

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016**  
**Condensed Consolidated Income Statement (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year-To-Date	Year-To-Date
	Quarter	Corresponding Quarter		
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
Revenue	3,191	3,559	9,388	7,980
Cost of goods sold	(2,609)	(3,698)	(4,765)	(8,453)
Gross profit / (loss)	582	(139)	4,623	(473)
Administrative expenses	(1,399)	(2,065)	(2,750)	(3,475)
Other expenses	(1)	2	(1)	(59)
Other income	(155)	8	50	5,186
Operating profit / (loss)	(973)	(2,194)	1,922	1,179
Finance cost	(11)	(2)	(23)	(5)
Profit/(Loss) before tax	(984)	(2,196)	1,899	1,174
Taxation	-	-	-	-
Profit/(Loss) for the period	(984)	(2,196)	1,899	1,174
Profit/(Loss) after tax attributable to:				
- Equity holders of the Company	(621)	(1,605)	2,537	2,355
- Non-Controlling Interest	(363)	(591)	(638)	(1,181)
	(984)	(2,196)	1,899	1,174
Earnings per share (sen)				
- basic	(0.21)	(0.57)	0.84	0.85
- diluted	(0.21)	(0.57)	0.84	0.85

*The Condensed Consolidated Income Statements should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2016. 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 31 DECEMBER 2016**  
**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
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) for the period	(984)	(2,196)	1,899	1,174
Other comprehensive income:				
Currency translation differences	1,253	(493)	1,441	5
Total comprehensive income/ (loss) for the period	269	(2,689)	3,340	1,179
Total comprehensive income/ (loss) attributable to:				
Equity holders of the Company	483	(1,856)	3,739	2,358
Non-Controlling interest	(214)	(833)	(399)	(1,179)
	269	(2,689)	3,340	1,179

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016**  
**Condensed Consolidated Statement of Financial Position**

	Unaudited As at 31/12/2016	Audited As at 30/6/2016
	RM'000	RM'000
<b>Non-Current Assets</b>		
Property, Plant & Equipment	444	583
<b>Current Assets</b>		
Inventories	37,282	28,752
Trade Receivables	1,725	723
Other Receivables, Deposits and Prepayments	2,219	6,655
Cash & Cash Equivalents	271	682
<b>Total Current Assets</b>	41,497	36,812
<b>Total Assets</b>	<b>41,941</b>	<b>37,395</b>
<b>Equity</b>		
Share Capital	30,276	30,276
Reserves		
Share Premium	8,301	8,301
Exchange Fluctuation Reserve	2,031	829
Warrants Reserve	1,225	1,225
Accumulated Losses	(18,031)	(20,568)
<b>Equity attributable to the shareholders of the Company</b>	23,802	20,063
Non-Controlling Interest	(5,502)	(5,103)
<b>Total Equity</b>	18,300	14,960
<b>Non Current Liability</b>		
Finance Lease Liability	15	58
<b>Total Non-Current Liability</b>	15	58
<b>Current Liabilities</b>		
Trade Payables	5,176	5,865
Other Payables & Accruals	18,230	16,414
Amount owing to director	113	-
Finance Lease Liability	107	98
<b>Total Current Liabilities</b>	23,626	22,377
<b>Total Equity and Liabilities</b>	<b>41,941</b>	<b>37,395</b>
<b>Net Assets per Share (RM)</b>	<b>0.08</b>	<b>0.07</b>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2016. 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 31 DECEMBER 2016**  
**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
Balance as at 1/7/2016	30,276	8,301	1,225	829	(20,568)	20,063	14,960
Profit / (Loss) for the period	-	-	-	-	2,537	2,537	1,899
Other Comprehensive Income / (Loss)	-	-	-	1,202	-	1,202	1,441
Total Comprehensive Income / (Loss) for the period	-	-	-	1,202	2,537	3,739	3,340
<b>Balance as at 31/12/2016</b>	<b>30,276</b>	<b>8,301</b>	<b>1,225</b>	<b>2,031</b>	<b>(18,031)</b>	<b>23,802</b>	<b>18,300</b>

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016**  
**Condensed Consolidated Statement of Changes in Equity (Continued)**

	← Attributable to shareholders of the Company →					Total	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 1/7/2015	26,872	6,607	1,225	1,282	(21,478)	14,508	(3,305)	11,203
Profit / (Loss) for the period	-	-	-	-	910	910	(1,363)	(453)
Other Comprehensive Income / (Loss)	-	-	-	(453)	-	(453)	(435)	(888)
Total Comprehensive Income / (Loss) for the period	-	-	-	(453)	910	457	(1,798)	(1,341)
<b>Transactions with owners</b>	-	-	-	-	-	-	-	-
Private Placement Share Issuance	3,404	1,702	-	-	-	5,106	-	5,106
Share Issuance Expenses	-	(32)	-	-	-	(32)	-	(32)
Previous share issuance expenses reversed	-	24	-	-	-	24	-	24
<b>Balance as at 30/6/2016</b>	<b>30,276</b>	<b>8,301</b>	<b>1,225</b>	<b>829</b>	<b>(20,568)</b>	<b>20,063</b>	<b>(5,103)</b>	<b>14,960</b>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2016. The accompanying notes form an integral part of this statement.*

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**

	<i>Unaudited</i> 1/7/2016 to 31/12/2016 RM'000	<i>Unaudited</i> 1/7/2015 to 31/12/2015 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax	1,899	1,174
Adjustments for: -		
Depreciation	121	130
Reimbursement of debt settlement	-	(5,007)
Inventory written down	19	-
Unrealised loss/(gain) on foreign exchange	(50)	-
Fixed asset written off	59	-
Reversal of inventories written down	(21)	-
Interest expenses	23	5
Interest income	-	-
Operating profit / (loss) before working capital changes	<u>2,050</u>	<u>(3,698)</u>
Changes in working capital		
Inventories	(6,756)	162
Trade and other receivables	3,500	(1,005)
Trade and other payables	727	852
Cash generated from / (used in) operating activities	<u>(479)</u>	<u>(3,689)</u>
Interest paid	(23)	(5)
Interest received	-	-
Net cash generated from / (used in) operating activities	<u>(502)</u>	<u>(3,694)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<u>(5)</u>	<u>(28)</u>
Net cash generated from / (used in) investing activities	(5)	(28)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability	<u>(34)</u>	<u>(17)</u>
Private placement share issuance	-	5,106
Advance from director	111	-
Net cash generated from / (used in) financing activities	77	5,089
Exchange difference in Translation	19	51
Net increase / (decrease) in cash and cash equivalents	<u>(411)</u>	<u>1,418</u>
Cash and cash equivalents at the beginning of the financial period/year	<u>682</u>	<u>1,655</u>
Cash and cash equivalents at the end of the financial period/year	<u>271</u>	<u>3,073</u>
Cash and cash equivalents comprise:		
Short term investment in cash fund of financial institutions	4	4
Cash and bank balances	267	3,069
	<u>271</u>	<u>3,073</u>

***The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2016. The accompanying notes form an integral part of this statement.***

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016**

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

**1. Accounting Policies**

**Basis of Preparation**

This interim financial report has been reviewed by the external auditors. The interim financial report has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

**Changes in Accounting Policies**

The accounting policies and methods of the computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2016 except for the adoption of the following new/revised Malaysian Financial Reporting Standards (“MFRS”) effective 1<sup>st</sup> January 2016:-

		<u>Effective dates for financial periods beginning on or after</u>
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 - 2014 Cycle		1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016

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. Audit Report of Preceding Annual Financial Statements**

The audited financial statements of the Group for the financial year ended 30 June 2016 were not subject to any audit qualification.

**3. Seasonal or Cyclical Factors**

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

**4. Unusual Items Due to their Nature, Size or Incidence**

There were no items affecting assets, liabilities, equity, net income or cash flow for the current quarter and financial period-to-date that are unusual due to their nature, size or incidence.

**5. Changes in Estimates**

There was no material change in estimates of amounts reported in prior interim periods of the current financial period or prior financial year.

**6. Issuances and Repayment of Debt and Equity Securities**

There was no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period under review.

**7. Dividend Paid**

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



## 8. Segmental Information

	Malaysia		HongKong / China		Group	
	Current Year-To-Date 31.12.16 RM'000	Preceding Year-To-Date 31.12.15 RM'000	Current Year-To-Date 31.12.16 RM'000	Preceding Year-To-Date 31.12.15 RM'000	Current Year-To-Date 31.12.16 RM'000	Preceding Year-To-Date 31.12.15 RM'000
<b>Revenue</b>						
Total Revenue	4,717	-	4,671	7,980	9,388	7,980
Inter-segment revenue	-	-	-	-	-	-
<b>External Sales</b>	<b>4,717</b>	<b>-</b>	<b>4,671</b>	<b>7,980</b>	<b>9,388</b>	<b>7,980</b>
<b>Segment Result</b>						
Interest Income	2,859	3,658	(816)	(2,349)	2,043	1,309
Interest Expense	-	-	-	-	-	-
Depreciation and amortisation	(3)	(5)	(20)	-	(23)	(5)
<b>Profit/(loss) before tax</b>	<b>(4)</b>	<b>(62)</b>	<b>(117)</b>	<b>(68)</b>	<b>(121)</b>	<b>(130)</b>
Taxation	2,852	3,591	(953)	(2,417)	1,899	1,174
<b>Profit/(loss) after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Assets</b>						
Segment Assets	2,852	3,591	(953)	(2,417)	1,899	1,174
Unallocated Assets	555	8,853	41,386	29,617	41,941	38,470
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>						
Segment Liabilities	2,955	1,850	20,685	19,140	23,640	20,990
Unallocated Liabilities	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>2,955</b>	<b>1,850</b>	<b>20,685</b>	<b>19,140</b>	<b>23,640</b>	<b>20,990</b>

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

There was no valuation of property, plant and equipment in the current quarter under review.

## 10. Material Subsequent Events

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

## 11. Changes in the Composition of the Group

On 20 December 2016, NICE acquired all 2 ordinary shares of RM1.00 each in Jadekey Bridge Sdn. Bhd. (“JBSB”) from Niche Express Gold Sdn. Bhd. for a total consideration of RM2 representing 100% equity interest in the issued and paid-up share capital of JBSB. This internal reorganisation will not have any effect on the issued and paid-up share capital of NICE or any material effect on the earnings, net assets or gearing of NICE on a consolidated basis.

## 12. 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 31/12/2016 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.,	100,716	7,700,911
Advances from/(Repayment to) a subsidiary director, namely Dato Daniel Choong Yew Chee, for his advances* to a subsidiary company, namely Yikon (HK) Limited	350,045	1,370,184
Rental of premise paid/payable by a subsidiary to a company in which a subsidiary director, namely Dato Daniel Choong Yew Chee has significant interest	48,600	17,340

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

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

## 13. Contingent Assets

The Company had issued corporate guarantees to AmBank (M) Berhad, CIMB Bank Berhad, RHB Bank Berhad and United Overseas Bank (Malaysia) Berhad (the “Creditor Banks”) for banking facilities granted to Yikon Jewellery Industry Sdn Bhd (“former subsidiary” or “YJI”) for an amount of RM22,759,000/-. The former subsidiary had defaulted in the repayment of the Creditor Banks’ borrowings during the period from 28 February 2010 to 12 July 2012, leading to a Debt Settlement Agreement being inked among the Creditor Banks, the Company and the former subsidiary on 26 June 2014 where the Company will settle the borrowings on behalf of the former subsidiary.

### 13. Contingent Assets (Continued)

Pursuant to the Debt Settlement Agreement, the Company had, on 23 December 2014, allotted 115,130,000 new ordinary shares to the Creditor Banks as full and final settlement for the former subsidiary's defaulted bank borrowings with the Creditor Banks, which as at 31 December 2013 amounted to RM18,314,300/-.

As a result of the Company settling the Creditor Banks on behalf of the former subsidiary, the Company has obtained undertakings from the former subsidiary to reimburse the Company for all expenses incurred in the settlement of the former subsidiary's borrowing with the Creditor Banks. Following are the Company's entitlement to future receivables from the former subsidiary:-

- (i) Letter of undertaking dated 8 April 2013 and Suit Assignment Agreement dated 25 April 2013 from the former subsidiary assigning all its rights to money to be recovered from its Royal Mint suit to the Company ("Suit Assignment")

The former subsidiary had instituted legal proceedings at the Penang High Court ("the Suit") against The Royal Mint of Malaysia Sdn Bhd ("RMM"), Paradym Resources Sdn Bhd ("PRI"), Azli Bin Abdul Rahman, Mimi Sharkina Bte Md Noh and Bank Negara Malaysia ("BNM") for inter-alia, the recovery of all the cupro nickel material stocks ("the Stocks") which are currently held by BNM and which the former subsidiary had supplied to RMM for a value up to RM18,879,435/-.

On 14 April 2014, the Company and BNM have reached settlement and entered into a consent judgement. It is recorded in the consent judgement that the former subsidiary and BNM have been awarded joint ownership over the Stocks which is currently held under custody of the Seremban Criminal Session Court. The consent judgement, inter alia, states that the former subsidiary and BNM shall jointly make an application to the Seremban Criminal Session Court for the release of the Stocks from the court's custody. Both the former subsidiary and BNM shall then put up the Stocks for public open tender, whereby both parties are also eligible to bid for the Stocks with a reserve price of no less than 80% of the Stocks' market value. The proceeds from the sales of the Stocks through the aforesaid open tender shall be split between the former subsidiary and BNM at the ratio of 40:60. NICE is entitled to the former subsidiary's split of the sales proceed pursuant to the Suit Assignment Agreement.

On 23 February 2017, the BNM's application for revocation of the bond dated 21 May 2007 to produce the raw materials as exhibit and for the raw materials to be released to BNM have been allowed by the Seremban Magistrate.

- (ii) Settlement Agreement dated 25 September 2015

On 25 September 2015, NICE and YJI had entered into a Settlement Agreement to partially settle the amount owing by YJI to NICE ("Inter-Company Debt"). Under the Settlement Agreement, YJI proposed to partially settle the amount owing up to RM8.2 million by way of assignment debts and delivering gemstones and jewellery to NICE. As at 30 September 2015, the assignment of the Inter-Company Debt was executed and the Group has recognized a RM5 million gain on reimbursement from YJI through the contra of intercompany debt with YJI.

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

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

The Group recorded a turnover of RM3.191 million in the current quarter. The stagnant overseas revenue was due to China's retail market being affected adversely by the China domestic economic downturn and the jewellery sector was affected significantly.

During the current quarter, a wholly owned Hong Kong-based subsidiary, namely Niche Capital (HK) Limited started operation and sold jadeite stones worth RM1.332 million.

The Group's China-based subsidiary, namely Yikoni Gold (Shenzhen) Co. Ltd. contributed RM1.859 million revenue for the current quarter. The current quarter revenue from the China operations before foreign exchange conversion is 44.7% lower compared with the corresponding financial period in year 2015. The subsidiary closed one non-performing outlet during the reporting quarter. The average gold price between the two corresponding financial periods has increased by around 10.29% while the average foreign exchange rate from China Yuan Renminbi to Ringgit Malaysia has increased by 5.5%.

As at the end of the reporting quarter, the Group maintains and operates a total of 7 retail outlets (8 outlets in preceding quarter) under its China operation.

The Group recorded loss before taxation of RM984 thousand for the current quarter.

**15. 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 taxation of RM984 thousand in the current quarter compared to a profit before taxation of RM2.883 million in the immediate preceding quarter. The gross profit before foreign exchange translation from the China operation was 21.36% lower compared to the immediate preceding quarter. However, the newly commenced Hong Kong-based operation has enabled the Group to partially offset the stagnant result from the overseas operation.

## 16. Current Year Prospects

The business environment for the Group is expected to continue to be challenging due to China's economic slowdown, weak consumer demand and the stiff competition among jewellery retailers. The Group will review and re-aligned its business strategies, moving forward, to meet these challenges.

## 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:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year-</b>	<b>Preceding</b>
	<b>Quarter</b>	<b>Corresponding</b>	<b>To-Date</b>	<b>Year-To-Date</b>
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<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 Private Placement

On 8 June 2016, KAF Investment Bank Berhad (“KAF IB”) has on behalf of NICE, announced that that NICE proposes to undertake a private placement of up to 10% of the issued and paid-up share capital of NICE based on a shareholders’ mandate procured pursuant to Section 132D of the Companies Act, 1965 (“Proposed Private Placement”).

The additional listing application in respect of the Proposed Private Placement has been submitted to Bursa Securities on 10 June 2016. On 19 September 2016, KAF IB announced on behalf of NICE that Bursa Securities had, vide its letter dated 19 September 2016 to KAF IB, resolved to approve the listing and quotation of up to 30,276,150 Placement Shares to be issued pursuant to the Proposed Private Placement subject to stipulated conditions. The shareholders’ mandate pursuant to Section 132D of the Companies Act, 1965 was renewed at the AGM held on 28 November 2016.

## 20. Group Borrowings and Debt Securities

The Group borrowing as at 31 December 2016 is as follows:

	As at 31/12/2016 RM’000	As at 30/6/2016 RM’000
Amount payable within 12 months	107	98
Amount payable after 12 months	15	58
Total	<u>122</u>	<u>156</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.

## 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	Quarter	Corresponding Quarter
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net profit/(loss) attributable to owners of the Company (Basic EPS numerator) (RM'000)	(621)	(1,605)	2,537	2,355
Weighted average number of ordinary shares in issue (Basic EPS denominator) ('000)	302,762	279,768	302,762	276,636
Basic earnings/(loss) per share (sen)	(0.21)	(0.57)	0.84	0.85

### (ii) Diluted Earnings Per Share

	Individual Quarter		Cumulative Quarters	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	Quarter	Corresponding Quarter
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net profit/(loss) attributable to owners of the Company (Diluted EPS numerator) (RM'000)	(621)	(1,605)	2,537	2,355
Weighted average number of ordinary shares in issue ('000)	302,762	279,768	302,762	276,636
Effect of dilution				
- Warrants 2012/2017 ('000) #	-	-	-	-
Adjusted weighted average number of ordinary shares in issue (Diluted EPS denominator) ('000)	302,762	279,768	302,762	276,636
Basic earnings/(loss) per share (sen)	(0.21)	(0.57)	0.84	0.85

# Remark: The warrants have no dilutive effect and are therefore excluded from the calculation.

Warrants have a dilutive effect only when the average market price of ordinary shares during the period exceeds the exercise price of the warrants.

## 24. Realised and Unrealised Retained Profits

	As at 31.12.2016 RM'000	As at 30.6.2016 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries		
- Realised	(38,457)	(40,413)
- Unrealised	2,291	107
	<u>(36,166)</u>	<u>(40,306)</u>
Less: Consolidation Adjustment	18,135	19,738
Total Group retained profits / (accumulated losses) as per consolidated accounts	<u>(18,031)</u>	<u>(20,568)</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	-	-
(c) Interest Expense	(11)	(23)
(d) Depreciation and Amortization	(60)	(121)
(e) Provision / Write off of Receivables	n/a	n/a
(f) Provision / Write off of Inventories	3	(7)
(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)	(155)	50
(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 28 February 2017