

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**  
**Condensed Consolidated Income Statement (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year-To-Date
	31/3/2012 RM'000	RM'000	31/3/2012 RM'000	RM'000
Revenue	7,248	n/a	18,769	n/a
Cost of goods sold	(6,253)		(15,497)	
Gross profit	995		3,272	
Administrative expenses	(1,285)		(4,029)	
Other operating expenses	-	n/a	-	n/a
Other operating income	15		314	
Operating profit	(275)	n/a	(443)	n/a
Finance cost	(5)		(53)	
Profit/(Loss) before tax	(280)	n/a	(496)	n/a
Taxation	(1)		(18)	
Profit/(Loss) for the period	(281)	n/a	(514)	n/a
Profit/(Loss) after tax attributable to:				
- Equity holders of the Company	(237)	n/a	(381)	n/a
- Non-Controlling Interest	(44)		(133)	
	(281)	n/a	(514)	n/a
Earnings per share (sen)				
- basic	(0.55)	n/a	(0.88)	n/a
- diluted				
- anti-dilutive	-	n/a	-	n/a

*The Condensed Consolidated Income Statements should be read in conjunction with the Group's audited Financial Statements as at 30 June 2011. The accompanying notes form an integral part of this income statements.*

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**  
**Condensed Consolidated Statement of Comprehensive Income (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year-To-Date
	31/3/2012 RM'000	RM'000	31/3/2012 RM'000	RM'000
Profit / (Loss) for the period	(281)	n/a	(514)	n/a
Other comprehensive income:				
Currency translation differences	(726)	n/a	247	n/a
Total comprehensive income for the period	<u>(1,007)</u>	<u>n/a</u>	<u>(267)</u>	<u>n/a</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(963)	n/a	(134)	n/a
Non-Controlling interest	(44)		(133)	
	<u>(1,007)</u>	<u>n/a</u>	<u>(267)</u>	<u>n/a</u>

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**  
**Condensed Consolidated Statement of Financial Position**

	Unaudited As at 31/3/2012 RM'000	Audited As at 30/6/2011 RM'000
<b>Non-Current Assets</b>		
Property, Plant & Equipment	1,209	1,323
<b>Current Assets</b>		
Inventories	20,582	17,867
Trade receivables	1,018	353
Assets classified as held for sales	305	308
Other receivables, deposits and prepayments	942	1,469
Tax refundable	-	-
Cash & cash equivalents	301	1,007
<b>Total Current Assets</b>	<b>23,148</b>	<b>21,004</b>
<b>Total Assets</b>	<b>24,357</b>	<b>22,327</b>
<b>Equity</b>		
Share Capital	4,306	43,065
Reserves		
Share Premium	1,411	5,959
Exchange Fluctuation Reserve	(190)	(437)
Unappropriated profits / (loss)	5,516	(37,410)
<b>Equity attributable to the shareholders of the Company</b>	<b>11,043</b>	<b>11,177</b>
Non-Controlling Interest	(133)	-
<b>Total Equity</b>	<b>10,910</b>	<b>11,177</b>
<b>Non Current Liability</b>		
Long term Loan	365	436
<b>Total non-current liability</b>	<b>365</b>	<b>436</b>
Trade payables	8,964	7,299
Other creditors & accruals	771	581
Amount owing to director	3,259	1,789
Bank Borrowings	88	1,045
<b>Total current liabilities</b>	<b>13,082</b>	<b>10,714</b>
<b>Total equity and liabilities</b>	<b>24,357</b>	<b>22,327</b>
<b>Net Assets per share (RM)</b>	<b>0.26</b>	<b>0.26</b>

*The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's audited Financial Statements as at 30 June 2011. The accompanying notes form an integral part of this balance sheet.*

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**  
**Condensed Consolidated Statement of Changes in Equity (Unaudited)**

	← Attributable to shareholders of the Company →				Non-Controlling Interest	Total	
	Non-Distributable		Exchange Fluctuation Reserve	Distributable			Total
	Share Capital	Share Premium		Retained Earnings / (Accumulated Losses)			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1/7/2011	43,065	5,959	(437)	(37,410)	11,177	-	11,177
Profit / (Loss) for the period	-	-	-	(381)	(381)	(133)	(514)
Other Comprehensive Income / (Loss)	-	-	247	-	247	-	247
Total Comprehensive Income for the period			247	(381)	(134)	(133)	(267)
<b>Transactions with owners</b>							
Capital Reduction	(38,759)	-	-	38,759	-	-	-
Share Premium Reduction	-	(4,548)	-	4,548	-	-	-
<b>Balance as at 31/3/12</b>	<b>4,306</b>	<b>1,411</b>	<b>(190)</b>	<b>5,516</b>	<b>11,043</b>	<b>(133)</b>	<b>10,910</b>

	← Attributable to shareholders of the Company →				Non-Controlling Interest	Total	
	Non-Distributable		Exchange Fluctuation Reserve	Distributable			Total
	Share Capital	Share Premium		Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1/1/2010	43,065	5,959	549	(34,462)	15,111	-	15,111
Effect from adoption of FRS 139				(2,224)	(2,224)	-	(2,224)
	43,065	5,959	549	(36,686)	12,887	-	12,887
Profit / (Loss) for the period	-	-	-	5,964	5,964	(396)	5,568
Other Comprehensive Income / (Loss)	-	-	(986)	-	(986)	-	(986)
Total Comprehensive Income for the period	-	-	(986)	5,964	4,978	(396)	4,582
<b>Transactions with owners</b>							
Disposal of a subsidiary to non-controlling interests	-	-	-	-	-	(6,292)	(6,292)
Allocation of maximum losses shared by non-controlling interest to owners of the parent	-	-	-	(6,688)	(6,688)	6,688	-
<b>Balance as at 30/6/2011</b>	<b>43,065</b>	<b>5,959</b>	<b>(437)</b>	<b>(37,410)</b>	<b>11,177</b>	<b>-</b>	<b>11,177</b>

**The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's audited Financial Statements as at 30 June 2011. The accompanying notes form an integral part of this statement.**

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**

	<b>9 months ended 31/3/2012 RM'000</b>	<b>18 months ended 30/6/2011 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax	(496)	5,714
Adjustments for: -		
Depreciation	464	707
Loss / (Gain) on disposal of investment in subsidiary	-	(4,817)
Loss / (Gain) on disposal of assets held for sales	-	(66)
Loss / (Gain) on disposal of fixed assets	-	160
Unrealised on foreign exchange	14	119
Bad debts written off	-	142
Reversal on impairment loss on trade receivables	-	(2,961)
Fixed Asset written off	53	-
Assets held for sales written off	-	24
Interest expenses	53	1,191
Waiver of debts from former subsidiary	(300)	(2,598)
Interest income	(6)	(36)
Operating profit / (loss) before working capital changes	<u>(218)</u>	<u>(2,421)</u>
Changes in working capital		
Inventories	(2,488)	2,381
Trade and other receivables	(130)	(6,232)
Trade and other payables	2,135	6,126
Cash generated from / (used in) operating activities	<u>(701)</u>	<u>(146)</u>
Interest paid	(77)	(1,191)
Interest received	6	36
Tax refund/(paid)	(18)	80
Net cash generated from / (used in) operating activities	<u>(790)</u>	<u>(1,221)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(394)	(667)
Proceeds from disposal of property, plant and equipment	-	39
Proceeds from disposal of assets held for sale	-	358
Proceeds from disposal of an associate	-	-
Proceed from disposal of Investment in Subsidiary Company	-	(436)
Net cash generated from / (used in) investing activities	<u>(394)</u>	<u>(706)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Bank Borrowings	(1,004)	(2,049)
Advances from / (Repayment to) Director	1,470	1,789
Net cash generated from / (used in) financing activities	466	(260)
Exchange difference in Translation	12	(169)
Net increase / (decrease) in cash and cash equivalents	<u>(706)</u>	<u>(2,356)</u>
Cash and cash equivalents as at 1 Jul 2011 / 1 Jan 2010	<u>1,007</u>	<u>3,363</u>
Cash and cash equivalents as at 31 Mar 2012 / 30 Jun 2011	<u>301</u>	<u>1,007</u>

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**  
**Condensed Consolidated Statement of Cash Flows (Unaudited) (Continued)**

	<b>9 months ended 31/3/2012 RM'000</b>	<b>18 months ended 30/6/2011 RM'000</b>
Cash and cash equivalents comprise:		
Short term investment in cash fund of financial institutions	28	14
Cash and bank balances	273	993
	<u>301</u>	<u>1,007</u>

*The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's audited Financial Statements as at 30 June 2011. The accompanying notes form an integral part of this statement.*

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**

**A. Explanatory Notes Pursuant to Financial Reporting Standard (FRS 134)**

**1. Accounting Policies**

**Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad.

**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 18 months financial period ended 30 June 2011 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective 1<sup>st</sup> January 2011:-

Amendments to FRS

FRS 3	Business Combinations
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 132	Financial Instruments: Presentation
FRS 134	Interim Financial Reporting
FRS 139	Financial Instruments: Recognition and Measurements

The initial applications of the above amendments to FRSs are not expected to have any material impact on the financial statements of the Group and the Company.

**2. Change of Financial Year End**

On 27 April 2011, the Company announced an immediate change of its financial year end from 31 December to 30 June.

Due to the change of financial year end, there are no comparative figures given for preceding year corresponding quarter in the current report.

### **3. Audit Report of Preceding Annual Financial Statements**

The audited financial statements of the Group for the 18 months financial period ended 30 June 2011 were subjected to audit qualification as follows:-

#### Extracts from the Audit Report:

##### *Basis for Qualified Opinion*

*As disclosed in Note 25(a) to the financial statements, the Company had issued corporate guarantees to certain banks for banking facilities granted to its former subsidiary for a limit of RM22,579,000/- (31.12.2009: RM22,579,000/-). As at 30th June 2011, RM14,339,570/- of the banking facilities (31.12.2009: RM16,229,012/-) was utilised by the former subsidiary.*

*As disclosed in Note 25(a), Note 26(c)(ii) and Note 26(c)(iii) to the financial statements, the former subsidiary had defaulted on their installment payments and the banks had served the former subsidiary with Notice of Demand. The total bank borrowings defaulted by the former subsidiary were RM3,210,103/-. The directors of the Company are currently undergoing negotiations with the banks to discharge the corporate guarantee issued by the Company. However, the Company had yet to receive any formal reply from the banks.*

*As disclosed in Note 26(d) to the financial statements, the former subsidiary had, subsequent to year end on 25th July 2011, failed to make installment payment to another bank borrowing where the total amount of the borrowing is RM8,146,559/-. The directors of the Company are also currently undergoing negotiations with the said bank to discharge the corporate guarantees issued by the Company. However, as at the date of this report, the Company had yet to receive any formal replies from the bank.*

*No provisions for the said bank borrowings have been provided in the financial statements which, in our opinion, is not in accordance with FRS 137: Provisions, Contingent Liabilities and Contingent Assets.*

#### Current Status of matters giving rise to the qualified opinion of the previous audit report:

The former subsidiary, namely Yikon Jewellery Industry Sdn. Bhd. has been actively negotiating with the banks to restructure its outstanding banking facilities. The former subsidiary has offered to provide new securities to the affected banks with value equivalent or higher than the outstanding banking facilities. In view of the positive progress made by the former subsidiary in relation to the restructuring of the banking facilities, the Board of the Company is of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation arising from the Corporate Guarantees issued to the banks for the banking facilities granted to the former subsidiary. The Company therefore does not make provision for the Corporate Guarantees, but will continue to disclose it as contingent liabilities.

### **4. Seasonal or Cyclical Factors**

Turnover of the Group is normally higher during the festive seasons.



## 5. 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 except for the Capital Reduction and Share Premium Reduction disclosed in note 7 and its effect on accumulated losses as disclosed in the Condensed Consolidated Statement of Changes in Equity on page 4.

## 6. 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.

## 7. 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.

## 8. Dividend Paid

No dividend has been paid during the current quarter and financial period-to-date.

## 9. Segmental Information

	Malaysia		Hong Kong / China		Group	
	(9 mths) 2012 RM'000	(18 mths) 2011 RM'000	(9 mths) 2012 RM'000	(18 mths) 2011 RM'000	(9 mths) 2012 RM'000	(18 mths) 2011 RM'000
Revenue	1	1	18,768	28,083	18,769	28,084
Operating Profit	(372)	8,597	(71)	(1,693)	(443)	6,904
Finance cost					(53)	(1,191)
Profit / (loss) before tax					(496)	5,713
Tax expense					(18)	(145)
Net profit / (loss) for the period					(514)	5,568

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 and ornaments.

## 10. Property, Plant and Equipment

The valuations of land and buildings have been brought forward without any amendment from the previous audited financial statements.

## 11. Material Subsequent Events

There was no material event subsequent to the current quarter under review.

## 12. Changes in the Composition of the Group

On 26 August 2011, the Company incorporated a new subsidiary in Hong Kong S.A.R with the 1,000 ordinary shares of HKD1.00 each in Niche Capital (HK) Limited (“NHK”) representing 100% equity interest in the issued and paid-up share capital of NHK. NHK remain dormant as at the end of this reporting period.

## 13. Contingent Liabilities

	As at 31/3/2012 RM'000	As at 30/6/2011 RM'000
Corporate guarantees given by the Company to financial institutions in respect of banking facilities granted to a private limited company (previously a wholly-owned subsidiary disposed of during the 18 months financial period ended 30 June 2011) which have been utilized as at the end of the reporting period	15,417	14,340

## 14. Significant Related Party Transactions

There was no related party transaction in the financial period under review except the following:

	Transactions value for the period ended 31/3/2012 RM	Balance Outstanding RM
Advances* to the Company from a Director, namely Mr. Yap Chee Keong	1,515,436	3,259,087
Professional fees paid / payable to Margin Capital Sdn Bhd, a company in which a Director, namely Mr. Yap Chee Keong has interest	180,000	180,000

\* *The director's advances are unsecured, interest-free and is repayable on demand.*

The Directors of the Company are of the opinion that these transactions were entered into in the ordinary course of business and the terms have been established on a negotiated basis.

**B. Explanatory Notes Pursuant to Paragraph 9.22 of the Listing Requirement of Bursa Malaysia**

**15. Detailed Analysis of Group Performance for the Current Quarter and Financial Period-to-Date**

The Group recorded a turnover of RM 7.25 million in the current quarter and a cumulative turnover of RM 18.77 million for the 9 months financial period-to-date. The Group turnover increase by 14.38% as compared to the immediate preceding quarter of RM 6.34 million. When compared with the RM 5.57 million turnover of the corresponding calendar period in 2011, the Group's turnover showed an increase of 30.13%.

The Group's turnover is mainly contributed by retail operation of the China subsidiary, namely Yikoni Gold (ShenZhen) Co. Ltd. The sales revenue from the China operation in the current quarter is 33.76% higher compared with the corresponding calendar period for year 2011, the average gold price between the two corresponding period rose by around 2.58%. The upward trend in the international gold price has sustained the China consumer strong demand for gold jewellery and ornaments. During the reporting quarter, the China subsidiary operated a total of 16 retail outlets.

Despite the continuous revenue increases over the past 2 reporting quarters, the Group recorded loss before taxation of RM280 thousand for the current quarter and loss before taxation of RM514 thousand for the 9 months financial period-to-date.

**16. Comment on Material Change in the Profit Before Taxation for the Current Quarter Compared with the Immediate Preceding Quarter**

The Group recorded a loss before tax of RM 280 thousand in the current quarter compared to loss before tax of RM 167 thousand in the immediate preceding quarter. During the reporting quarter, the China operation's revenue increased by 14.38% compared with the immediate preceding quarter. However, the fluctuating gold price during the reporting quarter has substantially affected the China operation's gross margin. The lower gross margin coupled with the payment of annual sales incentives during the current reporting quarter have resulted in higher loss before taxation for the Group.

## 17. Current Year Prospects

The retail market for gold and jewellery in China offers good growth prospects due to increasing affluence and consumption. Demand for pure-gold items is expected to be constrained by the current high gold prices and operating margins will remain low due to intense competition.

The Group's performance will be dependent on the availability of additional working capital, expansion of retail network and geographical presence, brand promotion and sale of jewellery items with better margins. Barring any unforeseen circumstances, the Group expects steady incremental sales growth from the existing retail network in China.

## 18. Profit Forecast

Not applicable as no profit forecast was published.

## 19. 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
	31/3/2012 RM'000	RM'000	31/3/2012 RM'000	RM'000
<b>Tax Expense</b>				
Malaysia -current year	-	n/a	-	n/a
Malaysia -prior year	-		-	
Overseas- current year	1	n/a	18	n/a
<b>Total</b>	<b>1</b>	<b>n/a</b>	<b>18</b>	<b>n/a</b>
<b>Deferred Tax Expenses</b>				
Malaysia -current year	-	n/a	-	n/a
Malaysia -prior year	-		-	
<b>Subtotal</b>	<b>-</b>	<b>n/a</b>	<b>-</b>	<b>n/a</b>
<b>Total</b>	<b>1</b>	<b>n/a</b>	<b>18</b>	<b>n/a</b>

## 20. Status of Corporate Proposals Announced

HwangDBS Investment Bank Berhad (“HwangDBS”) had on 27 January 2011 announced, on behalf of the Company, a corporate exercise comprising the proposals as follows:

- (i) Proposed reduction of the Company’s issued and paid-up share capital involving the cancellation of RM0.90 from the existing par value of every existing ordinary share of RM1.00 each in the Company (“Existing Shares”) pursuant to Section 64 of the Companies Act, 1965 (“Act”), (“Existing Shares”) (“Proposed Capital Reduction”);
- (ii) Proposed reduction of RM4,548,350 from the share premium account of the Company pursuant to Section 60 and Section 64 of the Act (“Proposed Share Premium Reduction”);
- (iii) Proposed settlement of up to RM1 million of debt owing to a director via issuance of new ordinary shares of RM0.10 each in the Company (“NICE Shares”) after the Proposed Capital Reduction (“Settlement Shares”) (“Proposed Capitalisation”);
- (iv) Proposed fund raising exercise in the form of a proposed renounceable rights issue of up to 73,420,650 new NICE Shares (“Rights Shares”) on the basis of three (3) Rights Shares for every two (2) NICE Shares held after the Proposed Capital Reduction, Proposed Share Premium Reduction and Proposed Capitalisation together with up to 55,065,487 free detachable warrants (“Warrants”) on the basis of three (3) Warrants for every four (4) Rights Shares subscribed (“Proposed Rights Issue with Warrants”);
- (v) Proposed exemption to Yap Chee Keong from the obligation to undertake a mandatory take-over offer under the Malaysian Code on Take-overs and Mergers, 2010 (“Code”) for the remaining NICE Shares not already held by him in the event his subscription for the Rights Shares results in ~~the him~~ triggering ~~of~~ a mandatory take-over offer (“Proposed Exemption”);
- (vi) Proposed Employees’ Share Option Scheme (“ESOS”) of up to fifteen percent (15%) of the issued and paid-up capital of the Company (excluding treasury shares) at any point in time, for the employees of the Company and its subsidiaries (“NICE Group” or “Group”) (“Proposed ESOS”); and
- (vii) Proposed amendments to the Memorandum and Articles of Association of the Company (“M&A”) to facilitate the Proposed Capital Reduction (“Proposed Amendments”).

(Collectively referred to as the “Proposals”)

HwangDBS had on 27 April 2011 announced, on behalf of the Company, that the following applications have been submitted:

- (i) Initial listing application for the listing of the Warrants pursuant to the Proposed Rights Issue with Warrants;
- (ii) Additional listing application for the listing of the Settlement Shares, Rights Shares and such number of new NICE Shares to be issued pursuant to exercise of the Warrants and options granted under the Proposed ESOS; and

## 20. Status of Corporate Proposals Announced (Continued)

- (iii) Application to Bank Negara Malaysia in relation to the Proposed Rights Issue with Warrants pursuant to the Exchange Control Regulations.

HwangDBS had on 19 May 2011, on behalf of the Board of Directors of the Company, announced that Bank Negara Malaysia (“BNM”) has via its letter dated 12 May 2011, which was received on 19 May 2011, granted its approval for the issuance of warrants to non-resident shareholders of the Company pursuant to the Proposed Rights Issue with Warrants. The approval from BNM is not subject to any condition.

HwangDBS had on 23 May 2011, on behalf of the Board, announced that Bursa Securities has via its letter dated 20 May 2011, which was received on 23 May 2011, approved the following:

- (i) Admission to the Official List and the listing and quotation of up to 55,065,487 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants;
- (ii) Listing and quotation of up to 73,420,650 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- (iii) Listing and quotation of up to 5,882,300 new ordinary shares of RM0.10 each to be issued pursuant to the Proposed Capitalisation;
- (iv) Listing and quotation of up to 55,065,487 new ordinary shares of RM0.10 each to be issued pursuant to the exercise of Warrants; and
- (v) Listing and quotation of such number of additional new ordinary shares of RM0.10 each, representing up to 15% of the issued and paid-up share capital (excluding treasury shares) of NICE at any point in time, to be issued pursuant to the exercise of options under the Proposed ESOS.

The approval for the above is subject to, amongst others, the following conditions:

- (1) NICE and HwangDBS must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Capitalisation, Proposed Rights Issue with Warrants and Proposed ESOS;
- (2) NICE and HwangDBS to inform Bursa Securities upon the completion of the Proposed Capitalisation, Proposed Rights Issue with Warrants and Proposed ESOS;
- (3) NICE and HwangDBS to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Capitalisation, Proposed Rights Issue with Warrants and Proposed ESOS are completed;
- (4) NICE to furnish Bursa Securities on a quarterly basis a summary of the fee payable for the total number of shares listed pursuant to the exercise of Warrants and ESOS as at the end of each quarter;
- (5) Approval by the SC for the Proposed Exemption;

## 20. Status of Corporate Proposals Announced (Continued)

- (6) Approval by BNM for the issuance of Warrants to the entitled non-resident shareholders of NICE; and
- (7) Approval by NICE's shareholders for the Proposed Capitalisation, Proposed Rights Issue with Warrants and Proposed ESOS.

The Company had on 25 July 2011, announced that at the Extraordinary General Meeting held on the morning of 25 July 2011, all the resolutions as follows have been duly approved by the shareholders of the Company:-

NO.	SPECIAL RESOLUTION
1	Proposed reduction of the Company's issued and paid-up share capital involving the cancellation of RM0.90 from the existing par value of every existing ordinary share of RM1.00 each in Company pursuant to Section 64 of the Companies Act, 1965 ("Proposed Capital Reduction").
2	Proposed reduction of RM4,548,350 from the share premium account of the Company pursuant to Section 60 and Section 64 of the Companies Act, 1965. ("Proposed Share Premium Reduction")
3	Proposed amendments to the Memorandum and Articles of Association of the Company.
ORDINARY RESOLUTION	
1	Proposed settlement of up to RM1 million of debt owing to a director via issuance of up to 5,882,300 new ordinary shares of RM0.10 each in the Company after the Proposed Capital Reduction. (Proposed Capitalisation")
2	Proposed renounceable rights issue of up to 73,420,650 new ordinary shares of RM0.10 each in the Company ("Rights Shares") on the basis of three (3) Rights Shares for every two (2) ordinary shares of RM0.10 each in the Company held together with up to 55,065,487 free detachable warrants ("Warrants") on the basis of three (3) Warrants for every four (4) Rights Shares subscribed after the Proposed Capital Reduction, Proposed Share Premium Reduction and immediately upon the Proposed Capitalisation.
3	Proposed exemption to Yap Chee Keong from the obligation to undertake a mandatory take-over offer under the Malaysian Code on Take-overs and Mergers, 2010 for the remaining ordinary shares of RM0.10 each in the Company not already held by him in the event the Proposed Capitalisation and his subscription for the Rights Shares results in him triggering a Mandatory Take-over Offer.
4	Proposed Employees' Share Option Scheme of up to fifteen percent (15%) of the issued and paid-up capital of the Company (excluding treasury shares) at any point in time, for the employees and Directors of the Company and its subsidiaries.
5	Proposed Grant of Options to Dato' Tan Sek Yin.
6	Proposed Grant of Options to Yap Chee Keong.
7	Proposed Grant of Options to Patrick Cheng Ther Wee.
8	Proposed Grant of Options to Ng Chin Nam.
9	Proposed Grant of Options to Md Shahar Bin Md Noor.

## 20. Status of Corporate Proposals Announced (Continued)

HwangDBS Investment Bank Berhad (“HwangDBS”) had on 5 August 2011, on behalf of the Board of Directors of NICE, announced that the Securities Commission (“SC”) has vide its letter dated 4 August 2011 approved the application by Yap Chee Keong for the Exemption. The approval by the SC is subject to HwangDBS and/or Yap Chee Keong complying with the disclosure requirements under Paragraph 16.10, Practice Note 9 of the Code.

HwangDBS had on 9 August 2011, on behalf of the Board of Directors of NICE, announced that a petition and supporting affidavit for the Capital Reduction and Share Premium Reduction has been filed in the High Court of Malaya at Pulau Pinang pursuant to Section 60 and Section 64 of the Companies Act, 1965 on 8 August 2011.

HwangDBS had on 31 October 2011, on behalf of the Board of Directors of NICE, announced that the High Court of Malaya at Pulau Pinang has on that date granted an order confirming the Capital Reduction and Share Premium Reduction pursuant to Section 60 and Section 64 of the Companies Act, 1965.

The Company had on 28 December 2011, announced that the sealed order of the High Court of Malaya confirming the Capital Reduction and Share Premium Reduction has been lodged with the Companies Commission of Malaya on 28 December 2011. Accordingly, the Capital Reduction and Share Premium Reduction took effect on the same date.

## 21. Group Borrowings and Debt Securities

The Group borrowing as at 31 March 2012 is as follows:

	<b>As at 31/3/2012 RM'000</b>	<b>As at 30/6/2011 RM'000</b>
Amount payable within 12 months	88	1,045
Amount payable after 12 months	365	436
Total	<u>453</u>	<u>1,481</u>

The bank borrowing of the Group is in Ringgit Malaysia. The bank borrowing of the holding company is unsecured and the subsidiaries of the Company do not have bank borrowing as at the end of the reporting period.

## 22. 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.



### 23. Proposed Dividend

No dividend has been proposed for the current quarter and financial period-to-date.

### 24. Earnings Per Share

Basic EPS		Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To Date
		31/3/2012		31/3/2012	
Net profit for the period (Basic EPS numerator)	(RM'000)	(237)	n/a	(381)	n/a
Weighted average number of ordinary shares (Basic EPS denominator)	('000)	43,065	n/a	43,065	n/a
Basic earnings per share	(sen)	<u>(0.55)</u>	<u>n/a</u>	<u>(0.88)</u>	<u>n/a</u>

#### Diluted EPS

The Company does not have any convertible securities and accordingly there is no diluted EPS.

### 25. Realised and Unrealised Retained Profits

	As at 31.3.2012 RM'000	As at 30.6.2011 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries		
- Realised	5,134	(34,763)
- Unrealised	<u>(33)</u>	<u>(2,928)</u>
	5,101	(37,691)
Less: Consolidation Adjustment	415	281
Total Group retained profits / (accumulated losses) as per consolidated accounts	<u>5,516</u>	<u>(37,410)</u>

**26. Notes to Statement of Comprehensive Income**

Profit / (Loss) Before Taxation is arrived at after (charging) / crediting the following items:

	<b>Current Quarter RM '000</b>	<b>Cumulative Quarter RM '000</b>
(a) Interest Income	3	6
(b) Other Income	13	314
(c) Interest Expense	(6)	(53)
(d) Depreciation and Amortization	(115)	(464)
(e) Provision / Write off of Receivables	n/a	n/a
(f) Provision / Write off of Inventories	n/a	n/a
(g) Gain / (Loss) on Disposal of quoted or unquoted investments or properties	n/a	n/a
(h) Impairment of Assets	0	(53)
(i) Foreign Exchange Gain / (Loss)	14	12
(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)  
Dated this 22<sup>nd</sup> May 2012