,371
Gearing ratio (times)		*	*	*

* Less than 0.01

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Appendix A

NICHE CAPITAL EMAS HOLDINGS BERHAD ("NICE" OR "THE COMPANY") AND ITS SUBSIDIARY COMPANIES ("NICE GROUP" OR "GROUP")

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018

1. Basis of Preparation

The Pro Forma Consolidated Statements of Financial Position of the NICE Group as at 30 June 2018 has been prepared based on the Audited Consolidated Statements of Financial Position of the NICE Group as at 30 June 2018, which was prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia, in a manner consistent with both the format of the financial statements and the accounting policies of NICE.

The auditors' report of the audited financial statements of the NICE Group for the financial year ended 30 June 2018 was not subject to any qualification, modification or disclaimer of opinion.

The Pro Forma Consolidated Statements of Financial Position of the NICE Group as at 30 June 2018 of which the Board of NICE is solely responsible, has been prepared for illustration purposes only, to show the effects on the Audited Consolidated Statements of Financial Position of the NICE Group had the Rights Issue with Warrants been effected on that date, and should be read in conjunction with the notes accompanying thereto.

The Pro Forma Consolidated Statements of Financial Position of the Group has been prepared assuming the Rights Issue with Warrants is effected as at 30 June 2018. The Rights Issue with Warrants to be undertaken by NICE is presented in two (2) scenarios as follows:

Minimum Scenario	:	Assuming the Rights Issue with Warrants is undertaken on a minimum level via the issuance of 350,000,000 new Rights Shares with 210,000,000 Warrants.
Maximum Scenario	:	Assuming the Rights Issue with Warrants is undertaken on a maximum level via the issuance of 1,665,189,250 new Rights Shares with 991,113,550 Warrants.

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Appendix A

NICHE CAPITAL EMAS HOLDINGS BERHAD ("NICE" OR "THE COMPANY") AND ITS SUBSIDIARY COMPANIES ("NICE GROUP" OR "GROUP")

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018

1. Basis of Preparation (Cont'd)

Utilisation of Proceeds from the Rights Issue with Warrants

Based on the issue price of RM0.045 per Rights Share, the Rights Issue with Warrants is expected to raise gross proceeds of up to RM74.9 million and the intended manner of utilisation is as set out below:

	Timeframe for utilisation	Allocation %	Minimum Scenario RM'000	Allocation %	Maximum Scenario RM'000
Jewellery Business expansion	Within 24 months from completion of the Rights Issue with Warrants	89.45	12,300	81.99	59,800
Working capital	Within 24 months from completion of the Rights Issue with Warrants	10.55	1,450	18.01	13,134
		100.00	13,750	100.00	72,934
Estimated expenses in relation to the Rights Issue with Warrants	Within 3 months from completion of the Rights Issue with Warrants		2,000		2,000
Total			**15,750**		**74,934**

The actual proceeds to be raised from the Rights Issue with Warrants will depend on the actual number of Rights Shares with Warrants that will be subscribed.

Prior to being utilised for the above purposes, the proceeds from the Rights Issue with Warrants will be placed in interest-bearing deposits and/or short-term money market instruments with financial institutions, as the Board, in its absolute discretion, deems fit and in the best interest of the Group. The resulting interest income derived from such short-term placements will be used as additional working capital for the Group.

Appendix A

NICHE CAPITAL EMAS HOLDINGS BERHAD ("NICE" OR "THE COMPANY") AND ITS SUBSIDIARY COMPANIES ("NICE GROUP" OR "GROUP")

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018

2. Minimum Scenario

2.1 Pro Forma I - Rights Issue with Warrants

Pro Forma I incorporate the effects of the renounceable rights issue of 350,000,000 Rights Shares with 210,000,000 Warrants on the basis of 5 Rights Shares for every 1 existing NICE Share held together with 3 Warrants for every 5 Rights Shares subscribed for at an issue price of RM0.045 per Rights Share.

The proceeds arising from the Rights Issue with Warrants amounting to RM15.8 million are proposed to be utilised as described in Note 1.

2.2 Pro Forma II - Exercise of Warrants

Pro Forma II incorporate the effects of Pro Forma I and assuming that the 210,000,000 Warrants are fully exercised for 210,000,000 new NICE Shares at the exercise ratio of 1 new NICE Share for every 1 Warrant held at the exercise price of RM0.06.

3. Maximum Scenario

3.1 Pro Forma I - Rights Issue with Warrants

Pro Forma I incorporate the effects of the renounceable rights issue of 1,665,189,250 Rights Shares with 999,113,550 Warrants on the basis of 5 Rights Shares for every 1 existing NICE Share held together with 3 Warrants for every 5 Rights Shares subscribed for at an issue price of RM0.045 per Rights Share.

The proceeds arising from the Rights Issue with Warrants mounting to RM74.9 million are proposed to be utilised as described in Note 1.

3.2 Pro Forma II – Full Exercise of Warrants

Pro Forma II incorporate the effects of Pro Forma I and assuming that the 999,113,550 Warrants are fully exercised for 999,113,550 new NICE Shares at the exercise ratio of 1 new NICE Share for every 1 Warrant held at the exercise price of RM0.06.

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Appendix A

NICHE CAPITAL EMAS HOLDINGS BERHAD ("NICE" OR "THE COMPANY") AND ITS SUBSIDIARY COMPANIES ("NICE GROUP" OR "GROUP")

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018

4. Cash and Bank Balances

	Minimum Scenario RM
As at 30 June 2018	799,836
Proceeds from the Rights Issue with Warrants	15,750,000
Estimated expenses in relation to the Right Issue with Warrants	(2,000,000)
As per Pro forma I	14,549,836
Proceeds from full exercise of the Warrants	12,600,000
As per Pro forma II	27,149,836

	Maximum Scenario RM
As at 30 June 2018	799,836
Proceeds from the Rights Issue with Warrants	74,933,516
Estimated expenses in relation to the Right Issue with Warrants	(2,000,000)
As per Pro forma I	73,733,352
Proceeds from full exercise of the Warrants	59,946,813
As per Pro forma II	133,680,165

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5. Share Capital

	Minimum Scenario RM
As at 30 June 2018	32,849,664
Issuance of Rights Shares under Right Issues with Warrants	11,550,000
As per Pro forma I	44,399,664
Issuance of new NICE Shares arising from full exercise of Warrants	16,800,000
As per Pro forma II	61,199,664

	Maximum Scenario RM
As at 30 June 2018	32,849,664
Issuance of Rights Shares under Right Issues with Warrants	54,951,245
As per Pro forma I	87,800,909
Issuance of new NICE Shares arising from full exercise of Warrants	79,929,084
As per Pro forma II	167,729,993

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Appendix A

NICHE CAPITAL EMAS HOLDINGS BERHAD ("NICE" OR "THE COMPANY") AND ITS SUBSIDIARY COMPANIES ("NICE GROUP" OR "GROUP")

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018

6. Reserves

	Minimum Scenario RM
As at 30 June 2018	(13,257,247)
Estimated expenses in relation to the Right Issue with Warrants	(2,000,000)
As per Pro forma I and II	(15,257,247)

	Maximum Scenario RM
As at 30 June 2018	(13,257,247)
Estimated expenses in relation to the Right Issue with Warrants	(2,000,000)
As per Pro forma I and II	(15,257,247)

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NICHE CAPITAL EMAS HOLDINGS BERHAD ("NICE" OR "THE COMPANY") AND ITS SUBSIDIARY COMPANIES ("NICE GROUP" OR "GROUP")

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018

7. Warrant Reserve

	Minimum Scenario RM
As at 30 June 2018	-
Arising from fair value of Warrants issued under Rights Issued with Warrants	4,200,000
As per Pro forma I and II	4,200,000
Transfer to share capital upon full exercise of Warrants	(4,200,000)
As per Pro forma II	-

	Maximum Scenario RM
As at 30 June 2018	-
Arising from fair value of Warrants issued under Rights Issued with Warrants	19,982,271
As per Pro forma I	19,982,271
Transfer to share capital upon full exercise of Warrants	(19,982,271)
As per Pro forma II	-

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CERTIFIED TRUE COPY

LOH CHYE TEIK Date: 10.12.2018
CHARTERED ACCOUNTANT
MIA 5342

NICHE CAPITAL EMAS HOLDINGS BERHAD

(Company No. 527272-V)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

30 JUNE 2018

Registered office:
Suite 16-1 (Penthouse Upper)
Menara Penang Garden
42A, Jalan Sultan Ahmad Shah
10050 Penang

Principal place of business:
Unit 3.1, 3rd Floor
Wisma Leader
No. 8 Jalan Larut
10050 Penang

NICHE CAPITAL EMAS HOLDINGS BERHAD

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

30 JUNE 2018

INDEX

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NICHE CAPITAL EMAS HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2018.

Principal Activity

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 5 to the financial statements.

Financial Results

	Group RM	Company RM
Profit/(Loss) for the financial year	945,926	(704,467)

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

During the financial year, the Company issued 250 new ordinary shares at RM0.16 per ordinary shares arising from exercise of warrants.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Warrants

The Warrants 2012/2017 were constituted under the Deed Poll dated 3 July 2012 as disclosed in Note 13(b) to the financial statements.

During the financial year, a total of 250 warrants were exercised before the expiry date of the warrants on 9 August 2017. As at the expiry date of 9 August 2017, 53,096,370 unexercised warrants had lapsed and thereafter ceased to be valid for any purpose.

Directors

The Directors in office during the financial year until the date of this report are:

Khairul Idham Bin Ismail
Julian Foo Kuan Lin
Mah Weng Kee
Ng Chin Nam
Dato' Tan Sek Yin
Tong Siut Moi

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.7.2017	**Bought**	**Sold**	**At 30.6.2018**
Interests in the Company				
Direct Interests				
Julian Foo Kuan Lin	73,930,000	-	-	73,930,000
Dato' Tan Sek Yin	390,000	-	-	390,000
Indirect Interests				
Dato' Tan Sek Yin #	660,000	-	-	660,000

Deemed interested Top-Gold Resources Sdn. Bhd. pursuant to Section 8(4) of the Companies Act, 2016 in Malaysia.

Directors' Interests in Shares (Cont'd)

By virtue of his interests in the shares of the Company, Mr. Julian Foo Kuan Lin is also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8(4) of the Companies Act, 2016 in Malaysia.

Save as disclosed above, none of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 23 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest, other than Director who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 26 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

During the financial year, the total amount of insurance premium paid for the Directors and certain officers of the Company were RM3,098. No indemnity was given to or insurance effected for auditors of the Company.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

   (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no bad debts to be written off and no allowance for doubtful debts was required; and

   (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

   (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or

   (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

   (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

   (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

   (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Other Statutory Information (Cont'd)

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 5 to the financial statements.

Auditors' Remuneration

The details of auditors' remuneration are set out in Note 20 to the financial statements.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 3 October 2018.

JULIAN FOO KUAN LIN

MAH WENG KEE

KUALA LUMPUR

NICHE CAPITAL EMAS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 15 to 88 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2018 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 3 October 2018.

JULIAN FOO KUAN LIN

MAH WENG KEE

KUALA LUMPUR

NICHE CAPITAL EMAS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act, 2016

I, JULIAN FOO KUAN LIN, being the Director primarily responsible for the financial management of Niche Capital Emas Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 15 to 88 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 3 October 2018)

JULIAN FOO KUAN LIN

Before me,

PESURUHJAYA SUMPAH
No. W 710
MOHAN A.S. MANIAM
1.1.2017 hingga 31.12.2018
MALAYSIA

Commissioner for Oaths

Tingkat 20 Ambank Group Building
55, Jln. Raja Chulan, 50200 Kuala Lumpur

UHY

UHY (AF1411)
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NICHE CAPITAL EMAS HOLDINGS BERHAD

(Company No.: 527272-V)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Niche Capital Emas Holdings Berhad, which comprise the statements of financial position as at 30 June 2018 of the Group and of the Company, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 88.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NICHE CAPITAL EMAS HOLDINGS BERHAD (CONT'D)

(Company No.: 527272-V)
(Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How we addressed the key audit matters
1. Inventory Valuation	
As at 30 June 2018, the Group held a significant inventory amounted to RM16.6 million as disclosed in Note 7 to the financial statements and it constituted approximately 58% of the Group's total current assets. As described in the Accounting Policies in Note 3(i) to the financial statements, inventories are carried at the lower of cost and net realisable value. The valuation of inventories is identified as a key audit matter because of the judgement made by the Directors in determining an appropriate inventory valuation involves predicting the amount of future demand from customers as the sales in the Group is subject to customer's preference which is based on trends and there is a risk that the net realisable value lower than the cost. Besides that, judgements are also required to identify slow moving and obsolete inventories which need to be written down to their net realisable value.	We reviewed the Group's policy on inventory valuation that are in accordance with MFRS 102 *Inventories*. We evaluated the operating effectiveness of key controls over the inventory system in recording the cost of inventory on first-in-first-out basis. We reviewed and verified the value of a sample of inventory item by comparing the unit price used in the final inventory listing summary to current price lists, recent sales invoices, or recent vendor invoices to ensure inventories are stated at the lower of cost and net realisable value. We assessed the adequacy of the disclosures made in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NICHE CAPITAL EMAS HOLDINGS BERHAD (CONT'D)
(Company No.: 527272-V)
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditor's Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NICHE CAPITAL EMAS HOLDINGS BERHAD (CONT'D)
(Company No.: 527272-V)
(Incorporated in Malaysia)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NICHE CAPITAL EMAS HOLDINGS BERHAD (CONT'D)
(Company No.: 527272-V)
(Incorporated in Malaysia)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current finance year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NICHE CAPITAL EMAS HOLDINGS BERHAD (CONT'D)
(Company No.: 527272-V)
(Incorporated in Malaysia)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purposes. We do not assume responsibility to any other person for the content of this report.

UHY
UHY
Firm Number: AF 1411
Chartered Accountants

LOH CHYE TEIK
Approved Number: 1652/08/2020 (J)
Chartered Accountant

KUALA LUMPUR
3 October 2018

NICHE CAPITAL EMAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	288,198	45,980	5,189	7,127
Investments in subsidiary companies	5	-	-	385	385
		288,198	45,980	5,574	7,512
Current assets					
Inventories	7	16,627,422	73,301,112	-	-
Trade receivables	8	5,851,005	1,599,612	-	-
Other receivables	9	5,374,429	9,393,609	4,954,904	9,119,081
Amount due from subsidiary companies	10	-	-	9,641,213	4,853,885
Cash and bank balances	11	799,836	1,165,797	178,834	1,073,299
		28,652,692	85,460,130	14,774,951	15,046,265
Total assets		28,940,890	85,506,110	14,780,525	15,053,777
EQUITY					
Share capital	12	32,849,664	32,849,619	32,849,664	32,849,619
Reserves	13	(13,257,247)	(13,375,742)	(21,213,118)	(20,508,646)
Total equity		19,592,417	19,473,877	11,636,546	12,340,973

NICHE CAPITAL EMAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018 (CONT'D)

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
LIABILITIES					
Non-current liability					
Deferred tax liabilities	14	-	4,000	-	-
		-	4,000	-	-
Current liabilities					
Trade payables	15	2,090,200	62,336,606	-	-
Other payables	16	6,779,235	3,260,478	3,123,608	2,603,260
Finance lease liabilities	17	20,371	109,544	20,371	109,544
Provision for taxation		458,667	321,605	-	-
		9,348,473	66,028,233	3,143,979	2,712,804
Total liabilities		9,348,473	66,032,233	3,143,979	2,712,804
Total equity and liabilities		28,940,890	85,506,110	14,780,525	15,053,777

The accompanying notes form an integral part of the financial statements.

NICHE CAPITAL EMAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Revenue	18	13,159,097	14,790,886	-	-
Cost of sales		(8,243,113)	(9,250,199)	-	-
Gross profit		4,915,984	5,540,687	-	-
Other income		104,199	85,687	703,992	49,080
Administrative expenses		(2,967,506)	(8,962,160)	(1,407,632)	(1,500,489)
Other expenses		(805,039)	(16,084)	-	-
Profit/(Loss) from operation		1,247,638	(3,351,870)	(703,640)	(1,451,409)
Finance costs	19	(827)	(26,675)	(827)	(4,909)
Profit/(Loss) before tax	20	1,246,811	(3,378,545)	(704,467)	(1,456,318)
Taxation	21	(300,885)	(387,880)	-	-
Profit/(Loss) for the financial year		945,926	(3,766,425)	(704,467)	(1,456,318)
Other comprehensive loss					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		(827,426)	(478,260)	-	-
Total comprehensive income/(loss) for the financial year		118,500	(4,244,685)	(704,467)	(1,456,318)

NICHE CAPITAL EMAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONT'D)

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Profit/(Loss) for the financial year attributable to:					
Owners of the parent		945,926	(2,637,904)	(704,467)	(1,456,318)
Non-controlling interests		-	(1,128,521)	-	-
		945,926	(3,766,425)	(704,467)	(1,456,318)
Total comprehensive income/ (loss) attributable to:					
Owners of the parent		118,500	(3,116,164)	(704,467)	(1,456,318)
Non-controlling interests		-	(1,128,521)	-	-
		118,500	(4,244,685)	(704,467)	(1,456,318)
Earning/(Loss) per share					
Basic earning/(loss) per share (sen)	22(a)	0.28	(0.85)		
Diluted earning/(loss) per share (sen)	22(b)	0.28	(0.85)		

The accompanying notes form an integral part of the financial statements.

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NICHE CAPITAL EMAS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

		Attributable to owners of the parent					
		Non-distributable					
Group	**Note**	**Share capital RM**	**Share premium RM**	**Warrant reserve RM**	**Foreign currency translation reserve RM**	**Accumulated losses RM**	**Total equity RM**
At 1 July 2017		32,849,619	8,254,170	1,225,307	350,538	(23,205,757)	19,473,877
Profit for the financial year		-	-	-	-	945,926	945,926
Other comprehensive loss for the financial year		-	-	-	(827,426)	-	(827,426)
Total comprehensive income/(loss) for the financial year		-	-	-	(827,426)	945,926	118,500
Transactions with owners:							
Exercise of warrants	12	45	-	(5)	-	-	40
Transfer to retained earnings upon lapse of warrants	13	-	-	(1,225,302)	-	1,225,302	-
Total transactions with owners		45	-	(1,225,307)	-	1,225,302	40
At 30 June 2018		32,849,664	8,254,170	-	(476,888)	(21,034,529)	19,592,417

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NICHE CAPITAL EMAS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONT'D)

		Attributable to owners of the parent							
		Non-distributable							
Group	**Note**	**Share capital RM**	**Share premium RM**	**Warrant reserve RM**	**Foreign currency translation reserve RM**	**Accumulated losses RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 July 2016		30,276,150	8,300,813	1,225,307	828,798	(20,567,853)	20,063,215	(5,102,868)	14,960,347
Loss for the financial year		-	-	-	-	(2,637,904)	(2,637,904)	(1,128,521)	(3,766,425)
Other comprehensive loss for the financial year		-	-	-	(478,260)	-	(478,260)	-	(478,260)
Total comprehensive loss for the financial year		-	-	-	(478,260)	(2,637,904)	(3,116,164)	(1,128,521)	(4,244,685)
Transactions with owners:									
Issue of ordinary shares	12	2,573,469	-	-	-	-	2,573,469	-	2,573,469
Share issuance expenses	13	-	(46,643)	-	-	-	(46,643)	-	(46,643)
Disposal of subsidiary company		-	-	-	-	-	-	6,231,389	6,231,389
Total transactions with owners		2,573,469	(46,643)	-	-	-	2,526,826	6,231,389	8,758,215
At 30 June 2017		32,849,619	8,254,170	1,225,307	350,538	(23,205,757)	19,473,877	-	19,473,877

NICHE CAPITAL EMAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONT'D)

		Attributable to owners of the parent				
		Non-distributable				
		Share capital	Share premium	Warrant reserve	Accumulated losses	Total equity
Company	**Note**	**RM**	**RM**	**RM**	**RM**	**RM**
At 1 July 2017		32,849,619	8,254,170	1,225,307	(29,988,123)	12,340,973
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(704,467)	(704,467)
Transactions with owners:						
Exercise of warrants	12	45	-	(5)	-	40
Transfer to retained earnings upon lapse of warrants		-	-	(1,225,302)	1,225,302	-
Total transactions with owners		45	-	(1,225,307)	1,225,302	40
At 30 June 2018		32,849,664	8,254,170	-	(29,467,288)	11,636,546
At 1 July 2016		30,276,150	8,300,813	1,225,307	(28,531,805)	11,270,465
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(1,456,318)	(1,456,318)
Transactions with owners:						
Issue of ordinary shares	12	2,573,469	-	-	-	2,573,469
Share issuance expenses	13	-	(46,643)	-	-	(46,643)
Total transactions with owners		2,573,469	(46,643)	-	-	2,526,826
At 30 June 2017		32,849,619	8,254,170	1,225,307	(29,988,123)	12,340,973

The accompanying notes form an integral part of the financial statements.

NICHE CAPITAL EMAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cash flows from operating activities				
Profit/(Loss) before tax	1,246,811	(3,378,545)	(704,467)	(1,456,318)
Adjustments for:				
Depreciation of property, plant and equipment	12,091	202,686	1,938	1,999
Finance costs	827	26,675	827	4,909
Finance income	(113)	(577)	(113)	(105)
Impairment losses on:				
- Other receivables	-	202,509	-	202,509
- Investments in associate	-	1,728	-	1,728
Inventories written down	-	10,666	-	-
Property, plant and equipment written off	-	166,310	-	-
Reversal of impairment losses on:				
- Amount due from subsidiary companies	-	-	-	(37,073)
- Investments in subsidiary companies	-	(2,448)	-	(2,448)
Loss/(Gain) on disposal of investments in subsidiary company	-	3,097,052	-	(9,280)
Reversal of inventories written down	-	(11,074)	-	-
Unrealised loss/(gain) on foreign exchange	748,285	(82,692)	(204)	230
Waiver of debts	(103,054)	-	(103,054)	-
Operating profit/(loss) before working capital changes	1,904,847	232,290	(805,073)	(1,293,849)
Change in working capital:				
Inventories	52,059,541	(71,754,860)	-	-
Receivables	(295,898)	(3,883,137)	4,164,177	(9,234,611)
Payables	(52,773,841)	74,628,928	623,606	1,824,106
Cash generated from/(used in) operations	894,649	(776,779)	3,982,710	(8,704,354)

NICHE CAPITAL EMAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONT'D)

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Cash flows from operating activities (Cont'd)					
Cash generated from/(used in) operations (Cont'd)		894,649	(776,779)	3,982,710	(8,704,354)
Interest paid		(827)	(26,675)	(827)	(4,909)
Tax paid		(161,872)	(60,000)	-	-
Net cash from/(used in) operating activities		731,950	(863,454)	3,981,883	(8,709,263)
Cash flows from investing activities					
Acquisition of property, plant and equipment		(254,309)	(104,306)	-	(3,308)
Interest received		113	577	113	105
Acquisition of wholly owned subsidiary		-	-	-	(2)
Proceeds from disposal of investment		-	-	-	10,000
Net cash outflows from disposal of subsidiary company	5(a)	-	(1,009,766)	-	-
Net cash (used in)/from investing activities		(254,196)	(1,113,495)	113	6,795
Cash flows from financing activities					
(Advances to)/Repayment from subsidiary companies		-	-	(4,787,328)	6,905,279
Proceeds from issue of share capital		-	2,573,469	-	2,573,469
Proceeds from exercise of warrants		40	-	40	-
Share issuance expenses		-	(46,643)	-	(46,643)
Payment of finance lease liabilities		(89,173)	(46,677)	(89,173)	(46,677)
Net cash (used in)/from financing activities		(89,133)	2,480,149	(4,876,461)	9,385,428

NICHE CAPITAL EMAS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (CONT'D)

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Net increase/(decrease) in cash and cash equivalents		388,621	503,200	(894,465)	682,960
Cash and cash equivalents at the beginning of the financial year		1,165,797	681,553	1,073,299	390,339
Effect of exchange translation differences on cash and cash equivalents		(754,582)	(18,956)	-	-
Cash and cash equivalents at the end of the financial year		799,836	1,165,797	178,834	1,073,299
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances	11	799,836	1,165,797	178,834	1,073,299

The accompanying notes form an integral part of the financial statements.

NICHE CAPITAL EMAS HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at Unit 3.1, 3rd Floor, Wisma Leader, No. 8 Jalan Larut, 10050 Penang.

The registered office of the Company is located at Suite 16-1 (Penthouse Upper), Menara Penang Garden, 42A, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

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

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRSs 2014 - 2016 Cycle	Amendments to MFRS 12

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

The adoption of the Amendments to MFRS 107 has required additional disclosure of changes in liabilities arising from financing activities in Note 24. Other than that, the adoption of above amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*	1 January 2018*
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Annual Improvements to MFRSs 2014 - 2016 Cycle:		
• Amendments to MFRS 1		1 January 2018
• Amendments to MFRS 128		1 January 2018
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company have not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company: (Cont'd)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRSs 2015 - 2017 Cycle:		
• Amendments to MFRS 3		1 January 2019
• Amendments to MFRS 11		1 January 2019
• Amendments to MFRS 112		1 January 2019
• Amendments to MFRS 123		1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards		
• Amendments to MFRS 2 *Share-Based Payment*		1 January 2020
• Amendment to MFRS 3 *Business Combinations*		1 January 2020
• Amendments to MFRS 6 *Exploration for and Evaluation of Mineral Resources*		1 January 2020
• Amendment to MFRS 14 *Regulatory Deferral Accounts*		1 January 2020
• Amendments to MFRS 101 *Presentation of Financial Statements*		1 January 2020
• Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*		1 January 2020
• Amendments to MFRS 134 *Interim Financial Reporting*		1 January 2020
• Amendment to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*		1 January 2020
• Amendment to MFRS 138 *Intangible Assets*		1 January 2020
• Amendment to IC Interpretation 12 *Service Concession Arrangements*		1 January 2020
• Amendment to IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*		1 January 2020
• Amendment to IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*		1 January 2020
• Amendment to IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*		1 January 2020

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company have not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but arex not yet effective for the Group and the Company: (Cont'd)

		Effective dates for financial periods beginning on or after
Annual Improvements to MFRSs 2015 - 2017 Cycle:		
• Amendments to IC Interpretation 132 *Intangible Assets-Web Site Costs*		1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

Note:

* *Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement.*

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income without subsequent recycling to profit or loss.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below: (Cont'd)

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (Cont'd)

There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

Based on the analysis of the Group's and of the Company's financial assets and liabilities as at 30 June 2018 on the basis of facts and circumstances that existed at that date, the Directors of the Group and of the Company has assessed the impact of MFRS 9 to the Group's and the Company's financial statements as follows:

(i) Classification and measurement

Based on its assessment, the Group and the Company believe that the new classification requirements will have no material impact on the Group's and the Company's financial assets and financial liabilities.

(ii) Impairment

The Group and the Company have chosen to apply the simplified approach prescribed by MFRS 9, which requires a lifetime expected credit loss to be recognised from initial recognition of the trade and other receivables, including financial assets. Due to the strong creditworthiness of the Group's and the Company's receivables, the Group and the Company believe that the new impairment model will not have any significant impact on the Group's and the Company's financial statements. However, the Group and the Company has yet to complete the quantification of the financial impact.

(iii) Hedge accounting

As Group and Company do not apply hedge accounting, applying the hedging requirements of MFRS 9 will not have a significant impact on the Group's and the Company's consolidated financial statements.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below: (Cont'd)

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (Cont'd)

The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group and the Company in 2019 when the Group and the Company adopt MFRS 9.

(ii) MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with the core principle by applying the following steps:

(1) Identify the contracts with a customer;
(2) Identify the performance obligation in the contract;
(3) Determine the transaction price;
(4) Allocate the transaction price to the performance obligations in the contract;
(5) Recognise revenue when the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below: (Cont'd)

(ii) MFRS 15 *Revenue from Contracts with Customers* (Cont'd)

The Group and the Company intend to adopt the standard using modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 July 2018 and that comparatives will not be restated.

The Group has assessed the impact of initial application of MFRS 15 on its business and does not expect significant impact on the Group's financial statements.

(iii) MFRS 16 *Leases*

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group and the Company are assessing the impact of the above new standard on the financial statements of the Group and of the Company in the year of initial adoption.

2. Basis of Preparation (Cont'd)

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgement

There are no significant areas of critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

<u>Useful lives of property, plant and equipment</u>

The Group regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount at the reporting date for property, plant and equipment is disclosed on Note 4.

<u>Inventories valuation</u>

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 7.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below: (Cont'd)

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 30 June 2018, the Group has tax payable of RM458,667 (2017: RM321,605).

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instruments and within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loss control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation (Cont'd)

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(k)(i) on impairment of non-financial assets.

(b) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

On acquisition of an investments in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

An associate is accounted for equity method as described in MFRS 128 from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investments in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profit or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3. Significant Accounting Policies (Cont'd)

(b) Investments in associates (Cont'd)

After application of equity method, the Group applies MFRS 139 to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single assets, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(k)(i) on impairment of non-financial assets.

(c) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

3. Significant Accounting Policies (Cont'd)

(c) Foreign currency translation (Cont'd)

(i) Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investments in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3. Significant Accounting Policies (Cont'd)

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) to the financial statements.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

3. Significant Accounting Policies (Cont'd)

(d) Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Office equipment	10% - 25%
Motor vehicles	20%
Renovation	10%
Furniture and fittings	10%

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(e) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

<u>As lessee</u>

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3. Significant Accounting Policies (Cont'd)

(e) Leases (Cont'd)

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(f) Financial assets

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets at initial recognition, into the loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

3. Significant Accounting Policies (Cont'd)

(f) Financial assets (Cont'd)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or losses that had been recognised in equity is recognised in profit or loss.

(g) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

Financial liabilities are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group and the Company classify their financial liabilities at initial recognition, into the financial liabilities measured at amortised cost.

The Group's and the Company's financial liabilities comprise trade and other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

3. Significant Accounting Policies (Cont'd)

(g) Financial liabilities (Cont'd)

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(h) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(i) Inventories

Work-in-progress and trading inventories are stated at the lower of cost and net realisable value.

Cost of trading inventories comprises cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis. Cost of work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3. Significant Accounting Policies (Cont'd)

(k) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each reporting period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

3. Significant Accounting Policies (Cont'd)

(k) Impairment of assets (Cont'd)

(ii) Financial assets

All financial assets, other than those categorised as investments in subsidiary companies and associates, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(l) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(m) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(n) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

3. Significant Accounting Policies (Cont'd)

(n) Employee benefits (Cont'd)

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(o) Revenue

(i) Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Rendering of services

Revenue from services rendered is recognised in the profit or loss based on the value of services performed and invoiced to customers during the reporting period.

(iii) Interest income

Interest income is recognised on accrual basis using the effective interest method.

(iv) Management fee

Management fee is recognised on accrual basis when services are rendered.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

3. Significant Accounting Policies (Cont'd)

(p) Borrowing costs (Cont'd)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or an items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. **Significant Accounting Policies (Cont'd)**

(r) **Goods and Services Tax ("GST")**

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are recognised inclusive of GST.

The net amount of GST being the difference between output and input of GST, payables to or receivables from the authority at the reporting date, is included in other payables or other receivables in the statements of financial position.

(s) **Segments reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(t) **Contingencies**

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

4. Property, Plant and Equipment

Group	Furniture, fittings, office equipment and renovation RM	Motor vehicles RM	Total RM
2018			
Cost			
At 1 July 2017	86,924	581,084	668,008
Additions	254,309	-	254,309
At 30 June 2018	341,233	581,084	922,317
Accumulated depreciation			
At 1 July 2017	40,944	581,084	622,028
Charge for the financial year	12,091	-	12,091
At 30 June 2018	53,035	581,084	634,119
Carrying amount			
At 30 June 2018	288,198	-	288,198
2017			
Cost			
At 1 July 2016	5,802,208	738,894	6,541,102
Additions	104,306	-	104,306
Written off	(307,334)	-	(307,334)
Disposal of subsidiary company	(5,576,626)	(163,267)	(5,739,893)
Foreign currency translation differences	64,370	5,457	69,827
At 30 June 2017	86,924	581,084	668,008
Accumulated depreciation			
At 1 July 2016	5,234,593	723,059	5,957,652
Charge for the financial year	202,686	-	202,686
Written off	(141,024)	-	(141,024)
Disposal of subsidiary company	(5,300,551)	(146,887)	(5,447,438)
Foreign currency translation differences	45,240	4,912	50,152
At 30 June 2017	40,944	581,084	622,028
Carrying amount			
At 30 June 2017	45,980	-	45,980

4. Property, Plant and Equipment (Cont'd)

Company	Office equipment RM	Motor vehicles RM	Renovation RM	Furniture and fittings RM	Total RM
2018					
Cost					
At 1 July 2017/ At 30 June 2018	5,953	581,084	7,905	2,550	597,492
Accumulated depreciation					
At 1 July 2017	3,270	581,084	4,544	1,467	590,365
Charge for the financial year	893	-	790	255	1,938
At 30 June 2018	4,163	581,084	5,334	1,722	592,303
Carrying amount					
At 30 June 2018	1,790	-	2,571	828	5,189
2017					
Cost					
At 1 July 2016	2,645	581,084	7,905	2,550	594,184
Additions	3,308	-	-	-	3,308
At 30 June 2017	5,953	581,084	7,905	2,550	597,492
Accumulated depreciation					
At 1 July 2016	2,316	581,084	3,754	1,212	588,366
Charge for the financial year	954	-	790	255	1,999
At 30 June 2017	3,270	581,084	4,544	1,467	590,365
Carrying amount					
At 30 June 2017	2,683	-	3,361	1,083	7,127

Assets held under finance lease

At 30 June 2018, the carrying amount of leased motor vehicles of the Group and of the Company were RM Nil (2017: RM Nil).

Leased assets are pledged as security for the related finance lease liabilities.

5. Investments in Subsidiary Companies

	Company 2018 RM	Company 2017 RM
In Malaysia:		
At cost		
Unquoted shares	8	8
Less: Accumulated impairment losses	(4)	(4)
	4	4
Outside Malaysia:		
At cost		
Unquoted shares	381	381
Carrying amount	385	385

Details of the subsidiary companies are as follows:

Name of Company	Country of incorporation	Effective interest (%) 2018	Effective interest (%) 2017	Principal activities
Direct holding:				
Niche Express Gold Sdn. Bhd.	Malaysia	100	100	Processing of jewellery products
Niche Diamond Sdn. Bhd.	Malaysia	100	100	Retail of jewellery products
Niche Capital (HK) Limited *	Hong Kong	100	100	Trading, distribution and wholesale of jewellery and jadeite stones
Wawasan Pasifika Sdn. Bhd.	Malaysia	100	100	Dormant
Jadekey Bridge Sdn. Bhd.	Malaysia	100	100	Dormant

* *Subsidiary companies not audited by UHY*

5. Investments in Subsidiary Companies (Cont'd)

(a) Partial disposal of a subsidiary company

On 12 May 2017, the Company had entered into a Share Sale Agreement with Everest Top Limited ("ETL") in relation to the proposed disposal of its 15% equity interests in Yikon (H.K.) Limited ("YHK").

On 9 June 2017, the Company completed disposal of 1,500 ordinary shares of HKD1.00 each in YHK representing 15% equity interest in the issued and paid-up share capital of YHK. Upon the completion of the disposal, the Company's equity holding in YHK reduced from 51% to 36%, YHK ceased to be a subsidiary company of the Company and effectively became an associate company.

The effect of the disposal of YHK on the financial position of the Group as at the date of disposal was as follows:

	RM
Property, plant and equipment	292,455
Inventories	27,206,283
Trade and other receivables	124,823
Cash and bank balances	1,019,766
Trade and other payables	(32,476,349)
Net liabilities	(3,833,022)
Less: Non-controlling interests	1,878,181
Total net liabilities disposed	(1,954,841)
Less: Non-controlling interests brought forward	5,102,868
Reversal of goodwill	(40,975)
Loss on disposal	(3,097,052)
Proceeds from disposal	10,000
Less: Cash and bank balances disposed	(1,019,766)
Net cash outflows from disposal	(1,009,766)

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.

6. Investments in Associates

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
At cost				
Unquoted shares outside Malaysia	1,728	1,728	1,728	1,728
Less: Accumulated impairment losses	(1,728)	(1,728)	(1,728)	(1,728)
	-	-	-	-

In previous financial year, the Company's equity holding in Yikon (H.K.) Limited ("YHK") reduced from 51% to 36%, as a result YHK ceased to be a subsidiary company of the Company and effectively became an associate company. The details of partial disposal of subsidiary company is disclosed in Note 5(a).

Details of the associates are as follows:

Name of Company	Country of incorporation	Effective interest (%) 2018	Effective interest (%) 2017	Principal activities
Yikon (H.K.) Limited *	Hong Kong	36	36	Investment holding, distributing and trading of gold jewellery and ornaments
Held through Yikon (H.K.) Limited				
Yikoni Gold (Shen Zhen) Co., Ltd. *	People's Republic of China	36	36	Retail of gold jewellery and ornaments

* *Associates not audited by UHY*

6. Investments in Associates (Cont'd)

Summarised financial information of the Group's material associates are set out below. The summarised financial information represents the amounts in the MFRS financial statements of the associates and not the Group's share of those amounts.

(a) Summarised statement of financial position

	Yikon (H.K.) Limited	
	2018	**2017**
	RM	**RM**
Non-current assets	100,562	264,003
Current assets	24,798,157	28,285,181
Current liabilities	(31,406,081)	(32,682,732)
Net liabilities	(6,507,362)	(4,133,548)
Interests in associates	36%	36%
Group's share of net liabilities	(2,342,650)	(1,488,077)
Impairment losses recognised	2,342,650	1,488,077
Carrying value of Group's interests in associates	-	-

(b) Summarised statement of profit or loss and other comprehensive income

	Yikon (H.K.) Limited	
	2018	**2017**
	RM	**RM**
Revenue	3,440,044	435,113
Loss for the financial year	(3,518,623)	(355,592)

7. Inventories

	Group 2018 RM	Group 2017 RM
At cost:		
Work-in-progress	26,000	793,050
Trading inventories	16,601,422	72,508,062
	16,627,422	73,301,112
Recognised in profit or loss:		
Inventories recognised as cost of sales	8,243,113	9,250,199
Inventories written down	-	10,666
Reversal of inventories written down	-	(11,074)

The written down and reversal are included in the cost of sales.

The conditions precedent of the Settlement Agreements with certain creditors had not been fulfilled within the period stipulated therein and as such, the Settlement Agreements have, ipso facto, been terminated effective 10 May 2018 and arising therefrom, the Group had returned unsold inventories under the Settlement Agreements totalling approximately RM50.8 million to the certain creditors.

8. Trade Receivables

	Group 2018 RM	Group 2017 RM
Trade receivables	5,851,005	1,599,612

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2017: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses of trade receivables are as follows:

	Group 2018 RM	Group 2017 RM
At 1 July	-	93,666
Disposal of subsidiary company	-	(93,666)
At 30 June	-	-

8. Trade Receivables (Cont'd)

Analysis of the trade receivables ageing as at the end of the reporting period is as follow:

	Group 2018 RM	Group 2017 RM
Neither past due nor impaired	5,851,005	1,599,612

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 30 June 2018, the Group does not have any trade receivables that are past due but not impaired.

9. Other Receivables

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Amount due from associate	6,669,146	11,064,094	6,658,309	11,052,509
Other receivables	53,249	53,166	43,590	43,590
Deposits (Note a)	290,368	233,747	9,203	8,235
Prepayments	414,175	95,111	296,311	67,256
	7,426,938	11,446,118	7,007,413	11,171,590
Less: Accumulated impairment losses - other receivables	(2,052,509)	(2,052,509)	(2,052,509)	(2,052,509)
	5,374,429	9,393,609	4,954,904	9,119,081

The amount due from associate is unsecured, non-interest bearing and repayable on demand.

9. Other Receivables (Cont'd)

Movements in the allowance for impairment losses of other receivables are as follows:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
At 1 July	2,052,509	(347,250)	2,052,509	-
Disposal of subsidiary company	-	347,250	-	-
Impairment losses recognised	-	202,509	-	202,509
Transfer from amount due from subsidiary companies	-	1,850,000	-	1,850,000
At 30 June	2,052,509	2,052,509	2,052,509	2,052,509

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

(a) Deposits

During the financial year, included in deposits of the Group is an amount of RM143,000 (2017: RM143,000) paid to acquire 90,000 units of ordinary shares representing 30% equity interests in an investee company ("Agreement") by Niche Diamond Sdn. Bhd. ("ND"), a wholly-owned subsidiary company of the Company.

On 24 November 2015, ND has terminated the Agreement after the completion of financial due diligence audit. In previous financial year, ND has collected RM100,000 from the investee company. The Directors of the Company are of the opinion that the remaining outstanding amount of RM143,000 are recoverable and accordingly, no impairment losses on deposit has been made in the financial statements.

10. Amount Due From Subsidiary Companies

	Company 2018 RM	Company 2017 RM
Amount due from subsidiary companies		
Non-current		
Non-trade related		
Non-interest bearing	494,130	494,130
Less: Accumulated impairment losses	(494,130)	(494,130)
	-	-
Current		
Non-trade related		
Non-interest bearing	16,038,765	11,251,437
Less: Accumulated impairment losses	(6,397,552)	(6,397,552)
	9,641,213	4,853,885

Movements in the allowance for impairment losses of amount due from subsidiary companies are as follows:

	Company 2018 RM	Company 2017 RM
At 1 July	6,891,682	8,778,755
Impairment losses reversed	-	(37,073)
Reclassification to other receivables	-	(1,850,000)
At 30 June	6,891,682	6,891,682

Non-current
Amount due from subsidiary companies with non-interest bearing are unsecured and not repayable within the next twelve months.

Current
Amount due from subsidiary companies with non-interest bearing are unsecured and repayable on demand.

11. Cash and Bank Balances

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Short-term investment in cash funds with financial institution	3,821	3,708	3,821	3,708
Cash and bank balances	796,015	1,162,089	175,013	1,069,591
	799,836	1,165,797	178,834	1,073,299

The effective interest rates and maturities of short-term investment in cash funds of the Group and of the Company as at the end of the reporting period are as follows:

	Group		Company	
	2018	2017	2018	2017
Interest rate (%)	2.82 to 3.57	2.53 to 3.18	2.82 to 3.57	2.53 to 3.18
Maturities (days)	30	30	30	30

12. Share Capital

	Group and Company			
	Number of Ordinary Shares		Amount	
	2018	2017	2018	2017
	Units	Units	RM	RM
Issued and fully paid:				
At 1 July	333,037,600	302,761,500	32,849,619	30,276,150
Warrants exercised	250	-	45	-
Shares issued during the financial year	-	30,276,100	-	2,573,469
At 30 June	333,037,850	333,037,600	32,849,664	32,849,619

The Companies Act, 2016 in Malaysia ("the Act"), which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Section 74 of the Act states that all shares issued before or after 31 January 2017 shall have no par or nominal value. There is no impact on the numbers of ordinary shares in issues to the relative entitlement of any of the members as a result of this transition.

12. Share Capital (Cont'd)

During the financial year, the Company issued 250 new ordinary shares at RM0.16 per ordinary shares arising from exercise of warrants.

During the previous financial year, the Company issued 30,276,100 new ordinary shares of RM0.085 each arising from private placement at RM2,573,469 for a total cash consideration of RM2,573,469 for working capital purposes.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

13. Reserves

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Non-Distributable					
Share premium	(a)	8,254,170	8,254,170	8,254,170	8,254,170
Warrant reserve	(b)	-	1,225,307	-	1,225,307
Foreign currency translation reserve	(c)	(476,888)	350,538	-	-
Accumulated losses		(21,034,529)	(23,205,757)	(29,467,288)	(29,988,123)
		(13,257,247)	(13,375,742)	(21,213,118)	(20,508,646)

The nature of reserves of the Group and of the Company are as follows:

(a) Share premium

	Group and Company 2018 RM	Group and Company 2017 RM
At 1 July	8,254,170	8,300,813
Share issuance expenses	-	(46,643)
At 30 June	8,254,170	8,254,170

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

13. Reserves (Cont'd)

(a) Share premium (Cont'd)

Section 618(2) of the Act states that upon the commencement of Section 74, the share premium account shall become part of share capital. However, the share premium account is maintained pursuant to the transitional provisions set out in Section 618(3) of the Companies Act, 2016 in Malaysia and shall become part of share capital within twenty-four months upon the commencement of Section 74.

(b) Warrant reserve

Proceed from the issuance of warrants, net of issuance costs, are credited to warrant reserve which is non-distributable. Warrant reserve are transferred to share premium reserve upon the exercise of warrants. Warrant reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings/accumulated losses.

Warrants reserve represent reserve allocate to free detachable warrants issued with rights issue.

The salient features of the warrants is as follows:

(i) Each warrant entitles the holder to subscribe for one (1) new Niche Capital Emas Holdings Berhad ("NICE") share at the exercise price during the exercise period. Any warrant not exercised during the exercise period shall thereafter lapse and cease to be valid for any purpose.

(ii) The warrants may be exercised at any time on or before the expiry date of five years from the issue date of the warrants on 10 August 2012. The exercise price for the warrants was fixed at RM0.16 per share.

(iii) The registered holder of the warrants shall pay cash equivalent to the exercise price for each warrant held when subscribing for the new NICE shares.

(iv) The new NICE shares to be issued upon exercise of the warrants, when issued and allotted, will in all respect rank pari-passu with the NICE shares on the relevant date of issue the new NICE shares, except for any dividend, right, allotment and/or other distribution that may be declared, made or paid, the record date for which precedes the relevant date of issue of the new NICE shares.

13. Reserves (Cont'd)

(b) Warrant reserve (Cont'd)

Movement in the Warrants is as follows:

	Group and Company 2018 RM	2017 RM
At 1 July	1,225,307	1,225,307
Exercised during the financial year	(5)	-
Lapsed	(1,225,302)	-
At 30 June	-	1,225,307

During the financial year, a total of 250 warrants were exercised before the expiry date of the warrants on 9 August 2017. As at the expiry date of 9 August 2017, 53,096,370 unexercised warrants had lapsed and thereafter ceased to be valid for any purpose.

(c) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

14. Deferred Tax Liabilities

	Group 2018 RM	2017 RM
Deferred tax liabilities		
At 1 July	4,000	-
Origination and reversal of temporary differences	(3,800)	4,000
Over provison in prior years	(200)	-
At 30 June	-	4,000

The net deferred tax assets and liabilities shown on the statement of financial position after appropriate offsetting are as follows:

	Group 2018 RM	2017 RM	Company 2018 RM	2017 RM
Deferred tax assets	(7,869)	(168)	-	(168)
Deferred tax liabilities	7,869	4,168	-	168
	-	4,000	-	-

14. Deferred Tax Liabilities (Cont'd)

The components and movements of deferred tax assets and liabilities are as follows:

Group

	Unutilised capital allowances RM	Unutilised tax losses RM	Total RM
Deferred tax assets			
At 1 July 2016	(4,339)	-	(4,339)
Recognised in profit or loss	4,171	-	4,171
At 30 June 2017	(168)	-	(168)
Recognised in profit or loss	(452)	(7,249)	(7,701)
At 30 June 2018	(620)	(7,249)	(7,869)

	Accelerated capital allowances RM	Total RM
Deferred tax liabilities		
At 1 July 2016	4,339	4,339
Recognised in profit or loss	(171)	(171)
At 30 June 2017	4,168	4,168
Recognised in profit or loss	3,901	3,901
Over provision in prior years	(200)	(200)
At 30 June 2018	7,869	7,869

14. Deferred Tax Liabilities (Cont'd)

The components and movements of deferred tax assets and liabilities are as follows: (Cont'd)

	Unutilised capital allowances RM	Total RM
Deferred tax assets		
Recognised in profit or loss/At 30 June 2016	(168)	(168)
At 30 June 2017	(168)	(168)
Over provision in prior years	168	168
At 30 June 2018	-	-

	Accelerated capital allowances RM	Total RM
Deferred tax liabilities		
Recognised in profit or loss/At 30 June 2016	168	168
At 30 June 2017	168	168
Over provision in prior years	(168)	(168)
At 30 June 2018	-	-

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Unutilised tax losses	1,577,451	270,170	375,261	-
Unutilised capital allowances	309	16,107	309	625
	1,577,760	286,277	375,570	625

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

15. Trade Payables

	Group	
	2018	2017
	RM	RM
Trade payables	2,090,200	62,336,606

Credit terms of trade payables of the Group is 30 days (2017: 30 days) depending on the terms of the contracts.

16. Other Payables

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Other payables	964,583	788,963	635,178	518,317
Amount due to Directors	4,434,113	1,457,659	1,354,343	1,204,343
Amount due to associate	8,469	8,879	5,408	5,612
Accruals	1,372,070	1,004,977	1,128,679	874,988
	6,779,235	3,260,478	3,123,608	2,603,260

Included in other payables is RM6,903 (2017: RM6,903) due to Directors of a subsidiary company. The amount is unsecured, non-interest bearing and repayable on demand.

The amount due to Directors and associate are unsecured, non-interest bearing and repayable on demand.

17. Finance Lease Liabilities

	Group and Company	
	2018	2017
	RM	RM
Secured		
Current		
Finance lease liabilities	20,371	109,544
Minimum lease payments:		
Within one year	20,371	110,371
Less: Future finance charges	-	(827)
Present value of minimum lease payments	20,371	109,544
Present value of minimum lease payments:		
Within one year	20,371	109,544

The Group and the Company leases motor vehicles under finance lease (Note 4). At the end of the lease term, the Group has the option to acquire the assets at a nominal price deemed to be a bargain purchase option. There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payment.

The average effective interest rate as at the end of the reporting period is 5.05% per annum (2017: 5.05%).

18. Revenue

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Sale of gold jewellery and ornaments and workmanship charges	13,159,097	14,790,886	-	-

19. Finance Costs

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Finance lease liabilities	827	4,909	827	4,909
Others	-	21,766	-	-
	827	26,675	827	4,909

20. Profit/(Loss) before Tax

Profit/(Loss) before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Auditors' remuneration				
- statutory audits	91,687	97,476	80,000	80,000
- under/(over) provision in prior years	6,819	(10,678)	6,000	(12,000)
- non-audit services	5,000	15,000	5,000	15,000
Depreciation of property, plant and equipment	12,091	202,686	1,938	1,999
Foreign exchange loss/ (gain)				
- Realised	56,324	61,413	(20)	-
- Unrealised	748,285	(82,692)	(204)	230
Impairment losses on:				
- Other receivables	-	202,509	-	202,509
- Investments in associate	-	1,728	-	1,728
Interest income	(113)	(577)	(113)	(105)
Inventories written down	-	10,666	-	-

20. Profit/(Loss) before Tax (Cont'd)

Profit/(Loss) before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Loss/(Gain) on disposal of:				
- investments in subsidiary company	-	3,097,052	-	(9,280)
Non-executive Directors' remuneration				
- Fee	162,833	91,094	162,833	91,094
- Other emoluments	17,000	12,500	17,000	12,500
Property, plant and equipment written off	-	166,310	-	-
Rental of premises	278,140	241,675	30,660	32,860
Reversal of impairment losses on:				
- amount due from subsidiary companies	-	-	-	(37,073)
- investments in subsidiary companies	-	(2,448)	-	(2,448)
Reversal of inventories written down	-	(11,074)	-	-
Waiver of debts	(103,054)	-	(103,054)	-

21. Taxation

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Tax expenses recognised in profit or loss				
Current tax	307,013	383,880	-	-
Over provision in prior years	(2,128)	-	-	-
	304,885	383,880	-	-
Deferred tax				
Origination and reversal of temporary differences	(3,800)	4,000	-	-
Over provision in prior years	(200)	-	-	-
	(4,000)	4,000	-	-
	300,885	387,880	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

21. Taxation (Cont'd)

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Profit/(Loss) before tax	1,246,811	(3,378,545)	(704,467)	(1,456,318)
At Malaysian statutory tax rate of 24%	299,234	(810,851)	(169,072)	(349,516)
Effect of difference tax rate in other jurisdictions	(239,210)	(95,476)	-	-
Expenses not deductible for tax purposes	147,954	1,787,446	79,310	361,145
Income not subject to tax	(214,721)	(3,033)	(225)	(11,779)
Utilisation of previously unrecognised deferred tax assets	-	(490,206)	-	-
Deferred tax assets not recognised	309,956	-	89,987	150
Over provision of taxation in prior years	(2,328)	-	-	-
	300,885	387,880	-	-

22. Earnings/(Loss) per Share

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share are calculated based on the consolidated profit/(loss) for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2018 RM	2017 RM
Profit/(loss) attributable to owners of the parent	945,926	(2,637,904)
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 July	333,037,600	302,761,500
Effect of ordinary shares issued during the financial year	228	9,124,304
Weighted average number of ordinary shares at 30 June	333,037,828	311,885,804
Basic earnings/(loss) per ordinary share (in sen)	0.28	(0.85)

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share are calculated based on the adjusted consolidated profit/(loss) for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	
	2018 RM	2017 RM
Profit/(loss) attributable to owners of the parent	945,926	(2,637,904)
Weighted average number of ordinary shares used in the calculation of basic earning per share		
Weighted average number of ordinary shares at 30 June (diluted)	333,037,828	311,885,804
Diluted earnings/(loss) per share (in sen)	0.28	(0.85)

22. Earning/(loss) per Share (Cont'd)

(b) Diluted earnings/(loss) per share (Cont'd)

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share.

	Group	
	2018 Units	2017 Units
Warrants	-	53,096,620

23. Staff Costs

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Salaries, wages and other emoluments	774,642	2,582,695	485,804	467,020
Social security contributions	5,956	5,805	2,326	2,277
Defined contribution plans	94,329	372,872	58,428	56,028
	874,927	2,961,372	546,558	525,325

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Executive Directors				
Existing Directors of the Company				
Salaries, bonus and other emoluments	360,000	360,000	360,000	360,000
Social security contributions	829	829	829	829
Defined contribution plans	43,200	43,200	43,200	43,200
	404,029	404,029	404,029	404,029

23. Staff Costs (Cont'd)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below: (Cont'd)

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Existing Directors of the subsidiary companies				
Salaries, bonus and other emoluments	-	284,042	-	-
Total Executive Directors' remuneration	404,029	688,071	404,029	404,029

24. Reconciliation of Liabilities Arising from Financing Activities

The analysis of net debts and the movement in net debts are shown as follows:

	At 1 July 2017 RM	Financing cash flow (i) RM	At 30 June 2018 RM
2018			
Finance lease liabilities	109,544	(89,173)	20,371

(i) The cash flows from loans and borrowings make up the net amount of proceeds from or repayments of borrowings in the statements of cash flows.

25. Contingencies

Contingent assets

On 6 August 2012, the Company announced the default in the repayment of the amount demanded by the Banks for the corporate guarantees issued for the banking facilities defaulted by the former subsidiary company pursuant to Practice Note 1 ("PN 1") issued by Bursa Malaysia Securities Berhad. A Solvency Declaration was provided by the Board of Directors of the Company to Bursa Malaysia Securities Berhad on the same day.

On 24 April 2013, the Company announced the acceptance of the offer letters from the Banks for:

(i) proposed debts settlement on behalf of the former subsidiary company in respect of the former subsidiary company's outstanding debts to the Banks; and
(ii) discharge of corporate guarantees issued by the Company favouring the Banks for banking facilities granted to the former subsidiary. (collectively "Proposed Debts Settlement")

The salient terms of Proposed Debts Settlement, inter-alia, are as follows:

(i) The Banks have agreed in principle to accept a full and final settlement sum of RM11,512,725 ("Settlement Sum") as settlement of the total outstanding bank facilities of the former subsidiary company as at 31 December 2012 of RM16,593,233.
(ii) The Company will settle the Settlement Sum via a proposed issuance of 104,898,790 new ordinary share of RM0.10 each in the Company at the par value ("Proposed Private Placement") and RM1,022,846 in cash.

On 26 June 2014, the Company entered into a debt settlement agreement with Yikon Jewellery Industry Sdn. Bhd. ("the former subsidiary company") and the following creditors ("Creditor Banks"):

(i) AmBank (M) Berhad;
(ii) CIMB Bank Berhad;
(iii) RHB Bank Berhad; and
(iv) United Overseas Bank (Malaysia) Bhd.

Pursuant to the debt settlement agreement, the Company intends to undertake a proposed debt settlement of debt due from the former subsidiary company's outstanding debts to the Creditor Banks in the aggregate sum of RM16,593,233 (as at 31 December 2012) via cash payment of RM1.014 million and issuance of 115,130,000 ordinary shares of RM0.10 each to the Creditor Banks.

On 23 December 2014, the Company had allotted 115,130,000 ordinary shares to the following Creditor Banks as below:
(i) 9,130,000 ordinary shares to AmBank (M) Berhad;
(ii) 17,000,000 ordinary shares to CIMB Bank Berhad;
(iii) 64,800,000 ordinary shares to RHB Bank Berhad; and
(iv) 24,200,000 ordinary shares to United Overseas Bank (Malaysia) Bhd.

25. Contingencies (Cont'd)

The listing and quotation for the shares was effected on 24 December 2014.

On 6 May 2015, the Company announced the PN 1 status had been regularised and uplifted as the Board of Directors of the Company had received letters from the Creditor Banks confirming that all amounts due from the former subsidiary company have been fully settled and the Company is released from all liabilities in connection thereof.

As at 30 June 2018, the Group and the Company estimated an amount of RM6,505,668 as a contingent assets shall be received from the former subsidiary company.

26. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Transactions with subsidiary company				
- Management fee	-	-	600,000	-

26. Related Party Disclosures (Cont'd)

(b) Significant related party transactions (Cont'd)

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows: (Cont'd)

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Transactions with associate company				
- Repayment to Yikoni Gold (ShenZhen) Co. Ltd.	-	(204,764)	-	-
- Advances/ (Repayment) from Yikon (HK) Limited	(4,394,948)	471,473	(4,394,200)	-
- Rental expenses on premises	-	91,605	-	-
Transactions with Directors of the Company				
- Advances to group/company	2,976,454	1,451,899	150,000	1,451,899
Transactions with Directors and their close family members				
- Consultation fee	180,000	-	180,000	-

(c) Compensation of key management personnel

The remuneration of key management personnel is same as the Directors' remuneration as disclosed in Notes 20 and 23.

27. Segment Information

The Group's activities are principally confined to the manufacture and sales of gold jewellery and ornaments. Accordingly, the business segment of the Group is not presented.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

	Malaysia RM	Other Asian countries RM	Adjustments and eliminations RM	Consolidated RM
2018				
Revenue				
External customers/ Total revenue	797,599	23,775,838	(11,414,340)	13,159,097
Results				
(Loss)/Profit from operations before interest income	(1,922,137)	2,275,929	893,733	1,247,525
Interest income	113	-	-	113
(Loss)/Profit from operations	(1,922,024)	2,275,929	893,733	1,247,638
Finance costs	(827)	-	-	(827)
(Loss)/Profit before tax	(1,922,851)	2,275,929	893,733	1,246,811
Taxation	6,128	(307,013)	-	(300,885)
(Loss)/Profit for the financial year	(1,916,723)	1,968,916	893,733	945,926
Assets and liabilities				
Segment assets	31,627,232	11,071,290	(13,757,632)	28,940,890
Segment liabilities	22,497,547	8,000,962	(21,150,036)	9,348,473
Other information				
Capital expenditure	254,309	-	-	254,309
Depreciation of property, plant and equipment	12,091	-	-	12,091
Other material non-cash items	(102,234)	1,390,187	(642,722)	645,231

27. Segment Information (Cont'd)

	Malaysia RM	Other Asian countries RM	Adjustments and eliminations RM	Consolidated RM
2017				
Revenue				
External customers/ Total revenue	4,717,925	10,072,961	-	14,790,886
Results				
Profit/(Loss) from operations before interest income	1,158,933	(963,140)	(3,548,240)	(3,352,447)
Interest income	105	602,352	(601,880)	577
Profit/(Loss) from operations	1,159,038	(360,788)	(4,150,120)	(3,351,870)
Finance costs	(4,909)	(21,766)	-	(26,675)
Profit/(Loss) before tax	1,154,129	(382,554)	(4,150,120)	(3,378,545)
Taxation	(177,000)	(210,880)	-	(387,880)
Profit/(Loss) for the financial year	977,129	(593,434)	(4,150,120)	(3,766,425)
Assets and liabilities				
Segment assets	26,252,362	74,108,224	(14,854,476)	85,506,110
Segment liabilities	15,205,994	73,078,079	(22,251,840)	66,032,233
Other information				
Capital expenditure	3,308	100,998	-	104,306
Depreciation of property, plant and equipment	8,108	194,578	-	202,686
Other material non-cash items	149,836	1,833,478	1,398,737	3,382,051

27. Segment Information (Cont'd)

Other material non-cash items consist of the following items as presented in the respective notes to the financial statements:

	Group 2018 RM	Group 2017 RM
Impairment losses on other receivables	-	202,509
Impairment loss on investments in associate	-	1,728
Inventories written down	-	10,666
Loss on disposal of investments in subsidiary company	-	3,097,052
Property, plant and equipment written off	-	166,310
Reversal of impairment losses on investments in subsidiary company	-	(2,448)
Reversal of inventories written down	-	(11,074)
Unrealised loss/(gain) on foreign exchange	748,285	(82,692)
Waiver of debts	(103,054)	-
	645,231	3,382,051

Geographic information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follow:

Group	Revenue 2018 RM	Revenue 2017 RM	Non-current assets 2018 RM	Non-current assets 2017 RM
Malaysia	137,599	4,717,925	288,198	45,980
China	-	6,818,305	-	-
Hong Kong	13,021,498	3,254,656	-	-
	13,159,097	14,790,886	288,198	45,980

Non-current assets for this purpose consist of property, plant and equipment.

Major customers

Revenue from two major customers amount to RM11,658,464 (2017: RM7,971,637), arising from sales in Hong Kong (2017: Malaysia and Hong Kong).

28. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total RM
Financial assets			
2018			
Trade receivables	5,851,005	-	5,851,005
Other receivables	4,960,254	-	4,960,254
Cash and bank balances	799,836	-	799,836
	11,611,095	-	11,611,095
2017			
Trade receivables	1,599,612	-	1,599,612
Other receivables	9,298,498	-	9,298,498
Cash and bank balances	1,165,797	-	1,165,797
	12,063,907	-	12,063,907
Financial liabilities			
2018			
Trade payables	-	2,090,200	2,090,200
Other payables	-	6,779,235	6,779,235
Finance lease liabilities	-	20,371	20,371
	-	8,889,806	8,889,806
2017			
Trade payables	-	62,336,606	62,336,606
Other payables	-	3,260,478	3,260,478
Finance lease liabilities	-	109,544	109,544
	-	65,706,628	65,706,628

28. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

Company	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total RM
Financial assets			
2018			
Other receivables	4,658,593	-	4,658,593
Amount due from subsidiary companies	9,641,213	-	9,641,213
Cash and bank balances	178,834	-	178,834
	14,478,640	-	14,478,640
2017			
Other receivables	9,051,825	-	9,051,825
Amount due from subsidiary companies	4,853,885	-	4,853,885
Cash and bank balances	1,073,299	-	1,073,299
	14,979,009	-	14,979,009
Financial liabilities			
2018			
Other payables	-	3,123,608	3,123,608
Finance lease liabilities	-	20,371	20,371
	-	3,143,979	3,143,979
2017			
Other payables	-	2,603,260	2,603,260
Finance lease liabilities	-	109,544	109,544
	-	2,712,804	2,712,804

28. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with financial institutions. The Company's exposure to credit risk arises principally from advances to subsidiary companies and associate.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies and associate. The Company monitors on an ongoing basis the results of the subsidiary companies and associate and repayments made by the subsidiary companies and associate.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk. There was no indication that any subsidiary companies and associate would default on repayment as at the end of the reporting period.

28. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Credit risk concentration

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profiles of the Group's trade receivables at the end of reporting period are as follows:

Group	**2018**	**2017**
	RM	**RM**
Hong Kong	5,851,005	1,599,612

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

All financial liabilities of the Group and of the Company are assessed as current and correspondingly, no detailed maturity analysis is deemed necessary.

(iii) Market risk

(a) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

28. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2018 RM	2017 RM
Group/Company		
Fixed rate instruments		
Financial assets	3,821	3,708
Financial liabilities	(20,371)	(109,544)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

28. Financial Instruments (Cont'd)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and bank balances and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value financial instruments not carried at fair value			Carrying amount
	Level 1	Level 2	Level 3	
	RM	RM	RM	RM
Group and Company				
2018				
Financial liability				
Finance lease liabilities	-	21,885	-	20,371
2017				
Financial liability				
Finance lease liabilities	-	106,517	-	109,544

(i) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iii) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

29. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Finance lease liabilities (Note 17)	20,371	109,544	20,371	109,544
Less: Cash and bank balances	(799,836)	(1,165,797)	(178,834)	(1,073,299)
Net debt	(779,465)	(1,056,253)	(158,463)	(963,755)
Total equity	19,592,417	19,473,877	11,636,546	12,340,973
Gearing ratio	-*	-*	-*	-*

* The gearing ratio is not applicable as the Group and the Company have sufficient cash and bank balances to settle the liabilities as at year end.

There were no changes in the Group's approach to capital management during the financial year.

30. Significant Events During the Financial Year

On 10 August 2017, the Company had announced to undertake the Proposals comprising the Proposed Rights Issue with Warrants and Proposed Capitalisation as detailed below:

(i) the Proposed Rights Issue with Warrants entails a renounceable rights issue of up to 1,332,151,400 Rights Shares on the basis of 4 Rights Shares for every 1 existing NICE Share held on the Entitlement Date, together with up to 666,075,700 Warrants on the basis of 2 Warrants for every 4 Rights Shares subscribed for at an issue price of RM0.045 per Rights Share; and

30. Significant Events During the Financial Year (Cont'd)

On 10 August 2017, the Company had announced to undertake the Proposals comprising the Proposed Rights Issue with Warrants and Proposed Capitalisation as detailed below: (Cont'd)

(ii) the Proposed Capitalisation entails the settlement of RM54,003,850 in aggregate of the amount owing to the Creditors of NCL via the issuance of 1,080,077,000 Settlement Shares by NICE at an issue price of RM0.05 per Settlement Share.

Subsequently, on 14 May 2018, the Company had announced that:

(i) the conditions precedent of the Settlement Agreements had not been fulfilled within the period stipulated therein. As such, the Settlement Agreements have, ipso facto, been terminated effective 10 May 2018 and thus, the Company will not be proceeding with the Proposed Capitalisation; and

(ii) the Company intended to proceed with the Proposed Rights Issue with Warrants, subject to revision in view of the termination of the Settlement Agreements.

On 21 June 2018, The Company had announced that after further deliberation, the Company has resolved to amongst others, revise the number of Rights Shares and Warrants to be issued following a revision to the basis of entitlement of the Rights Shares and Warrants as well as revise the minimum subscription level and undertaking from certain shareholders in respect of the Proposed Rights Issue with Warrants ("Revisions").

The Revisions would entail a renounceable rights issue of up to 1,665,189,250 Rights Shares on the basis of 5 Rights Shares for every 1 existing NICE Share held on the Entitlement Date, together with up to 999,113,550 Warrants on the basis of 3 Warrants for every 5 Rights Shares subscribed for at an issue price of RM0.045 per Rights Share.

On 22 June 2018, the Company had announced that the application in relation to the revised Proposed Rights Issue with Warrants has been submitted to Bursa Malaysia Securities Berhad. The revised Proposed Rights Issue with Warrants is currently pending completion as NICE is in the process of obtaining the necessary approvals from the relevant authorities and shareholders.

31. Comparative Information

Certain comparatives were restated to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 30 June 2017.

32. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 3 October 2018.

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018
Condensed Consolidated Income Statement (Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	2,201	2,225	2,201	2,225
Cost of goods sold	(1,271)	(1,118)	(1,271)	(1,118)
Gross profit / (loss)	930	1,107	930	1,107
Administrative expenses	(642)	(609)	(642)	(609)
Other expenses	(120)	(997)	(120)	(997)
Other income	2	-	2	-
Operating profit / (loss)	170	(499)	170	(499)
Finance cost	(2)	(1)	(2)	(1)
Profit/(Loss) before tax	168	(500)	168	(500)
Taxation	-	-	-	-
Profit/(Loss) for the period	168	(500)	168	(500)
Profit/(Loss) after tax attributable to Equity holders of the Company	168	(500)	168	(500)
Earnings per share (sen)				
- basic	0.05	(0.15)	0.05	(0.15)
- diluted	0.05	(0.15)	0.05	(0.15)

The Condensed Consolidated Income Statements should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2018. The accompanying notes form an integral part of this Income Statement.

ORIGINAL SIGHTED
12 DEC 2018
Ong Tze-En
Company Secretary
MAICSA 7026537

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018
Condensed Consolidated Statement of Comprehensive Income (Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) for the period	168	(500)	168	(500)
Other comprehensive income:				
Currency translation differences	65	(199)	65	(199)
Total comprehensive income/ (loss) for the period	233	(699)	233	(699)
Total comprehensive income/ (loss) attributable to:				
Equity holders of the Company	233	(699)	233	(699)

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

Condensed Consolidated Statement of Financial Position

	Unaudited As at 30/9/2018	Audited As at 30/6/2018
	RM'000	RM'000
Non-Current Assets		
Property, Plant & Equipment	280	288
Current Assets		
Inventories	15,403	16,627
Trade Receivables	6,896	5,851
Other Receivables, Deposits and Prepayments	5,499	5,375
Tax recoverable	62	51
Cash & Cash Equivalents	138	800
	27,998	28,704
Assets held for sale	-	-
Total Current Assets	27,998	28,704
Total Assets	**28,278**	**28,992**
Equity		
Share Capital	32,850	32,850
Reserves		
Share Premium	8,254	8,254
Exchange Fluctuation Reserve	(412)	(477)
Accumulated Losses	(20,867)	(21,035)
Equity attributable to the shareholders of the Company	19,825	19,592
Total Equity	19,825	19,592
Current Liabilites		
Trade Payables	990	2,090
Other Payables & Accruals	6,939	6,780
Provision for taxation	524	510
Finance Lease Lability	-	20
Total Current Liabilities	8,453	9,400
Total Equity and Liabilities	**28,278**	**28,992**
Net Assets per Share (RM)	**0.06**	**0.06**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2018. The accompanying notes form an integral part of this Statement of Financial Position.

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018
Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to shareholders of the Company					
	Non-Distributable				Distributable	Total Equity
	Share Capital	Share Premium	Warrants Reserve	Exchange Fluctuation Reserve	Retained Earnings / (Accumulated Losses)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1/7/2018	32,850	8,254	-	(477)	(21,035)	19,592
Profit / (Loss) for the period	-	-	-	-	168	168
Other Comprehensive Income / (Loss)	-	-	-	65	-	65
Total Comprehensive Income / (Loss) for the period	-	-	-	65	168	233
Transactions with owners						
Warrants Expired	-	-	-	-	-	-
Balance as at 30/9/2018	32,850	8,254	-	(412)	(20,867)	19,825

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR FIRST QUARTER ENDED 30 SEPTEMBER 2018
Condensed Consolidated Statement of Changes in Equity (Continued)

	Attributable to shareholders of the Company					
	Non-Distributable				Distributable	Total Equity
	Share Capital	Share Premium	Warrants Reserve	Exchange Fluctuation Reserve	Retained Earnings / (Accumulated Losses)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1/7/2017	32,850	8,254	1,225	351	(23,206)	19,474
Profit / (Loss) for the period	-	-	-	-	946	946
Other Comprehensive Income / (Loss)	-	-	-	(828)	-	(828)
Total Comprehensive Income / (Loss) for the period	-	-	-	(828)	946	118
Transactions with owners						
Warrants Expired	-	-	(1,225)	-	1,225	-
Balance as at 30/6/2018	32,850	8,254	-	(477)	(21,035)	19,592

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2017. The accompanying notes form an integral part of this statement.

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018
Condensed Consolidated Statement of Cash Flows (Unaudited)

	Unaudited 1/7/2018 to 30/9/2018 RM'000	*Unaudited* 1/7/2017 to 30/9/2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	168	(500)
Adjustments for: -		
Depreciation	8	2
Unrealised loss/(gain) on foreign exchange	120	997
Interest expenses	2	1
Operating profit / (loss) before working capital changes	298	500
Changes in working capital		
Inventories	1,271	1,108
Trade and other receivables	(1,153)	(1,827)
Trade and other payables	(1,085)	(541)
Cash generated from / (used in) operating activities	(669)	(760)
Interest paid	(1)	(1)
Tax refund/(paid)	(11)	(8)
Net cash generated from / (used in) operating activities	(681)	(769)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(5)
Net cash generated from / (used in) investing activities	-	(5)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability	(20)	-
Advance from director	39	(1)
Net cash generated from / (used in) financing activities	19	(1)
Exchange difference in Translation	-	-
Net increase / (decrease) in cash and cash equivalents	(662)	(775)
Cash and cash equivalents at the beginning of the financial period/year	800	1,166
Cash and cash equivalents at the end of the financial period/year	138	391
Cash and cash equivalents comprise:		
Short term investment in cash fund of financial institutions	4	4
Cash and bank balances	134	387
	138	391

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2018. The accompanying notes form an integral part of this statement.

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

A. Explanatory Notes Pursuant to Financial Reporting Standard (MFRS 134)

1. Basis of Preparation

This interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

Changes in Accounting Policies

The accounting policies and methods of the computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2018.

Adoption of new and amended standards

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

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRSs 2014 - 2016 Cycle	Amendments to MFRS 12

The adoption of above amendments to MFRSs did not have any significant impact on the financial statements of the Company.

1. Basis of Preparation (Cont'd)

Standards issued but not yet effective

The Company has not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Company:

		Effective dates for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*	1 January 2018*
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Annual Improvements to MFRSs 2014 - 2016 Cycle:		
• Amendments to MFRS 1		1 January 2018
• Amendments to MFRS 128		1 January 2018
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRSs 2015 - 2017 Cycle:		
• Amendments to MFRS 3		1 January 2019
• Amendments to MFRS 11		1 January 2019
• Amendments to MFRS 112		1 January 2019
• Amendments to MFRS 123		1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards		
• Amendments to MFRS 2 *Share-Based Payment*		1 January 2020
• Amendment to MFRS 3 *Business Combinations*		1 January 2020
• Amendments to MFRS 6 *Exploration for and Evaluation of Mineral Resources*		1 January 2020
• Amendment to MFRS 14 *Regulatory Deferral Accounts*		1 January 2020
• Amendments to MFRS 101 *Presentation of Financial Statements*		1 January 2020

1. Basis of Preparation (Cont'd)

Standards issued but not yet effective (Cont'd)

		Effective dates for financial periods beginning on or after
• Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*		1 January 2020
• Amendments to MFRS 134 *Interim Financial Reporting*		1 January 2020
• Amendment to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*		1 January 2020
• Amendment to MFRS 138 *Intangible Assets*		1 January 2020
• Amendment to IC Interpretation 12 *Service Concession Arrangements*		1 January 2020
• Amendment to IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*		1 January 2020
• Amendment to IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*		1 January 2020
• Amendment to IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*		1 January 2020
• Amendments to IC Interpretation 132 *Intangible Assets-Web Site Costs*		1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

Note:

** Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

The Company intends to adopt the above MFRSs when they become effective.

2. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 30 June 2018 were not subject to any audit qualification.

3. Seasonal or Cyclical Factors

Turnover of the Group is normally higher during the festive seasons.

4. Unusual Items Due to their Nature, Size or Incidence

There were no items affecting assets, liabilities, equity, net income or cash flow for the current quarter and financial period-to-date that are unusual due to their nature, size or incidence.

5. Changes in Estimates

There was no material change in estimates of amounts reported in prior interim periods of the current financial period or prior financial year.

6. Issuances and Repayment of Debt and Equity Securities

There was no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period under review.

7. Dividend Paid

No dividend has been paid during the current quarter and financial period-to-date.

8. Segmental Information

	Malaysia		**HongKong / China**		**Group**	
	Current Year-To-Date	Preceding Year-To-Date	Current Year-To-Date	Preceding Year-To-Date	Current Year-To-Date	Preceding Year-To-Date
	30.9.2018	30.9.2017	30.9.2018	30.9.2017	30.9.2018	30.9.2017
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue						
Total Revenue	2,201	-	-	2,225	2,201	2,225
Inter-segment revenue	-	-	-	-	-	-
External Sales	2,201	-	-	2,225	2,201	2,225
					-	
Segment Result	329	(602)	(151)	105	178	(497)
Interest Income	-	-	-	-	-	-
Interest Expense	(2)	(1)	-	-	(2)	(1)
Depreciation and amortisation	(8)	(2)	-	-	(8)	(2)
Profit/(loss) before tax	319	(605)	(151)	105	168	(500)
Taxation	-	-	-	-	-	-
Profit/(loss) after tax	319	(605)	(151)	105	168	(500)
Assets						
Segment Assets	21,584	10,915	6,694	73,325	28,278	84,240
Unallocated Assets	-	-	-	-	-	-
Total Assets	21,584	10,915	6,694	73,325	28,278	84,240
Liabilities						
Segment Liabilities	4,055	3,515	4,398	61,950	8,453	65,465
Unallocated Liabilities	-	-	-	-	-	-
Total Liabilities	4,055	3,515	4,398	61,950	8,453	65,465

The segmental information is presented based on the geographical location of customers. No business segment analysis is considered necessary as the Group is primarily engaged in the trading and retailing of gold, gold jewellery, jadeite and ornaments.

9. Property, Plant and Equipment

There was no valuation of property, plant and equipment in the current quarter under review.

10. Material Subsequent Events

There was no material event subsequent to the current quarter under review.

11. Investment in Associate

	30.9.2018 RM'000	30.6.2018 RM'000
Unquoted shares, at cost	-	2
Accumulated Impairment Loss	-	(2)
	-	-

12. Significant Related Party Transactions

There was no significant related party transaction in the financial period under review except the following:

	Transaction value period-to-date 30/9/2018 RM	Balance Outstanding as at 30/9/2018 RM
Advances from/(Repayment to) an executive director, for his advances [a] to the Company and subsidiary companies.	39,287	4,468,579
Advisory fee [b] paid/payable to a family member of a director for advisory services.	-	5,250

Notes:

(a) *The director's advances are unsecured, interest-free and repayable on demand. The Audit Committee and the Board, save and except for Mr Julian Foo Kuan Lin, are of the opinion that the advances were necessary to secure the financial well being of the Group and were entered into in the ordinary course of business with the terms established on a negotiated arms' length basis and not detrimental to the minority shareholders.*

(b) *The Audit Committee and the Board, save and except for Mr Julian Foo Kuan Lin, are of the opinion that the advisory services were necessary to assist the Group in strategic planning and were entered into in the ordinary course of business with the terms established on a negotiated arms' length basis and not detrimental to the minority shareholders.*

13. Contingent Assets

The Company had issued corporate guarantees to AmBank (M) Berhad, CIMB Bank Berhad, RHB Bank Berhad and United Overseas Bank (Malaysia) Berhad (the "Creditor Banks") for banking facilities granted to Yikon Jewellery Industry Sdn Bhd ("former subsidiary" or "YJI") for an amount of RM22,759,000/-. The former subsidiary had defaulted in the repayment of the Creditor Banks' borrowings during the period from 28 February 2010 to 12 July 2012, leading to a Debt Settlement Agreement being inked among the Creditor Banks, the Company and the former subsidiary on 26 June 2014 where the Company will settle the borrowings on behalf of the former subsidiary.

Pursuant to the Debt Settlement Agreement, the Company had, on 23 December 2014, allotted 115,130,000 new ordinary shares to the Creditor Banks as full and final settlement for the former subsidiary's defaulted bank borrowings with the Creditor Banks, which as at 31 December 2013 amounted to RM18,314,300/-.

As a result of the Company settling the Creditor Banks on behalf of the former subsidiary, the Company has obtained undertakings from the former subsidiary to reimburse the Company for all expenses incurred in the settlement of the former subsidiary's borrowing with the Creditor Banks. Following are the Company's entitlement to future receivables from the former subsidiary:-

(i) <u>Letter of undertaking dated 8 April 2013 and Suit Assignment Agreement dated 25 April 2013 from the former subsidiary assigning all its rights to money to be recovered from its Royal Mint suit to the Company ("Suit Assignment")</u>

The former subsidiary had instituted legal proceedings at the Penang High Court ("the Suit") against The Royal Mint of Malaysia Sdn Bhd ("RMM"), Paradym Resources Sdn Bhd ("PRI"), Azli Bin Abdul Rahman, Mimi Sharkina Bte Md Noh and Bank Negara Malaysia ("BNM") for inter-alia, the recovery of all the cupro nickel material stocks ("the Stocks") which are currently held by BNM and which the former subsidiary had supplied to RMM for a value up to RM18,879,435/-.

On 14 April 2014, the Company and BNM have reached settlement and entered into a consent judgement. It is recorded in the consent judgement that the former subsidiary and BNM have been awarded joint ownership over the Stocks which is currently held under custody of the Seremban Criminal Session Court. The consent judgement, inter alia, states that the former subsidiary and BNM shall jointly make an application to the Seremban Criminal Session Court for the release of the Stocks from the court's custody. Both the former subsidiary and BNM shall then put up the Stocks for public open tender, whereby both parties are also eligible to bid for the Stocks with a reserve price of no less than 80% of the Stocks' market value. The proceeds from the sales of the Stocks through the aforesaid open tender shall be split between the former subsidiary and BNM at the ratio of 40:60. NICE is entitled to the former subsidiary's split of the sales proceed pursuant to the Suit Assignment Agreement.

On 23 February 2017, the BNM's application for revocation of the bond dated 21 May 2007 to produce the raw materials as exhibit and for the raw materials to be released to BNM have been allowed by the Seremban Magistrate.

13. Contingent Assets (Continued)

On 15 March 2017, YJI's solicitors had a meeting with BNM to discuss the necessary steps and tentative timeline to put up the Stock for sale by open tender. The proceeds from the sale of the Stock through open tender shall be split between YJI and BNM at the ratio of 40:60, in which NICE is entitled to YJI's split of the sales proceeds pursuant to the Suit Assignment Agreement dated 25 April 2013. On 23 May 2017, BNM reverted to YJI's solicitors informing that they have received a proposal from MNP Auctioneers to undertake a stocktake exercise on the raw materials. On 25 May 2017, YJI's solicitors informed BNM that it is agreeable to the proposal but enquired whether the cost of the proposed auctioneer will be shared on the same 40:60 ratio as mentioned above.

On 10 October 2017, YJI's solicitors had another meeting with BNM to discuss on the arrangement with MNP. BNM and YJI target the auction to take place on 15 January 2018 and there should be a meeting by the parties with MNP around 17 December 2017 after the documentation and terms and conditions of the auction is prepared by MNP and circulated to the parties. Currently, YJI is still awaiting a reply from BNM with regards to the cost of the proposed auctioneer.

(ii) Settlement Agreement dated 25 September 2015

On 25 September 2015, NICE and YJI had entered into a Settlement Agreement to partially settle the amount owing by YJI to NICE ("Inter-Company Debt"). Under the Settlement Agreement, YJI proposed to partially settle the amount owing up to RM8.2 million by way of assignment debts and delivering gemstones and jewelleries to NICE. As at 30 September 2015, the assignment of the Inter-Company Debt was executed and the Group has recognized a RM5 million gain on reimbursement from YJI through the contra of intercompany debt with YJI.

B. Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

14. Detailed Analysis of Group Performance for the Current Quarter and Financial Year-to-Date

The Group recorded a turnover of RM2.20 million for the current quarter and financial year-to-date. This was a slight 1.08% reduction against the RM2.23 million reported for the comparative financial quarter in previous financial year.

During the current quarter, Niche Diamond Sdn Bhd and Niche Express Gold Sdn Bhd contributed the RM2.20 million revenue to the Group.

The Group recorded profit before taxation of RM168 thousand for the current quarter and financial year-to-date, as opposed to a RM500 thousand loss before taxation for the corresponding quarter in previous financial year.

15. Comment on Material Change in the Profit before Taxation for the Current Quarter Compared with the Immediate Preceding Quarter

The Group recorded profit before taxation of RM168 thousand in the current quarter compared to a profit before taxation of RM6.33 million in the immediate preceding quarter. During the previous quarter, Niche Capital (HK) Limited reversed RM2.90 million of unrealised foreign exchange loss incurred earlier when the overseas based subsidiary returned some purchases denominated in Malaysia Ringgit.

16. Current Year Prospects

The business environment for the Group is expected to continue to be challenging in the near future due to weak consumer demand and the stiff competition among jewellery retailers. The Board has reviewed and realigned its business strategies through divestment of its interest in mainland China's retail sector and kick-started its wholesale trading of jadeite stones and blocks through NHK. Locally, the proposed setting up of a jewellery emporium and retail outlets in Malaysia to build on and strengthen the Group's presence in the domestic market is still in progress.

17. Profit Forecast

Not applicable as no profit forecast was published.

18. Taxation

The taxation of the Group for the financial period under review is as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year-To-Date
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RM'000	RM'000	RM'000	RM'000
Income Tax				
Malaysia -current year	-	-	-	-
Malaysia -prior year	-	-	-	-
Overseas- current year	-	-	-	-
Overseas- prior year	-	-	-	-
Subtotal	-	-	-	-
Deferred Taxation				
Malaysia -current year	-	-	-	-
Malaysia -prior year	-	-	-	-
Subtotal	-	-	-	-
Total taxation expense	-	-	-	-

19. Status of Corporate Proposals Announced

On 10 August 2017, Mercury Securities Sdn Bhd ("Mercury Securities"), has on behalf of the Company, announced that the Company proposes to undertake the following corporate proposals:

(i) proposed renounceable rights issue of up to 1,332,151,400 new ordinary shares in NICE ("NICE Shares") ("Rights Shares") on the basis of 4 Rights Shares for every 1 existing NICE Share, together with up to 666,075,700 free detachable warrant ("Warrants") on the basis of 2 Warrants for every 4 Rights Shares subscribed for at an issue price of RM0.045 per Rights Share; and

(ii) proposed capitalisation of RM54,003,850 in aggregate of the amount owing to certain creditors of NICE via the issuance of 1,080,077,000 new NICE Shares ("Settlement Shares") at an issue price of RM0.05 per Settlement Share.

On 16 August 2017, Mercury Securities, has on behalf of the Company, announced that the listing application in respect of the Proposals has been submitted to Bursa Securities on the same date.

On 14 May 2018, Mercury Securities, has on behalf of the Company, announced that the conditions precedent of the Settlement Agreements have not been fulfilled within the period stipulated in the Settlement Agreements. As such, the Settlement Agreements have, ipso facto, been terminated effective 10 May 2018.

19. Status of Corporate Proposals Announced (Continued)

Pursuant thereto, the Company will not be proceeding with the Proposed Capitalisation. Notwithstanding the above, the Company intends to proceed with the Proposed Rights Issue with Warrants and is revising the Proposed Rights Issue with Warrants in view of the termination of the Settlement Agreements. The details of the revised rights issue proposal will be announced upon finalisation of the same.

On 21 June 2018, Mercury Securities, on behalf of the Board, announced that after further deliberation, the Company has resolved to amongst others, revise the number of Rights Shares and Warrants to be issued following a revision to the basis of entitlement of the Rights Shares and Warrants as well as revise the minimum subscription level and undertaking from certain shareholders in respect of the Proposed Rights Issue with Warrants ("Revisions").

The Revisions would entail a renounceable rights issue of up to 1,665,189,250 Rights Shares on the basis of 5 Rights Shares for every 1 existing NICE Share held on the Entitlement Date, together with up to 999,113,550 Warrants on the basis of 3 Warrants for every 5 Rights Shares subscribed for at an issue price of RM0.045 per Rights Share.

On 22 June 2018, Mercury Securities, on behalf of the Board, announced that the application in relation to the Proposed Rights Issue with Warrants has been submitted to Bursa Securities on the same date.

On 8 October 2018, Mercury Securities, on behalf of the Board, announced that Bursa Securities had, vide its letter dated, resolved to approve the following:

a. admission to the Official List and the listing of and quotation for up to 999,113,550 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants;

b. listing of and quotation for up to 1,665,189,250 new NICE Shares to be issued pursuant to the Proposed Rights Issue with Warrants; and

c. listing of and quotation for up to 999,113,550 new NICE Shares to be issued pursuant to the exercise of the Warrants.

On 26 October 2018, the Company issued circular for the approved Corporate Proposal and notice of Extraordinary General Meeting to the shareholders of the Company. The Corporate Proposal was duly passed by way of poll during the Extraordinary General Meeting held on 28 November 2018.

20. Group Borrowings and Debt Securities

The Group borrowing as at 30 September 2018 is as follows:

	As at 30/9/2018 RM'000	**As at 30/6/2018 RM'000**
Amount payable within 12 months	-	20
Amount payable after 12 months	-	-
Total	-	20

The bank borrowing of the Group is in Ringgit Malaysia. The bank borrowing of the Company is unsecured and the subsidiaries of the Company do not have bank borrowing as at the end of the reporting period.

21. Changes in Material Litigation

As at the latest practicable date, neither the Company nor any of its subsidiary companies is engaged in any material litigation, either as plaintiff or defendant and the Directors of the Company are not aware of any proceedings pending or threatened against the Company and its subsidiary companies or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

22. Proposed Dividend

No dividend has been proposed for the current quarter and financial period-to-date.

23. Earnings Per Share

(i) **Basic Earnings Per Share**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Quarter	Preceding Year Corresponding Quarter
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
Net profit/(loss) attributable to owners of the Company (Basic EPS numerator) (RM'000)	168	(500)	168	(500)
Weighted average number of ordinary shares in issue (Basic EPS denominator) ('000)	333,038	333,038	333,038	333,038
Basic earnings/(loss) per share (sen)	0.05	(0.15)	0.05	(0.15)

(ii) **Diluted Earnings Per Share**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Quarter	Preceding Year Corresponding Quarter
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
Net profit/(loss) attributable to owners of the Company (Diluted EPS numerator) (RM'000)	168	(500)	168	(500)
Weighted average number of ordinary shares in issue ('000)	333,038	333,038	333,038	333,038
Effect of dilution				
- N/A	-	-	-	-
Adjusted weighted average number of ordinary shares in issue (Diluted EPS denominator) ('000)	333,038	333,038	333,038	333,038
Basic earnings/(loss) per share (sen)	0.05	(0.15)	0.05	(0.15)

24. Notes to Statement of Comprehensive Income

Profit / (Loss) Before Taxation is arrived at after (charging) / crediting the following items:

		Current Quarter RM '000	Cumulative Quarter RM '000
(a)	Interest Income	-	-
(b)	Other Income	-	-
(c)	Interest Expense	(2)	(2)
(d)	Depreciation and Amortization	(8)	(8)
(e)	Provision / Write off of Receivables	-	-
(f)	Provision / Write off of Inventories	-	-
(g)	Gain / (Loss) on Disposal of quoted or unquoted investments or properties	n/a	n/a
(h)	Impairment of Assets	n/a	n/a
(i)	Foreign Exchange Gain / (Loss)	(120)	(120)
(j)	Gain / (Loss) on derivatives	n/a	n/a
(k)	Exceptional Items	n/a	n/a

By Order of the Board
Ong Tze-En (MAICSA 7026537)
Company Secretary
29 November 2018

Niche Capital Emas

Registered Office

Suite 16-1 (Penthouse Upper)
Menara Penang Garden
42A Jalan Sultan Ahmad Shah
10050 George Town
Penang

Date: 14 DEC 2018

To: The Shareholders of Niche Capital Emas Holdings Berhad ("NICE")

Dear Sir/Madam,

On behalf of the Board of Directors of NICE ("**Board**"), I wish to report that after making due enquiries in relation to NICE and its subsidiary companies ("**Group**") during the period between 30 June 2018, being the date to which the latest audited consolidated financial statements of our Group have been made up, and the date of this letter, being a date not earlier than 14 days before the date of this Abridged Prospectus:

(a) the business of our Group has, in the opinion of our Board, been satisfactorily maintained;

(b) in the opinion of our Board, no circumstance has arisen since the last audited consolidated financial statements of our Group which has adversely affected the trading or the value of the assets of our Group;

(c) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(d) there are no contingent liabilities which have arisen by reason of any guarantee or indemnity given by our Group;

(e) there has been, since the last audited financial statements of our Group, no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums for any borrowings in our Group; and

(f) there has been, since the last audited consolidated financial statements of our Group, no material change in the published reserves or any unusual factors affecting the profits of our Group.

Yours faithfully
For and on behalf of the Board
NICHE CAPITAL EMAS HOLDINGS BERHAD

JULIAN FOO KUAN LIN
Executive Director & Chief Executive Officer

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
Unit 3.1, 3rd Floor, Wisma Leader, No.8, Jalan Larut, 10050 Penang
Tel: (604) 229 8108 Fax: (604) 229 7108
Web: www.nichecapital.com.my Email: info@nichecapital.com.my

ADDITIONAL INFORMATION

1. SHARE CAPITAL

(i) Save for the Rights Shares, Warrants and new Shares to be issued arising the exercise of the Warrants, no securities in our Company will be issued or allotted on the basis of this Abridged Prospectus later than 12 months after the date of this Abridged Prospectus.

(ii) As at the date of this Abridged Prospectus, there is only 1 class of shares in our Company, namely ordinary shares of NICE, all of which rank pari passu with one another.

(iii) As at the date of this Abridged Prospectus, save for the Provisional Allotments, no person has been or is entitled to be granted an option to subscribe for any securities in our Company and no capital of our Company is under any option or agreed conditionally or unconditionally to be put under any option:

2. DIRECTORS' REMUNERATION

The provisions in our Company's Constitution in relation to the remuneration of our Directors are as follows:

Clause 112

The fees and any benefits payable to the Directors of the Company and its subsidiaries including any compensation for loss of employment of Director or former Director shall from time to time be determined by the Company in general meeting and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:

(a) fee payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;

(b) salaries and other emoluments (including bonus, benefits or any other elements) payable to Executive Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover. Nothing herein shall prejudice the powers of the Directors to appoint any of their members to be the employee or agent of the Company at such remuneration and upon such terms as they think fit provided that such remuneration shall not include commission on or percentage of turnover;

(c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;

(d) any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and

(e) the fees and / or benefits payable to Non-Executive Directors who is also Director of the subsidiaries includes fees, meeting allowances, travelling allowances, benefits, gratuity and compensation for loss of employment of Director or former Director of the Company provided by the Company and subsidiaries, but does not include insurance premium or any issue of securities.

Clause 113

The Directors may be paid all travelling, hotel and other expenses, properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general or other meetings of the Company or in connection with the business of the Company.

Clause 114

The Directors may grant special remuneration to any Member of Board who, being called upon, shall be willing to render any special or extra services to the Company, or to go or reside outside Malaysia or outside his country of origin as the case may be in connection with the conduct of any of the affairs of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by a lump sum or by way of salary, or by a percentage of profits, or by any or all of those modes but shall not include a commission on or percentage of turnover.

3. MATERIAL CONTRACTS

As at the LPD, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years preceding the date of this Abridged Prospectus.

4. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claim and/or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position or business of our Group, and our Board is not aware of any proceedings, pending or threatened, or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

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5. GENERAL

(i) None of our Directors has any existing or proposed service contracts with our Company or our subsidiaries, excluding contracts expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within 1 year from the date of this Abridged Prospectus;

(ii) Save as disclosed in Sections 6, 7 and 9 of this Abridged Prospectus, and to the best knowledge of our Board, the financial condition and operations of our Group are not affected by any of the following:

(a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease our Group's the liquidity;

(b) material commitments for capital expenditure;

(c) unusual, infrequent events or transactions or significant economic changes which materially affect the amount of reported income from our operations;

(d) known trends or uncertainties which have had or are likely to have a material favourable or unfavourable impact on our Group's revenue or operating income;

(e) substantial increase in revenue; and

(f) material information, including special trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

(i) Our Principal Adviser, Company Secretary, Share Registrar, Principal Banker, Solicitors and Bloomberg have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto, in the form and manner in which they appear in this Abridged Prospectus.

(ii) Our Auditors and Reporting Accountants have given and have not subsequently withdrawn its written consent to the inclusion in this Abridged Prospectus of its name, the pro forma consolidated statements of financial position of our Group as at 30 June 2018 together with the Reporting Accountants' letter thereon and the audited consolidated financial statements of our Group for the FYE 30 June 2018 together with the auditors' report thereon and all references thereto in the form and context in which they appear in this Abridged Prospectus.

(iii) Our Independent Market Researcher have given and have not subsequently withdrawn its written consent to the inclusion in this Abridged Prospectus of its name, extract of the IMR Reports and all references thereto in the form and context in which they appear in this Abridged Prospectus.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy each of the following documents are available for inspection during normal business hours at our Registered Office at Suite 16-1 (Penthouse Upper), Menara Penang Garden, 42A, Jalan Sultan Ahmad Shah, 10050 George Town, Penang from Mondays to Fridays (except public holidays) during normal business hours for a period of 12 months from the date of this Abridged Prospectus:

(i) our Constitution;

(ii) certified true extract of the resolution pertaining to the Rights Issue with Warrants passed at our EGM held on 4 December 2018, as set out in **Appendix I** of this Abridged Prospectus;

(iii) audited consolidated financial statements of our Group for the FYE 30 June 2017 and FYE 30 June 2018, and the latest unaudited consolidated financial statements of our Group for the 3-month FPE 30 September 2018;

(iv) pro forma consolidated statements of financial position of our Group as at 30 June 2018 together with the Reporting Accountants' letter thereon, as set out in **Appendix III** of this Abridged Prospectus;

(v) Directors' Report as set out in **Appendix VI** of this Abridged Prospectus;

(vi) Undertakings referred to in Section 3 of this Abridged Prospectus;

(vii) IMR Reports dated 3 December 2018 prepared by Infobusiness Research & Consulting Sdn Bhd;

(viii) letters of consent referred to in Section 6 of this **Appendix VII**; and

(ix) Deed Poll.

8. RESPONSIBILITY STATEMENT

Our Board has seen and approved this Abridged Prospectus, together with the accompanying NPA and RSF. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement in these Documents false or misleading.

Mercury Securities, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.