

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 June 2013**  
**Condensed Consolidated Income Statement (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year-To-Date	Preceding Year-To-Date
	Quarter	Corresponding Quarter		
	30/06/2013 RM'000	RM'000	30/06/2013 RM'000	RM'000
Revenue	12,344	n/a	21,326	n/a
Cost of goods sold	(11,779)		(19,805)	
Gross profit	565		1,521	
Administrative expenses	(1,621)		(3,182)	
Other operating expenses	(5)	n/a	(6)	n/a
Other operating income	-		-	
Operating profit / (loss)	(1,061)	n/a	(1,667)	n/a
Finance cost	(5)		(10)	
Profit/(Loss) before tax	(1,066)	n/a	(1,677)	n/a
Taxation	-		-	
Profit/(Loss) for the period	(1,066)	n/a	(1,677)	n/a
Profit/(Loss) after tax attributable to:				
- Equity holders of the Company	(774)	n/a	(1,310)	n/a
- Non-Controlling Interest	(292)		(367)	
	(1,066)	n/a	(1,677)	n/a
Earnings per share (sen)				
- basic	(0.66)	n/a	(1.11)	n/a
- diluted	(0.66)	n/a	(1.11)	n/a

*The Condensed Consolidated Income Statements should be read in conjunction with the Group's audited Financial Statements for the 18 months financial period ended 31 December 2012. The accompanying notes form an integral part of this Income Statement.*

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 June 2013**  
**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
	30/06/2013 RM'000	RM'000	30/06/2013 RM'000	RM'000
Profit / (Loss) for the period	(1,066)	n/a	(1,677)	n/a
Other comprehensive income:				
Currency translation differences	265	n/a	256	n/a
Total comprehensive income for the period	<u>(801)</u>	<u>n/a</u>	<u>(1,421)</u>	<u>n/a</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(639)	n/a	(1,179)	n/a
Non-Controlling interest	(162)		(242)	
	<u>(801)</u>	<u>n/a</u>	<u>(1,421)</u>	<u>n/a</u>

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 June 2013**  
**Condensed Consolidated Statement of Financial Position**

	Unaudited As at 30/06/2013 RM'000	Audited As at 31/12/2012 (Restated) RM'000	Audited As at 01/07/2011 (Restated) RM'000
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1,358	1,094	1,323
<b>Current Assets</b>			
Inventories	24,831	22,984	17,867
Trade receivables	887	268	353
Assets classified as held for sales	-	-	-
Other receivables, deposits and prepayments	13,743	612	1,469
Tax refundable	-	-	-
Cash & cash equivalents	1,453	4,427	1,007
	40,914	28,291	20,696
Assets held for sale	-	-	308
<b>Total Current Assets</b>	40,914	28,291	21,004
<b>Total Assets</b>	<b>42,272</b>	<b>29,385</b>	<b>22,327</b>
<b>Equity</b>			
Share Capital	11,799	11,799	43,065
Reserves			
Share Premium	1,895	1,895	5,959
Exchange Fluctuation Reserve	91	(40)	(437)
Warrants Reserve	1,225	1,225	-
Unappropriated profits / (loss)	680	1,990	(37,410)
<b>Equity attributable to the shareholders of the Company</b>	15,690	16,869	11,177
Non-Controlling Interest	(654)	(412)	-
<b>Total Equity</b>	15,036	16,457	11,177
<b>Non Current Liability</b>			
Long term Loan	296	333	436
<b>Total non-current liability</b>	296	333	436
Trade payables	10,878	12,073	7,299
Other creditors & accruals	378	452	580
Provision	11,514	-	-
Amount owing to director	4,098	-	1,790
Bank Borrowings	72	70	1,045
<b>Total current liabilities</b>	<b>26,940</b>	<b>12,595</b>	<b>10,714</b>
<b>Total equity and liabilities</b>	<b>42,272</b>	<b>29,385</b>	<b>22,327</b>
<b>Net Assets per share (RM)</b>	<b>0.13</b>	<b>0.14</b>	<b>0.26</b>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements for the 18 months financial period ended 31 December 2012. The accompanying notes form an integral part of this Statement of Financial Position.*

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 June 2013**  
**Condensed Consolidated Statement of Changes in Equity (Unaudited)**

	← Attributable to shareholders of the Company →					Non-Controlling Interest	Total	
	Non-Distributable			Distributable				
	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	RM'000	RM'000	
Balance as at 1/1/2013	11,799	1,895	1,225	(40)	1,990	16,869	(412)	16,457
Effects of the adoption of MFRSs	-	-	-	-	-	-	-	-
Balance as at 1/1/2013, restated	11,799	1,895	1,225	(40)	1,990	16,869	(412)	16,457
Profit / (Loss) for the period	-	-	-	-	(1,310)	(1,310)	(367)	(1,677)
Other Comprehensive Income / (Loss)	-	-	-	131	-	131	125	256
Total Comprehensive Income for the period	-	-	-	131	(1,310)	(1,179)	(242)	(1,421)
<b>Transactions with owners</b>	-	-	-	-	-	-	-	-
<b>Balance as at 30/6/2013</b>	<b>11,799</b>	<b>1,895</b>	<b>1,225</b>	<b>91</b>	<b>680</b>	<b>15,690</b>	<b>(654)</b>	<b>15,036</b>

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 June 2013**  
**Condensed Consolidated Statement of Changes in Equity (Continued)**

	← Attributable to shareholders of the Company →					Total	Non-Controlling Interest	Total
	Non-Distributable		Warrants Reserve	Exchange Fluctuation Reserve	Distributable			
	Share Capital	Share Premium					Retained Earnings / (Accumulated Losses)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1/7/2011	43,065	5,959	-	(437)	(37,410)	11,177	-	11,177
Effects of the adoption of MFRSs	-	-	-	-	-	-	-	-
Balance as at 1/7/2011, restated	43,065	5,959	-	(437)	(37,410)	11,177	-	11,177
Profit / (Loss) for the period	-	-	-	-	(2,681)	(2,681)	(787)	(3,468)
Other Comprehensive Income / (Loss)	-	-	-	397	-	397	375	772
Total Comprehensive Income for the period	-	-	-	397	(2,681)	(2,284)	(412)	(2,696)
<b>Transactions with owners</b>								
Capital Reduction	(38,758)	-	-	-	38,758	-	-	-
Share Premium Reduction	-	(4,548)	-	-	4,548	-	-	-
Issuance of ordinary shares	413	587	-	-	-	1,000	-	1,000
Rights issue with free warrants	7,079	(103)	-	-	-	6,976	-	6,976
Warrants Issuance	-	-	1,225	-	(1,225)	-	-	-
<b>Balance as at 31/12/2012</b>	<b>11,799</b>	<b>1,895</b>	<b>1,225</b>	<b>(40)</b>	<b>1,990</b>	<b>16,869</b>	<b>(412)</b>	<b>16,457</b>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements for the 18 months financial period ended 31 December 2012. The accompanying notes form an integral part of this statement.*

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR SECOND QUARTER ENDED 30 June 2013**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**

	6 months ended 30/06/2013	<i>Preceding Corresponding Period</i>
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax	(1,677)	n/a
Adjustments for: -		
Depreciation	293	
Unrealised loss on foreign exchange	2	
Interest expenses	10	
Interest income	(21)	
Operating profit / (loss) before working capital changes	<u>(1,393)</u>	
Changes in working capital		
Inventories	(1,567)	n/a
Trade and other receivables	(13,744)	
Trade and other payables	10,188	
Cash generated from / (used in) operating activities	<u>(6,516)</u>	
Interest paid	(10)	n/a
Interest received	21	
Tax refund/(paid)	-	
Net cash generated from / (used in) operating activities	<u>(6,505)</u>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(548)	n/a
Proceeds from disposal of property, plant and equipment	-	
Proceeds from disposal of assets held for sale	-	
Proceeds from disposal of an associate	-	
Net cash outflow from disposal of subsidiary	-	
Net cash generated from / (used in) investing activities	<u>(548)</u>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Bank Borrowings	(34)	n/a
Rights Share Issuance	-	
Advances from / (Repayment to) Director	4,098	
Net cash generated from / (used in) financing activities	4,064	
Exchange difference in Translation	15	
Net increase / (decrease) in cash and cash equivalents	<u>(2,974)</u>	
Cash and cash equivalents as at 1 Jan 2013	4,427	
Cash and cash equivalents as at 30 Jun 2013	<u><u>1,453</u></u>	

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 June 2013**  
**Condensed Consolidated Statement of Cash Flows (Unaudited) (Continued)**

	<b>6 months ended 30/06/2013</b>	<i>Preceding Corresponding Period</i>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents comprise:		
Short term investment in cash fund of financial institutions	288	n/a
Cash and bank balances	1,165	
	<u>1,453</u>	

***The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements for the 18 months financial period ended 31 December 2012. The accompanying notes form an integral part of this statement.***

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 June 2013**

**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 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 18-month financial period ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

These interim financial statements are the Group's first MFRS compliant interim financial statements whereby MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards has been applied. In preparing its opening MFRS Statement of Financial Position as at 1<sup>st</sup> January 2013 (which is also the date of the transition), there are no adjustment required on the amounts previously reported in financial statements prepared in accordance with FRS. The adoption of MFRS has no significant impact on the interim financial statements of the Group.

**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 31 December 2012 except for the adoption of the following new/revised Malaysian Financial Reporting Standards ("MFRS") effective 1<sup>st</sup> January 2012:-

<b>Standard</b>	<b>Title</b>
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 7	Financial Instruments: Disclosures
MFRS 8	Operating Segments
MFRS 9	Financial Instruments
MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 101	Presentation of Financial Statements
MFRS 102	Inventories
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110	Events After the Reporting Period
MFRS 112	Income Taxes



MFRS 116	Property, Plant and Equipment
MFRS 117	Leases
MFRS 118	Revenue
MFRS 119	Employee Benefits
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 123	Borrowing Costs
MFRS 124	Related Party Disclosures
MFRS 127	Consolidated and Separate Financial Statements
MFRS 128	Investments in Associates
MFRS 129	Financial Reporting in Hyperinflationary Economies
MFRS 132	Financial Instruments: Presentation
MFRS 133	Earnings Per Share
MFRS 134	Interim Financial Reporting
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instruments: Recognition and Measurement
MFRS 140	Investment Property

The initial applications of the above MFRSs and its respective amendments 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 1 June 2012, the Company announced an immediate change of its financial year end from 30 June to 31 December.

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 31 December 2012 were subjected to audit qualification as follows:-

### Extracts from the Audit Report:

#### *Basis for Qualified Opinion*

*As disclosed in Note 26(a) to the financial statements, the Company had issued corporate guarantees to four banks for banking facilities granted to its former wholly-owned subsidiary for an amount of RM22,579,000/-. As disclosed in Note 27(b), Note 27(c), Note 27(d) and Note 27(e) to the financial statements, the former subsidiary had defaulted in the repayment of the bank borrowings from the Banks. The Notice of Demand and Writ of Summons have been served by the Banks to the Company as guarantor for the banking facilities, to demand the repayment of the amounts owing by the former subsidiary together with any interest thereon until the date of full settlement. The total amount owing by the former subsidiary to the four banks as at 31st December 2012 was RM16,593,233/-.*

### 3. **Audit Report of Preceding Annual Financial Statements (Continued)**

*As disclosed in Note 27(c) and Note 27(d) to the financial statements, two banks had withdrawn the claims and struck out the suit respectively against the Company.*

*The Directors of the Company are in the midst of negotiation with the banks to restructure and to discharge the corporate guarantees granted by the Company. However, as at the date of this report, the Company has not received any formal reply from the banks.*

*The total amount owing by the former subsidiary to the four banks as at 31st December 2012 was RM16,593,233/-. No provision has been recognised in the financial statements for the corporate guarantees on bank borrowings defaulted by the former subsidiary as the Directors are of the view that:-*

*(i) the outcome of the negotiations with the banks is positive in view that the two banks had withdrawn the claims and struck out the suit respectively against the Company; and*

*(ii) the Company will be able to recover the amount from the former subsidiary through an assignment agreement as disclosed in Note 26(b) to the financial statements, should the realisation of corporate guarantee materialise.*

*We were unable to obtain sufficient and appropriate audit evidence on the assessment and the quantification of the provision that is required to be recognised by the Company in the financial statements for the corporate guarantees on bank borrowings defaulted by the former subsidiary, for compliance with FRS 137: Provisions, Contingent Liabilities and Contingent Assets.*

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

Subsequent to the release of the audit report dated 15 April 2013, the former subsidiary, namely Yikon Jewellery Industry Sdn. Bhd. (“YJI”) and the Board of the Company has made significant progress on the negotiations with RHB Bank Berhad, United Overseas Bank (Malaysia) Bhd, CIMB Bank Berhad and AmBank (M) Berhad (“Creditor Banks”).

On 24 April 2013, the Company has released an announcement on the acceptance of the offer letters from the Creditor Banks for a proposed debts settlement on behalf of YJI in respect of YJI’s outstanding debts to Creditor Banks and the discharge of corporate guarantee issued by NICE favouring Creditor Banks for banking facilities granted to YJI and also an assignment with YJI, the details of which are more particularly described under Note 20.

In consideration of the above mentioned developments after the issuance of the audit report, the Company has made a provision of RM11.513 million in the 1st quarter interim financial statements. Kindly refer Note 20 for details of the provision.

**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.

**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 in 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		HongKong / China		Group	
	Current Year-To-Date 30.6.2013 RM'000	Preceding Year-To-Date RM'000	Current Year-To-Date 30.6.2013 RM'000	Preceding Year-To-Date RM'000	Current Year-To-Date 30.6.2013 RM'000	Preceding Year-To-Date RM'000
<b>Revenue</b>						
Total Revenue	2,223	n/a	19,084	n/a	21,307	n/a
Inter-segment revenue	-		-		-	
<b>External Sales</b>	2,223	n/a	19,084	n/a	21,307	n/a
<b>Segment Result</b>	(875)	n/a	(521)	n/a	(1,396)	n/a
Interest Income	19		2		21	
Interest Expense	(10)		-		(10)	
Depreciation and amortisation	(61)		(232)		(293)	
<b>Profit before tax</b>	(927)		(751)		(1,678)	
Taxation	-	n/a	-	n/a	-	n/a
<b>Profit after tax</b>	(926)	n/a	(751)	n/a	(1,677)	n/a
<b>Assets</b>						
Segment Assets	14,416	n/a	27,856	n/a	42,272	n/a
Unallocated Assets					-	
<b>Total Assets</b>	14,416	n/a	27,856	n/a	42,273	n/a
<b>Liabilities</b>						
Segment Liabilities	12,423	n/a	14,813	n/a	27,236	n/a
Unallocated Liabilities		n/a		n/a		n/a
<b>Total Liabilities</b>	12,423	n/a	14,813	n/a	27,236	n/a

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 except for the Proposed Debts Settlement & Proposed Assignment as disclosed in Notes 3 and 20.

## 12. Changes in the Composition of the Group

There was no change in the composition of the Group during the current period and financial year to date.

### 13. Contingent Liabilities

	As at 30/6/2013 RM'000	As at 31/12/2012 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	16,593	16,593

The Company has made a provision of RM11.513 million for the expected settlement of the portion of contingent liabilities that is probable to materialize as per the proposed debt settlement offer letters received from the Creditor Banks outlined under Notes 3 and 20. The provision of RM11.513 million, if and when effected, will serve as full and final settlement of the total outstanding bank loans of YJI to Creditor Banks covered under the Corporate Guarantees given by NICE in favour of the Creditor Banks.

### 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 30/6/2013 RM	Balance Outstanding RM
Advances* to a subsidiary company, namely Yikoni Gold (ShenZhen) Co. Ltd. from a Director of a subsidiary company, namely Dato Daniel Choong Yew Chee	4,197,798	4,097,798

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

The Directors of the Company are of the opinion that the advances 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 12.34 million in the current quarter. The Group's current quarter turnover increased by 37.44% compared to the immediate preceding quarter of RM 8.98 million. When compared with the RM 6.90 million turnover of the corresponding calendar period (April to June) in 2012, the Group's turnover showed an increase of 78.98%.

The Group's turnover is mainly contributed by retail operations of the China-based subsidiary, namely Yikoni Gold (ShenZhen) Co. Ltd. The revenue from the China operations in the current quarter is 79.10% higher compared with the corresponding calendar period (April to June) for year 2012, the average gold price between the two corresponding period dropped by around 12.24%. The recent downward trend in the international gold price has not adversely affected the China consumers' strong demand for gold jewellery and ornaments.

During the current quarter, a subsidiary in Malaysia, namely Niche Express Gold Sdn Bhd has contributed RM1.24 million in revenue to the Group.

As at the end of the reporting quarter, the Group operated a total of 11 retail outlets for its China operation.

Despite the revenue increase for the current quarter, the Group recorded a loss before taxation of RM1.07 million for the current quarter. The falling gold price has adversely affected the gross margin of the China operations.

**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 RM1.07 million in the current quarter compared to a loss before tax of RM611 thousand in the immediate preceding quarter. During the reporting quarter, the average gold price has dropped by around 13.30%. The falling gold price has boosted the revenue generated from the Group's China operation. However, the falling gold price has also adversely affected the gross profit of the China operations.

## **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 recent downward trend in the international gold price has not adversely affected the China consumer strong demand for gold jewellery and ornaments.

The Group's performance will be dependent on the expansion of retail network and geographical presence, brand promotion and sale of jewellery items with better margins. Barring any unforeseen circumstances, the Group expects the sales from the existing retail network in China to maintain its current performance.

A previously inactive subsidiary in Malaysia, namely Niche Express Gold Sdn Bhd has commenced operations in trading of gold, gold jewellery and ornaments since the immediate preceding quarter.

In view of the PN1 status previously announced on 6 August 2012 and every month thereafter, the Group's financial position might be affected by the extent of YJI's inability to address the Default with the Banks for which the Company has acted as Corporate Guarantor.

## **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	Preceding Year	Current Year	Preceding
	Quarter	Corresponding	To Date	Year To Date
	30/06/2013	Quarter	30/06/2013	
	RM'000	RM'000	RM'000	RM'000
<b>Tax Expense</b>				
Malaysia -current year	-	n/a	-	n/a
Malaysia -prior year	-	n/a	-	n/a
Overseas- current year	-	n/a	-	n/a
<b>Total</b>	-	n/a	-	n/a
<b>Deferred Tax Expenses</b>				
Malaysia -current year	-	n/a	-	n/a
Malaysia -prior year	-	n/a	-	n/a
<b>Subtotal</b>	-	n/a	-	n/a
<b>Total</b>	-	n/a	-	n/a

## 20. Status of Corporate Proposals Announced

There were no corporate proposals that have been announced by the Company but not completed at the date of this announcement except for the following:

- (i) Proposed Debts Settlement and Proposed Assignment  
On 24 April 2013, the Company announced the acceptance of the offer letters from the Creditor Banks for:
- proposed debts settlement on behalf of YJI in respect of YJI's outstanding debts to Creditor Banks; and
  - discharge of corporate guarantee issued by NICE favouring Creditor Banks for banking facilities granted to YJI.
- (collectively "Proposed Debts Settlement")

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

- (i) Creditor 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 loans of YJI as at 31 December 2012 of RM16,593,232.61; and
- (ii) NICE will settle the Settlement Sum via a proposed issuance of 104,898,790 new ordinary share of RM0.10 each in NICE at par value and RM1,022,846 cash.



## 20. Status of Corporate Proposals Announced (cont'd)

In return of NICE's settlement, on behalf of YJI, in respect of its outstanding debts to Creditor Banks, YJI have agreed to provide the irrevocable undertaking to assign all of YJI's rights to receive compensation under legal suit against, amongst others, Bank Negara Malaysia for inter-alia, the recovery of all the "cupro nickel" material stocks which are currently held by Bank Negara Malaysia, and which material stocks YJI had supplied to The Royal Mint of Malaysia Sdn Bhd for value of up till RM18,879,435.23 to NICE ("Proposed Assignment").

The Creditor Banks, YJI and NICE will enter into a debts settlement agreement at a later date.

(ii) Proposed Private Placement

On 28 March 2013, NICE, through M&A Securities Sdn Bhd, announced its intention to implement a private placement of up to 11,799,000 new ordinary shares of RM0.10 each in NICE to independent third party investors to be identified ("Proposed Private Placement").

On 16 August 2013, NICE, through M&A Securities Sdn Bhd, announced its decision to abort the Proposed Private Placement. The Directors of NICE, after taking into consideration the current market condition and the current financial requirements of NICE, is of the opinion that the Company requires a larger fund raising exercise to comprehensively address its current financial condition

## 21. Status of Utilization of Proceeds Raised from Corporate Proposal

The net proceeds raised from Rights Issue is tabulated below :

	Maximum scenario as per Abridged Prospectus RM'000	Actual RM'000
Proceeds from Issuance of Rights Shares	7,080	7,080
Expenses of the Corporate Exercise	(850)	(967)
Working Capital Available	<u>6,230</u>	<u>6,113</u>

The proceeds of RM6.11 million from the Rights Issue has been utilized in the following manner as at the latest practicable date of this report:

Purpose	Proposed Utilisation	Actual Utilisation as at 30/6/2013	Intended Timeframe for Utilisation
	RM'000	RM'000	
Repayment of borrowings and other trade creditors	1,105	1,087	12 months from the listing of the Rights Shares (10 Aug 2012 -9 Aug 2013)
Administrative expenses	940	752	
Operating expenses and purchases of raw materials and merchandises	4,185	4,185	
	<u>6,230</u>	<u>6,024</u>	

The comparison is made between actual utilization with proposed utilization under the maximum scenario depicted in the abridged prospectus.

## 22. Group Borrowings and Debt Securities

The Group borrowing as at 30 June 2013 is as follows:

	As at 30/6/2013 RM'000	As at 31/12/2012 RM'000
Amount payable within 12 months	71	70
Amount payable after 12 months	297	332
Total	<u>368</u>	<u>402</u>

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.

### **23. 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 save as announced :-

On 6 August 2012, the Company was served with a Writ of Summons (No. 22NCC-1095-07/2012) by AmBank (M) Berhad for the entire outstanding amount of RM1,228,735.21 as at 15 May 2012 plus interests, costs and further and other reliefs as the Court may deem fit pursuant to a suit filed by the bank in the High Court of Malaya, Kuala Lumpur on 17 July 2012. On 28 February 2013, AmBank had withdrawn the claim against NICE with liberty to file afresh.

On 16 August 2012, the Company was served with a Writ of Summons (No. 22NCVC-566-08/2012) by RHB Bank Berhad for the entire outstanding amount of RM8,916,047.72 as at 30 June 2012 plus interests, costs and further and other reliefs as the Court may deem fit pursuant to a suit filed by the bank in the High Court of Malaya, Penang on 9 August 2012. On 16 July 2013, RHB had withdrawn the claim against NICE with liberty to file afresh and with no order as to cost.

On 27 August 2012, the Company was served with a Writ of Summons (No. 22NCVC-560-08/2012) by CIMB Bank Berhad for a sum of RM2,330,808.17 as at 16 July 2012 plus interest, costs and further and other relief as the Court may deem fit pursuant to a suit filed by the bank in the High Court of Malaya, Pulau Pinang on 2 August 2012. On 1 August 2013, CIMB had withdrawn the claim against NICE with liberty to file afresh and with no order as to cost.

On 12 October 2012, the Company was served with a Writ of Summons (No. 22NCC-1485-10/2012) by United Overseas Bank (Malaysia) Bhd for a sum of RM3,350,866.45 as at 31 August 2012 plus interest, costs on a full indemnity basis and any order or other relief as the Court may deem fit pursuant to a suit filed by the bank in the High Court of Malaya, Kuala Lumpur on 5 October 2012. The suit against NICE was struck out with liberty to file afresh by UOB and with no order as to cost, vide a mediation court session on 17 January 2013.

Investors are advised to refer to separate announcements on the Writ of Summons from the bank for further details.

## 24. Proposed Dividend

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

## 25. Earnings Per Share

(i) Basic Earnings Per Share	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30/06/2013	Preceding Year Corresponding Quarter	Current Year Quarter 30/06/2013	Preceding Year Corresponding Quarter
Net profit/(loss) attributable to owners of the Company (Basic EPS numerator) (RM'000)	(774)	n/a	(1,310)	n/a
Weighted average number of ordinary shares in issue (Basic EPS denominator) ('000)	117,992	n/a	117,992	n/a
Basic earnings/(loss) per share (sen)	(0.66)		(1.11)	

  

(ii) Diluted Earnings Per Share	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30/06/2013	Preceding Year Corresponding Quarter	Current Year Quarter 30/06/2013	Preceding Year Corresponding Quarter
Net profit/(loss) attributable to owners of the Company (Diluted EPS numerator) (RM'000)	(774)	n/a	(1,310)	n/a
Weighted average number of ordinary shares in issue ('000)	117,992	n/a	117,992	n/a
Effect of dilution- share options ('000)	-	n/a	-	n/a
Adjusted weighted average number of ordinary shares in issue (Diluted EPS denominator) ('000)	117,992	n/a	117,992	n/a
Basic earnings/(loss) per share (sen)	(0.66)	n/a	(1.11)	n/a

The Warrants have anti-dilutive effect on the net loss attributable to the owners of the Company. Because there is no share options with dilutive potential during the period, the diluted earnings per share is equal to basic earnings per share.

## 26. Realised and Unrealised Retained Profits

	As at 30.6.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries		
- Realised	(1,264)	(4,099)
- Unrealised	(2)	15
	<u>(1,266)</u>	<u>(4,084)</u>
Less: Consolidation Adjustment	1,946	6,074
Total Group retained profits / (accumulated losses) as per consolidated accounts	<u>680</u>	<u>1,990</u>

## 27. 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	6	21
(b) Other Income	-	-
(c) Interest Expense	(5)	(10)
(d) Depreciation and Amortization	(147)	(293)
(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	n/a	n/a
(i) Foreign Exchange Gain / (Loss)	-	(1)
(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  
Dated this 29 August 2013