

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 March 2014**  
**Condensed Consolidated Income Statement (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year-To-Date
	31/03/2014 RM'000	31/03/2013 RM'000	31/03/2014 RM'000	31/03/2013 RM'000
Revenue	9,054	8,982	9,054	8,982
Cost of goods sold	(8,430)	(8,026)	(8,430)	(8,026)
Gross profit	624	956	624	956
Administrative expenses	(1,334)	(1,561)	(1,334)	(1,561)
Other operating expenses	(4)	(1)	(4)	(1)
Other operating income	44	-	44	-
Operating profit / (loss)	(670)	(606)	(670)	(606)
Finance cost	(4)	(5)	(4)	(5)
Profit/(Loss) before tax	(674)	(611)	(674)	(611)
Taxation	-	-	-	-
Profit/(Loss) for the period	(674)	(611)	(674)	(611)
Profit/(Loss) after tax attributable to:				
- Equity holders of the Company	(468)	(536)	(468)	(536)
- Non-Controlling Interest	(206)	(75)	(206)	(75)
	(674)	(611)	(674)	(611)
Earnings per share (sen)				
- basic	(0.40)	(0.45)	(0.40)	(0.45)
- diluted	(0.40)	(0.45)	(0.40)	(0.45)

*The Condensed Consolidated Income Statements should be read in conjunction with the Group's restated audited Financial Statements for the 12 months financial year ended 31 December 2013 reissued on 30 October 2015. The accompanying notes form an integral part of this Income Statement.*

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR FIRST QUARTER ENDED 31 March 2014**  
**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
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) for the period	(674)	(611)	(674)	(611)
Other comprehensive income:				
Currency translation differences	(102)	(9)	(102)	(9)
Total comprehensive income for the period	<u>(776)</u>	<u>(620)</u>	<u>(776)</u>	<u>(620)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(520)	(540)	(520)	(540)
Non-Controlling interest	(256)	(80)	(256)	(80)
	<u>(776)</u>	<u>(620)</u>	<u>(776)</u>	<u>(620)</u>

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR FIRST QUARTER ENDED 31 March 2014**  
**Condensed Consolidated Statement of Financial Position**

	Unaudited As at 31/03/2014 Restated RM'000	Audited As at 31/12/2013 Restated RM'000
<b>Non-Current Assets</b>		
Property, Plant & Equipment	641	677
<b>Current Assets</b>		
Inventories	24,910	26,508
Trade receivables	445	259
Assets classified as held for sales	-	-
Other receivables, deposits and prepayments	1,322	1,223
Tax refundable	-	-
Cash & cash equivalents	703	246
	27,380	28,236
Assets held for sale	-	-
<b>Total Current Assets</b>	<b>27,380</b>	<b>28,236</b>
<b>Total Assets</b>	<b>28,021</b>	<b>28,913</b>
<b>Equity</b>		
Share Capital	11,799	11,799
Reserves		
Share Premium	1,895	1,895
Exchange Fluctuation Reserve	599	651
Warrants Reserve	1,225	1,225
Unappropriated profits / (loss)	(20,128)	(19,660)
<b>Equity attributable to the shareholders of the Company</b>	<b>(4,610)</b>	<b>(4,090)</b>
Non-Controlling Interest	(1,403)	(1,147)
<b>Total Equity</b>	<b>(6,013)</b>	<b>(5,237)</b>
<b>Non Current Liability</b>		
Long term Loan	240	259
<b>Total non-current liability</b>	<b>240</b>	<b>259</b>
Trade payables	6,778	6,800
Other payables & accruals	9,618	9,710
Provision	17,300	17,300
Amount owing to directors	1	-
Bank Borrowings	97	81
<b>Total current liabilities</b>	<b>33,794</b>	<b>33,891</b>
<b>Total equity and liabilities</b>	<b>28,021</b>	<b>28,913</b>
<b>Net Assets per share (RM)</b>	<b>-0.04</b>	<b>-0.03</b>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's restated audited Financial Statements for the 12 months financial year ended 31 December 2013 reissued on 30 October 2015. The accompanying notes form an integral part of this Statement of Financial Position.*

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR FIRST QUARTER ENDED 31 March 2014**  
**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)			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 31/12/2013	11,799	1,895	1,225	651	(8,147)	7,423	(1,147)	6,276
Reinstatement					(11,513)	(11,513)		(11,513)
Balance as at 31/12/2013, restated	11,799	1,895	1,225	651	(19,660)	(4,090)	(1,147)	(5,237)
Profit / (Loss) for the period	-	-	-	-	(468)	(468)	(206)	(674)
Other Comprehensive Income / (Loss)	-	-	-	(52)	-	(52)	(50)	(102)
Total Comprehensive Income / (Loss) for the period	-	-	-	(52)	(468)	(520)	(256)	(776)
<b>Transactions with owners</b>	-	-	-	-	-	-	-	-
<b>Balance as at 31/3/2014</b>	<b>11,799</b>	<b>1,895</b>	<b>1,225</b>	<b>599</b>	<b>(20,128)</b>	<b>(4,610)</b>	<b>(1,403)</b>	<b>(6,013)</b>

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR FIRST QUARTER ENDED 31 March 2014**  
**Condensed Consolidated Statement of Changes in Equity (Continued)**

	← 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)	Total		
	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
Reinstatement	-	-	-	-	(16,593)	(16,593)	-	(16,593)
Balance as at 1/1/2013, restated	11,799	1,895	1,225	(40)	(14,603)	276	(412)	(136)
Profit / (Loss) for the period- as previously stated	-	-	-	-	(10,137)	(10,137)	(1,398)	(11,535)
Profit / (Loss) for the period- reinstatement	-	-	-	-	5,080	5,080	-	5,080
Other Comprehensive Income / (Loss)	-	-	-	691	-	691	663	1,354
Total Comprehensive Income/ (Loss) for the period	-	-	-	691	(5,057)	(4,366)	(735)	(5,101)
<b>Transactions with owners</b>	-	-	-	-	-	-	-	-
<b>Balance as at 31/12/2013</b>	<b>11,799</b>	<b>1,895</b>	<b>1,225</b>	<b>651</b>	<b>(19,660)</b>	<b>(4,090)</b>	<b>(1,147)</b>	<b>(5,237)</b>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's restated audited Financial Statements for the 12 months financial year ended 31 December 2013 reissued on 30 October 2015. The accompanying notes form an integral part of this statement.*

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR FIRST QUARTER ENDED 31 March 2014**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**

	<b>3 months ended 31/03/2014 RM'000</b>	<i>Preceding Corresponding Period 31/03/2013 RM'000</i>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax	(674)	(611)
Adjustments for: -		
Depreciation	95	146
Unrealised loss on foreign exchange	3	2
Interest expenses	4	5
Interest income	-	(15)
Operating profit / (loss) before working capital changes	<u>(572)</u>	<u>(473)</u>
Changes in working capital		
Inventories	1,401	(587)
Trade and other receivables	(289)	(12,056)
Trade and other payables	310	13,171
Cash generated from / (used in) operating activities	<u>850</u>	<u>55</u>
Interest paid	(4)	(5)
Interest received	-	15
Tax refund/(paid)	-	-
Net cash generated from / (used in) operating activities	<u>846</u>	<u>65</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(61)	(38)
Proceeds from disposal of property, plant and equipment	-	-
Proceeds from disposal of assets held for sale	-	-
Net cash outflow from disposal of subsidiary	-	-
Net cash generated from / (used in) investing activities	<u>(61)</u>	<u>(38)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Bank Borrowings	(3)	(17)
Advances from / (Repayment to) Director	(323)	-
Net cash generated from / (used in) financing activities	<u>(326)</u>	<u>(17)</u>
Exchange difference in Translation	(2)	(2)
Net increase / (decrease) in cash and cash equivalents	<u>457</u>	<u>8</u>
Cash and cash equivalents as at 1 Jan 2014 / 1 Jan 2013	<u>246</u>	<u>4,427</u>
Cash and cash equivalents as at 31 Mar 2014 / 31 Mar 2013	<u><u>703</u></u>	<u><u>4,435</u></u>

Cash and cash equivalents comprise:

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR FIRST QUARTER ENDED 31 March 2014**  
**Condensed Consolidated Statement of Cash Flows (Unaudited) (Continued)**

	<b>3 months ended 31/12/2014 RM'000</b>	<i>Preceding Corresponding Period 31/03/2013 RM'000</i>
Cash and cash equivalents comprise:		
Short term investment in cash fund of financial institutions	8	1,540
Cash and bank balances	695	2,895
	<u>703</u>	<u>4,435</u>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's restated audited Financial Statements for the 12 months financial year ended 31 December 2013 reissued on 30 October 2015. The accompanying notes form an integral part of this statement.*

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR F FIRST QUARTER ENDED 31 March 2014**

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

**1. Accounting Policies**

**Basis of Preparation**

This interim financial report is reissued pursuant to the directive from the Securities Commission under Regulation 4(1) of the Securities Industry (Compliance with Approved Accounting Standards) Regulations 1999 via its letter dated 2nd September 2015 (“SC directive”).

The Securities Commission found that the Group and the Company had breached Section 354(1)(a) of the Capital Markets and Services Act 2007 read together with Regulation 4(1) of the Securities Industry (Compliance with Approved Accounting Standards) Regulations 1999 for:-

- a) failing to measure its obligations under the corporate guarantees on bank borrowings by its former wholly owned subsidiary, Yikon Jewellery Industry Sdn. Bhd. (“YJI”) in the Company’s audited financial statements for the financial period ended 30th June 2011 in accordance with FRS 139;
- b) failing to measure its obligations under the corporate guarantees on bank borrowings by YJI in the Company’s audited financial statements for the financial period ended 31st December 2012 in accordance with FRS 139; and
- c) recognising the sum of RM11,513,000/- as an asset under the item “other receivables” in the Company’s audited financial statements for the financial year ended 31st December 2013 which is not in accordance with MFRS 137.

The reissued financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The interim financial statements should be read in conjunction with the restated audited financial statements for the 12-month financial year ended 31 December 2013 reissued on 30 October 2015 and the accompanying explanatory notes attached to the interim financial statements.

The Board of Directors approved the issuance of these reissued financial statements and reissued interim finance reports on 30 October 2015 solely to comply with the directives from the Securities Commission to reissue the audited financial statements of the Group and of the Company for the year ended 31st December 2013 and interim finance reports thereafter.



## 1. Accounting Policies (Continued)

### Basis of Preparation (Continued)

The effects of the reinstatements on the current quarter interim financial statements are as follows:-

	As previously stated RM'000	Reinstatement pursuant to SC directives RM'000	As restated RM'000
<b>31.3.2014</b>			
<b>Statement of Financial Position</b>			
Other receivable	12,835	(11,513)	1,322
Unappropriated profit / (loss)	(8,615)	(11,513)	(20,128)
<b>Statement of Comprehensive Income</b>			
Affected item	n/a	n/a	n/a
<b>31.12.2013</b>			
<b>Statement of Financial Position</b>			
Other receivable	12,736	(11,513)	1,223
Unappropriated profit / (loss)	(8,147)	(11,513)	(19,660)
<b>31.3.2013</b>			
<b>Statement of Comprehensive Income</b>			
Affected item	n/a	n/a	n/a

The changes above have resulted in consequential changes to the statement of changes in equity, segmental disclosures and explanatory notes of the Group in this interim report.

### 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 31 December 2013 except for the adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRS") effective 1 January 2014:-

#### Amendments to MFRS

Standard	Title
MFRS 10	Investment Entities
MFRS 12	Investment Entities
MFRS 127	Investment Entities
MFRS 132	Offsetting Financial Assets and Financial Liabilities
MFRS 133	Earnings Per Share
MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets

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

## 2. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 31 December 2013 dated 30 April 2014 were subjected to audit qualification as follows:-

### Extracts from the Audit Report:

#### *Basis for Qualified Opinion*

1. *As disclosed in Note 9(b)(i) to the financial statements, upon the execution of the letter of undertaking, the Company recognised an amount of RM11,513,000/- as other income and other receivable.*

*We were unable to obtain sufficient appropriate audit evidence on the recognition of the said other income and the other receivable of RM11,513,000/-.*

2. *As disclosed in Note 25 to the financial statements, during the financial year, a Director of Yikoni Gold (Shen Zhen) Co. Ltd. ("YGSZ"), a subsidiary of the Company, instructed YGSZ to transfer an amount of RM9,732,828/- (RMB18,057,194/-) from the amounts that the Director advanced to YGSZ to Shen Zhen Jin Da Fu Co. Ltd. ("SZJDF"), a third party supplier of YGSZ. As a result, the amounts had been subsequently set-off in the financial statements. The Company represented that the fund transfer were made in the personal capacity of the said Director and do not relate to the operations of YGSZ and the Company. The Company is of the opinion that there is no financial impact to the statement of financial position and statement of comprehensive income.*

*We were unable to obtain sufficient appropriate audit evidence and satisfactory information and explanations on the said transfer of the funds to the third party supplier.*

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

1. The recognition of RM11,513,000 of other income and other receivable was rectified through the Group's restated audited Financial Statements for the 12 months financial year ended 31 December 2013 reissued on 30 October 2015.
2. The Company has given instruction to YGSZ to forbid any future fund transfer made in personal capacity of any director which do not relate to the operations of the Company or the Group.

## 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 in 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 31.3.2014 Restated RM'000	Preceding Year-To-Date 31.3.2013 Restated RM'000	Current Year-To-Date 31.3.2014 RM'000	Preceding Year-To-Date 31.3.2013 RM'000	Current Year-To-Date 31.3.2014 Restated RM'000	Preceding Year-To-Date 31.3.2013 Restated RM'000
<b>Revenue</b>						
Total Revenue	20	643	9,054	8,325	9,074	8,968
Inter-segment revenue	-	-	-	-	-	-
<b>External Sales</b>	20	643	9,054	8,325	9,074	8,968
<b>Segment Result</b>	(218)	(435)	(357)	(39)	(575)	(474)
Interest Income	-	14	-	-	-	14
Interest Expense	(4)	(5)	-	-	(4)	(5)
Depreciation and amortisation	(31)	(30)	(64)	(116)	(95)	(146)
<b>Profit before tax</b>	(253)	(456)	(421)	(155)	(674)	(611)
Taxation	-	-	-	-	-	-
<b>Profit after tax</b>	(253)	(456)	(421)	(155)	(674)	(611)
<b>Assets</b>						
Segment Assets	1,058	3,367	26,963	26,999	28,021	30,366
Unallocated Assets	-	-	-	-	-	-
<b>Total Assets</b>	1,058	3,367	26,963	26,999	28,021	30,366
<b>Liabilities</b>						
Segment Liabilities	18,583	17,497	15,451	13,625	34,034	31,122
Unallocated Liabilities	-	-	-	-	-	-
<b>Total Liabilities</b>	18,583	17,497	15,451	13,625	34,034	31,122

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.

## 9. Property, Plant and Equipment

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

## 10. Material Subsequent Events

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

## 11. 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.

## 12. Financial Guarantees

	As at 31/3/2014 RM'000	As at 31/12/2013 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	17,300	17,300

During the previous financial year, the Company recognised a provision for liabilities amounting to RM18,314,300 for the corporate guarantees issued by the Company on bank borrowings defaulted by the former subsidiary. As at 31<sup>st</sup> December 2013, cash deposits totaling RM1,014,000 were made to the Banks, namely AmBank Berhad, CIMB Bank Berhad, RHB Bank Berhad and United Overseas Bank (Malaysia) Berhad as part of the settlement sum.

## 13. 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 31/3/2014 RM	Balance Outstanding RM
Advances from/(Repayment to) a subsidiary director, namely Dato Daniel Choong Yew Chee, for his advances* to a subsidiary company, namely Yikoni Gold (ShenZhen) Co. Ltd.,	(323,815)	8,706,424

*\* 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.

## 14. Contingent Assets

The Company has contingent receivable in the form of potential reimbursement from its former wholly-owned subsidiary, Yikon Jewellery Industry Sdn Bhd (the “former subsidiary”).

The Company had issued corporate guarantees to AmBank Berhad, CIMB Bank Berhad, RHB Bank Berhad and United Overseas Bank (Malaysia) Berhad (the “Banks”) for banking facilities granted to its former subsidiary for an amount of RM22,759,000/-. The former subsidiary had defaulted in the repayment of the Banks’ borrowings during the period from 28<sup>th</sup> February 2010 to 12th July 2012, leading to a proposed debt settlement arrangement. Pursuant to the following arrangements, the Company is entitled to reimbursement from the former subsidiary for the settlement of the former subsidiary’s borrowing with the Banks and related legal fees and charges incurred pertaining to the Banks legal suits and subsequent execution of the Debt Settlement Agreement:

- (i) 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

The former subsidiary had instituted legal proceedings under 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 14th 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 the 5th defendant 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.

- (ii) Assignment Agreement dated 24 Jan 2014

The former subsidiary, through the said agreement, has assigned to the Company, all its rights title and interest to receive part of the proceeds from the Landowner’s Entitlement as defined in a Joint Venture Development Agreement dated 19th Nov 2012. NICE is entitled to receive up to RM8 million from the said assignment.

**B. Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

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

The Group recorded a turnover of RM 9.05 million in the current quarter. The Group's current quarter turnover increased by 74.45% compared to the immediate preceding quarter of RM 5.19 million. The higher turnover during the current quarter is mainly due to the cyclical sales fluctuation due to concentration of festivities in the first half calendar year. When compared with the RM 8.98 million turnover of the corresponding quarter in 2013, the Group's turnover showed a slight increase of 0.81%.

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 0.22% higher compared with the corresponding quarter in year 2013, the average gold price between the two corresponding period dropped by around 21.4%. The continuous downward trend in the international gold price has not adversely affected the China consumers' strong demand for gold jewellery and ornaments.

As at the end of the reporting quarter, the Group operated a total of 10 retail outlets for its China operation.

The Group recorded a loss before taxation of RM674 thousand for the current quarter.

**15 (b) 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 RM674 thousand in the current quarter compared to a loss before tax of RM8.66 million in the immediate preceding quarter. During the reporting quarter, the average gold price has increased by around 0.72%. The huge loss before tax for the preceding immediate quarter was mainly caused by provision made for the contingent liabilities associated with Corporate Guarantee issued for banking facilities of a former subsidiary as disclosed in note 12.

**16. Current Year Prospects**

The Group plans to expand its Malaysia operations and refocus on the domestic market. The Board is of the opinion that the existing overseas operation in China is constrained by excessive competition and fluctuations of the foreign exchange. The heightened competition to the Group's operation in China has resulted in low margin as the Group puts in effort to defend its market share. At the present moment, due to capital constraint, the Group will not be expanding its China based retail network. Barring any unforeseen circumstances, the Group expects the sales from the existing retail network in China to maintain its current performance.

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.

## 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
	31/03/2014 RM'000	31/03/2013 RM'000	31/03/2014 RM'000	31/03/2013 RM'000
<b>Tax Expense</b>				
Malaysia -current year	-	-	-	-
Malaysia -prior year	-	-	-	-
Overseas- current year	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Deferred Tax Expenses</b>				
Malaysia -current year	-	-	-	-
Malaysia -prior year	-	-	-	-
<b>Subtotal</b>	-	-	-	-
<b>Total</b>	-	-	-	-

## 19. 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:

### 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



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

- (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.

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.

## 20. Group Borrowings and Debt Securities

The Group borrowing as at 31 March 2014 is as follows:

	<b>As at 31/3/2014 RM'000</b>	<b>As at 31/12/2013 RM'000</b>
Amount payable within 12 months	97	81
Amount payable after 12 months	240	259
Total	<u>337</u>	<u>340</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.

## **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 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.

## **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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	Quarter	Corresponding
	31/03/2014	Quarter	31/03/2014	Quarter
		31/03/2013		31/03/2013
Net profit/(loss) attributable to owners of the Company (Basic EPS numerator) (RM'000)	(468)	(536)	(468)	(536)
Weighted average number of ordinary shares in issue (Basic EPS denominator) ('000)	117,992	117,992	117,992	117,992
Basic earnings/(loss) per share (sen)	(0.40)	(0.45)	(0.40)	(0.45)

(ii) Diluted Earnings Per Share	Individual Quarter		Cumulative Quarters	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	Quarter	Corresponding
	31/03/2014	Quarter	31/03/2014	Quarter
		31/03/2013		31/03/2013
Net profit/(loss) attributable to owners of the Company (Diluted EPS numerator) (RM'000)	(468)	(536)	(468)	(536)
Weighted average number of ordinary shares in issue ('000)	117,992	117,992	117,992	117,992
Effect of dilution- share options ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue (Diluted EPS denominator) ('000)	117,992	117,992	117,992	117,992
Basic earnings/(loss) per share (sen)	(0.40)	(0.45)	(0.40)	(0.45)

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.

## 24. Realised and Unrealised Retained Profits

	As at 31.3.2014 Restated RM'000	As at 31.12.2013 Restated RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries		
- Realised	(24,986)	(22,756)
- Unrealised	(3)	(6,805)
	<u>(24,989)</u>	<u>(29,561)</u>
Less: Consolidation Adjustment	4,861	9,901
Total Group retained profits / (accumulated losses) as per consolidated accounts	<u>(20,128)</u>	<u>(19,660)</u>

## 25. 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	81	81
(c) Interest Expense	(4)	(4)
(d) Depreciation and Amortization	(95)	(95)
(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	-	-
(i) Foreign Exchange Gain / (Loss)	(4)	(4)
(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 30<sup>th</sup> October 2015