

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017
Condensed Consolidated Income Statement (Unaudited)

| | Individual Quarter | | Cumulative Quarter | |
|--|----------------------|--------------------------------------|----------------------|------------------------|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year-To-Date | Preceding Year-To-Date |
| | 31/3/2017 RM'000 | 31/3/2016 RM'000 | 31/3/2017 RM'000 | 31/3/2016 RM'000 |
| Revenue | 3,384 | 3,152 | 12,772 | 11,132 |
| Cost of goods sold | (2,805) | (1,990) | (7,571) | (10,443) |
| Gross profit / (loss) | 579 | 1,162 | 5,201 | 689 |
| Administrative expenses | (1,383) | (1,576) | (4,133) | (5,051) |
| Other expenses | (3) | (5) | (4) | (64) |
| Other income | 47 | 2 | 98 | 5,188 |
| Operating profit / (loss) | (760) | (417) | 1,162 | 762 |
| Finance cost | (3) | - | (26) | (5) |
| Profit/(Loss) before tax | (763) | (417) | 1,136 | 757 |
| Taxation | - | (4) | - | (4) |
| Profit/(Loss) for the period | (763) | (421) | 1,136 | 753 |
| Profit/(Loss) after tax attributable to: | | | | |
| - Equity holders of the Company | (530) | (518) | 2,007 | 1,837 |
| - Non-Controlling Interest | (233) | 97 | (871) | (1,084) |
| | (763) | (421) | 1,136 | 753 |
| Earnings per share (sen) | | | | |
| - basic | (0.17) | (0.17) | 0.66 | 0.64 |
| - diluted | (0.17) | (0.17) | 0.66 | 0.64 |

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 THIRD QUARTER ENDED 31 MARCH 2017
Condensed Consolidated Statement of Comprehensive Income (Unaudited)

| | Individual Quarter | | Cumulative Quarter | |
|---|----------------------------|---|-------------------------|---------------------------|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year-To-Date | Preceding Year-To-Date |
| | 31/3/2017 | 31/3/2016 | 31/3/2017 | 31/3/2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit / (Loss) for the period | (763) | (421) | 1,136 | 753 |
| Other comprehensive income: | | | | |
| Currency translation differences | (225) | (952) | 1,217 | (947) |
| Total comprehensive income/ (loss) for the period | (988) | (1,373) | 2,353 | (194) |
| Total comprehensive income/ (loss) attributable to: | | | | |
| Equity holders of the Company | (737) | (1,004) | 3,003 | 1,354 |
| Non-Controlling interest | (251) | (369) | (650) | (1,548) |
| | (988) | (1,373) | 2,353 | (194) |

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017
Condensed Consolidated Statement of Financial Position

| | Unaudited As at 31/3/2017 RM'000 | Audited As at 30/6/2016 RM'000 |
|---|---|---|
| Non-Current Assets | | |
| Property, Plant & Equipment | 432 | 583 |
| Current Assets | | |
| Inventories | 36,216 | 28,752 |
| Trade Receivables | 1,351 | 723 |
| Other Receivables, Deposits and Prepayments | 3,409 | 6,655 |
| Cash & Cash Equivalents | 2,768 | 682 |
| Total Current Assets | 43,744 | 36,812 |
| Total Assets | 44,176 | 37,395 |
| Equity | | |
| Share Capital | 32,850 | 30,276 |
| Reserves | | |
| Share Premium | 8,279 | 8,301 |
| Exchange Fluctuation Reserve | 1,825 | 829 |
| Warrants Reserve | 1,225 | 1,225 |
| Accumulated Losses | (18,561) | (20,568) |
| Equity attributable to the shareholders of the Company | 25,618 | 20,063 |
| Non-Controlling Interest | (5,753) | (5,103) |
| Total Equity | 19,865 | 14,960 |
| Non Current Liability | | |
| Finance Lease Liability | - | 58 |
| Total Non-Current Liability | - | 58 |
| Current Liabilities | | |
| Trade Payables | 3,050 | 5,865 |
| Other Payables & Accruals | 19,739 | 16,414 |
| Amount owing to director | 1,413 | - |
| Finance Lease Liability | 109 | 98 |
| Total Current Liabilities | 24,311 | 22,377 |
| Total Equity and Liabilities | 44,176 | 37,395 |
| Net Assets per Share (RM) | 0.08 | 0.07 |

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 THIRD QUARTER ENDED 31 MARCH 2017
Condensed Consolidated Statement of Changes in Equity (Unaudited)

| | 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 1/7/2016 | 30,276 | 8,301 | 1,225 | 829 | (20,568) | 20,063 | (5,103) | 14,960 |
| Profit / (Loss) for the period | - | - | - | - | 2,007 | 2,007 | (871) | 1,136 |
| Other Comprehensive Income / (Loss) | - | - | - | 996 | - | 996 | 221 | 1,217 |
| Total Comprehensive Income / (Loss) for the period | - | - | - | 996 | 2,007 | 3,003 | (650) | 2,353 |
| Transactions with owners | | | | | | | | |
| Private Placement Share Issuance | 2,574 | - | - | - | - | 2,574 | - | 2,574 |
| Share Issuance Expenses | - | (22) | - | - | - | (22) | - | (22) |
| Balance as at 31/3/2017 | 32,850 | 8,279 | 1,225 | 1,825 | (18,561) | 25,618 | (5,753) | 19,865 |

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017
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) |
| Transactions with owners | | | | | | | | |
| 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 |
| Balance as at 30/6/2016 | 30,276 | 8,301 | 1,225 | 829 | (20,568) | 20,063 | (5,103) | 14,960 |

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 THIRD QUARTER ENDED 31 MARCH 2017
Condensed Consolidated Statement of Cash Flows (Unaudited)

| | <i>Unaudited</i> 1/7/2016 to 31/3/2017 RM'000 | <i>Unaudited</i> 1/7/2015 to 31/3/2016 RM'000 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit / (Loss) Before Tax | 1,136 | 757 |
| Adjustments for: - | | |
| Depreciation | 231 | 189 |
| Reimbursement of debt settlement | - | (5,007) |
| Inventory written down | 7 | - |
| Unrealised loss/(gain) on foreign exchange | (97) | - |
| Fixed asset written off | 59 | 4 |
| Reversal of inventories written down | (11) | - |
| Interest expenses | 26 | 5 |
| Interest income | (1) | - |
| Operating profit / (loss) before working capital changes | 1,350 | (4,052) |
| Changes in working capital | | |
| Inventories | (5,870) | (70) |
| Trade and other receivables | 2,677 | (1,508) |
| Trade and other payables | 129 | 1,047 |
| Cash generated from / (used in) operating activities | (1,714) | (4,583) |
| Interest paid | (26) | (5) |
| Interest received | 1 | - |
| Tax refund/(paid) | - | (4) |
| Net cash generated from / (used in) operating activities | (1,739) | (4,592) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (107) | (380) |
| Net cash generated from / (used in) investing activities | (107) | (380) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Payment of lease liability | (47) | (24) |
| Private placement share issuance | 2,552 | 5,106 |
| Advance from director | 1,411 | - |
| Net cash generated from / (used in) financing activities | 3,916 | 5,082 |
| Exchange difference in Translation | 16 | (17) |
| Net increase / (decrease) in cash and cash equivalents | 2,086 | 93 |
| Cash and cash equivalents at the beginning of the financial period/year | 682 | 1,655 |
| Cash and cash equivalents at the end of the financial period/year | 2,768 | 1,748 |
| Cash and cash equivalents comprise: | | |
| Short term investment in cash fund of financial institutions | 4 | 4 |
| Cash and bank balances | 2,764 | 1,744 |
| | 2,768 | 1,748 |

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 THIRD QUARTER ENDED 31 MARCH 2017

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

1. Accounting Policies

Basis of Preparation

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

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 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 1st 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 except for the following:

- On 13 March 2017, the Company issued 30,276,100 ordinary shares at an issue price of RM0.085 each to identified investors under the private placement exercise.

7. Dividend Paid

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

8. Segmental Information

| | Malaysia | | HongKong / China | | Group | |
|-------------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| | Current Year-To- Date | Preceding Year-To- Date | Current Year-To- Date | Preceding Year-To- Date | Current Year-To- Date | Preceding Year-To- Date |
| | 31.3.2017 | 31.3.2016 | 31.3.2017 | 31.3.2016 | 31.3.2017 | 31.3.2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | |
| Total Revenue | 4,717 | - | 8,055 | 11,132 | 12,772 | 11,132 |
| Inter-segment revenue | - | - | - | - | - | - |
| External Sales | 4,717 | - | 8,055 | 11,132 | 12,772 | 11,132 |
| Segment Result | | | | | | |
| Interest Income | - | - | 1 | - | 1 | - |
| Interest Expense | (4) | (5) | (22) | - | (26) | (5) |
| Depreciation and amortisation | (6) | (84) | (225) | (105) | (231) | (189) |
| Profit/(loss) before tax | 2,247 | 2,976 | (1,111) | (2,219) | 1,136 | 757 |
| Taxation | - | (4) | - | - | - | (4) |
| Profit/(loss) after tax | 2,247 | 2,972 | (1,111) | (2,219) | 1,136 | 753 |
| Assets | | | | | | |
| Segment Assets | 2,802 | 8,007 | 41,375 | 27,533 | 44,177 | 35,540 |
| Unallocated Assets | - | - | - | - | - | - |
| Total Assets | 2,802 | 8,007 | 41,375 | 27,533 | 44,177 | 35,540 |
| Liabilities | | | | | | |
| Segment Liabilities | 3,054 | 1,621 | 21,257 | 17,812 | 24,311 | 19,433 |
| Unallocated Liabilities | - | - | - | - | - | - |
| Total Liabilities | 3,054 | 1,621 | 21,257 | 17,812 | 24,311 | 19,433 |

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 except as disclosed.

On 12 May 2017, the Company announced that it has entered into a Share Sale Agreement (“SSA”) with Everest Top Limited in relation to the proposed disposal of its 15% equity interests in Yikon (HK) Limited (“YHK”) (“Proposed Disposal”). YHK is an investment holding company with sole investment in Yikoni Gold (ShenZhen) Co., Ltd, the operating entity managing several jewellery retail outlets in mainland China. Upon the completion of the Proposed Disposal, the Company will only hold 36% equity interest in YHK and YHK will ceased to be a subsidiary of the Company. On 26 May 2017, both parties agreed to extend time by 14 days to complete the Proposed Disposal.

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 31/3/2017 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., | 8,092 | 7,608,287 |
| Advances from/(Repayment to) a subsidiary director, namely Dato Daniel Choong Yew Chee, for his advances* to a subsidiary company, namely Yikon (HK) Limited | 442,543 | 1,462,683 |
| 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 | 74,385 | 51,210 |
| Advances from/(Repayment to) a director, namely Julian Foo Kuan Lin, for his advances* to the Company. | 1,203,050 | 1,203,050 |
| Advances from/(Repayment to) a director, namely Julian Foo Kuan Lin, for his advances* to a subsidiary company, namely Niche Express Gold Sdn Bhd. | 201,406 | 201,406 |

* The directors’ 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.

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.

13. Contingent Assets (Continued)

(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 RM3.384 million in the current quarter and RM12,772 million for the financial period-to-date. 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.

The Group’s wholly owned Hong Kong-based subsidiary, namely Niche Capital (HK) Limited which started operation during the previous quarter contributed RM2.240 million for the financial period-to-date.

The Group’s China-based subsidiary, namely Yikoni Gold (Shenzhen) Co. Ltd. contributed RM2.476 million revenue for the current quarter and RM5.816 million for the financial-period-date. The current quarter revenue from the China operations before foreign exchange conversion is 21.4% lower compared with the corresponding financial period in year 2016. 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 3.23% while the average foreign exchange rate from China Yuan Renminbi to Ringgit Malaysia has increased by 0.62%.

As at the end of the reporting quarter, the Group maintains and operates a total of 6 retail outlets (7 outlets in preceding quarter) under its China operation.

The Group recorded loss before taxation of RM763 thousand for the current quarter and a profit before taxation of RM1.136 million for the financial period-to-date.

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 RM763 thousand in the current quarter compared to a loss before taxation of RM984 thousand in the immediate preceding quarter. The Group's revenue slightly increased by 6.06% compared with immediate preceding quarter.

16. Current Year Prospects

The business environment for the Group is expected to continue to be challenging in the near future due to China's economic slowdown, weak consumer demand and the stiff competition among jewellery retailers. The Board has reviewed and realigned its business strategies going forward. As part of this initiative, the Group has kick-started its wholesale trading of jadeite stones and blocks through Niche Capital (HK) Limited, a wholly owned subsidiary in Hong Kong SAR. Recently, the Group has moved to divest its interest in mainland China with the view to downsize and streamline the Group's exposure there. Management is planning the setting up of a jewellery emporium in Malaysia by the fourth quarter of 2017 to build on and strengthen the Group presence in the domestic market.

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 |
| | 31/3/2017 | 31/3/2016 | 31/3/2017 | 31/3/2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Tax Expense | | | | |
| Malaysia -current year | - | - | - | - |
| Malaysia -prior year | - | 4 | - | 4 |
| Overseas- current year | - | - | - | - |
| Total | - | 4 | - | 4 |
| Deferred Tax Expenses | | | | |
| Malaysia -current year | - | - | - | - |
| Malaysia -prior year | - | - | - | - |
| Subtotal | - | - | - | - |
| Total | - | 4 | - | 4 |

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.

20. Group Borrowings and Debt Securities

The Group borrowing as at 31 March 2017 is as follows:

| | As at 31/3/2017 RM'000 | As at 30/6/2016 RM'000 |
|---------------------------------|------------------------------|------------------------------|
| Amount payable within 12 months | 109 | 98 |
| Amount payable after 12 months | - | 58 |
| Total | 109 | 156 |

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

21. Changes in Material Litigation

As at the latest practicable date, neither the Company nor any of its subsidiary companies is engaged in any material litigation, either as plaintiff or defendant and the Directors of the Company are not aware of any proceedings pending or threatened against the Company and its subsidiary companies or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

22. Proposed Dividend

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

23. Earnings Per Share

| (i) Basic Earnings Per Share | Individual Quarter | | Cumulative Quarters | |
|---|-----------------------------------|---|-----------------------------------|---|
| | Current Year Quarter 31/3/2017 | Preceding Year Corresponding Quarter 31/3/2016 | Current Year Quarter 31/3/2017 | Preceding Year Corresponding Quarter 31/3/2016 |
| Net profit/(loss) attributable to owners of the Company (Basic EPS numerator) (RM'000) | (530) | (518) | 2,007 | 1,837 |
| Weighted average number of ordinary shares in issue (Basic EPS denominator) ('000) | 309,153 | 302,762 | 304,861 | 285,281 |
| Basic earnings/(loss) per share (sen) | (0.17) | (0.17) | 0.66 | 0.64 |
| (ii) Diluted Earnings Per Share | Individual Quarter | | Cumulative Quarters | |
| | Current Year Quarter 31/3/2017 | Preceding Year Corresponding Quarter 31/3/2016 | Current Year Quarter 31/3/2017 | Preceding Year Corresponding Quarter 31/3/2016 |
| Net profit/(loss) attributable to owners of the Company (Diluted EPS numerator) (RM'000) | (530) | (518) | 2,007 | 1,837 |
| Weighted average number of ordinary shares in issue ('000) | 309,153 | 302,762 | 304,861 | 285,281 |
| Effect of dilution | | | | |
| - Warrants 2012/2017 ('000) # | - | - | - | - |
| Adjusted weighted average number of ordinary shares in issue (Diluted EPS denominator) ('000) | 309,153 | 302,762 | 304,861 | 285,281 |
| Basic earnings/(loss) per share (sen) | (0.17) | (0.17) | 0.66 | 0.64 |

Remark: The warrants have no dilutive effect and are therefore excluded from the calculation. Warrants have dilutive effect only when the average market price of the ordinary shares during the period exceeds the exercise price of the warrants.

24. Realised and Unrealised Retained Profits

| | As at 31.3.2017 RM'000 | As at 30.6.2016 RM'000 |
|--|------------------------------|------------------------------|
| Total retained profits / (accumulated losses) of the Company and its subsidiaries | | |
| - Realised | (39,267) | (38,593) |
| - Unrealised | 1,896 | - |
| | <u>(37,371)</u> | <u>(38,593)</u> |
| Less: Consolidation Adjustment | 18,810 | 18,952 |
| Total Group retained profits / (accumulated losses) as per consolidated accounts | <u>(18,561)</u> | <u>(19,641)</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 | 1 | 1 |
| (b) Other Income | - | - |
| (c) Interest Expense | (3) | (26) |
| (d) Depreciation and Amortization | (110) | (231) |
| (e) Provision / Write off of Receivables | n/a | n/a |
| (f) Provision / Write off of Inventories | 11 | 4 |
| (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) | 47 | 97 |
| (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 May 2017