

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 June 2017**  
**Condensed Consolidated Income Statement (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/6/2017 RM'000	30/6/2016 RM'000	30/6/2017 RM'000	30/6/2016 RM'000
Revenue	2,018	2,704	14,791	13,837
Cost of goods sold	(1,679)	(2,056)	(9,250)	(12,500)
Gross profit / (loss)	339	648	5,541	1,337
Administrative expenses	(1,669)	(1,793)	(5,802)	(6,845)
Other expenses	(73)	38	(78)	(25)
Other income	(14)	(67)	84	5,121
Loss on disposal of shares in subsidiary	(3,097)	-	(3,097)	-
Operating profit / (loss)	(4,514)	(1,174)	(3,352)	(412)
Finance cost	(1)	(32)	(27)	(37)
Profit/(Loss) before tax	(4,515)	(1,206)	(3,379)	(449)
Taxation	(388)	-	(388)	(4)
Profit/(Loss) for the period	(4,903)	(1,206)	(3,767)	(453)
Profit/(Loss) after tax attributable to:				
- Equity holders of the Company	(4,645)	(927)	(2,638)	910
- Non-Controlling Interest	(258)	(279)	(1,129)	(1,363)
	(4,903)	(1,206)	(3,767)	(453)
Earnings per share (sen)				
- basic	(1.39)	(0.31)	(0.85)	0.31
- diluted	(1.39)	(0.31)	(0.85)	0.31

*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 FOURTH QUARTER ENDED 30 June 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 Corresponding Period
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) for the period	(4,903)	(1,206)	(3,767)	(453)
Other comprehensive income:				
Currency translation differences	(1,694)	(952)	(478)	(947)
Total comprehensive income/ (loss) for the period	<u>(6,597)</u>	<u>(2,158)</u>	<u>(4,245)</u>	<u>(1,400)</u>
Total comprehensive income/ (loss) attributable to:				
Equity holders of the Company	(6,119)	(1,789)	(3,116)	148
Non-Controlling interest	(478)	(369)	(1,129)	(1,548)
	<u>(6,597)</u>	<u>(2,158)</u>	<u>(4,245)</u>	<u>(1,400)</u>

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 June 2017**  
**Condensed Consolidated Statement of Financial Position**

	Unaudited As at 30/6/2017	Audited As at 30/6/2016
Note	RM'000	RM'000
<b>Non-Current Assets</b>		
Property, Plant & Equipment	46	583
<b>Current Assets</b>		
Inventories	73,301	28,752
Trade Receivables	1,600	723
Other Receivables, Deposits and Prepayments	9,393	6,655
Cash & Cash Equivalents	1,166	682
<b>Total Current Assets</b>	<b>85,460</b>	<b>36,812</b>
<b>Total Assets</b>	<b>85,506</b>	<b>37,395</b>
<b>Equity</b>		
Share Capital	32,850	30,276
Reserves		
Share Premium	8,254	8,301
Exchange Fluctuation Reserve	351	829
Warrants Reserve	1,225	1,225
Accumulated Losses	(23,206)	(20,568)
<b>Equity attributable to the shareholders of the Company</b>	<b>19,474</b>	<b>20,063</b>
Non-Controlling Interest	-	(5,103)
<b>Total Equity</b>	<b>19,474</b>	<b>14,960</b>
<b>Non-Current Liability</b>		
Deferred Taxation	4	-
Finance Lease Liability	-	58
<b>Total Non-Current Liability</b>	<b>4</b>	<b>58</b>
<b>Current Liabilities</b>		
Trade Payables	62,337	5,865
Other Payables & Accruals	3,260	16,414
Provision for taxation	322	-
Finance Lease Liability	109	98
<b>Total Current Liabilities</b>	<b>66,028</b>	<b>22,377</b>
<b>Total Equity and Liabilities</b>	<b>85,506</b>	<b>37,395</b>
<b>Net Assets per Share (RM)</b>	<b>0.06</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 FOURTH QUARTER ENDED 30 June 2017**  
**Condensed Consolidated Statement of Changes in Equity (Unaudited)**

	Attributable to shareholders of the Company					Total	Non-Controlling Interest	Total Equity
	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	-	-	-	-	(2,638)	(2,638)	(1,129)	(3,767)
Other Comprehensive Income / (Loss)	-	-	-	(478)	-	(478)	-	(478)
Total Comprehensive Income / (Loss) for the period	-	-	-	(478)	(2,638)	(3,116)	(1,129)	(4,245)
<b>Transactions with owners</b>								
Private Placement Share Issuance	2,574	-	-	-	-	2,574	-	2,574
Share Issuance Expenses	-	(47)	-	-	-	(47)	-	(47)
Deconsolidate NCI	-	-	-	-	-	-	6,232	6,232
<b>Balance as at 30/6/2017</b>	<b>32,850</b>	<b>8,254</b>	<b>1,225</b>	<b>351</b>	<b>(23,206)</b>	<b>19,474</b>	<b>-</b>	<b>19,474</b>

**NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)**  
**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 June 2017**  
**Condensed Consolidated Statement of Changes in Equity (Continued)**

	Attributable to shareholders of the Company					Total	Non-Controlling Interest	Total Equity
	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 FOURTH QUARTER ENDED 30 June 2017**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**

	<i>Unaudited</i>	<i>Audited</i>
	1/7/2016	1/7/2015
	to	to
	30/6/2017	30/6/2016
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax	(3,379)	(449)
Adjustments for: -		
Depreciation	311	259
Loss on disposal of investment in subsidiary	3,097	-
Reimbursement of debt settlement	-	(5,007)
Loss / (Gain) on disposal of fixed assets	-	1
Impairment losses on other receivables	203	215
Inventory written down	10	11
Unrealised loss/(gain) on foreign exchange	(83)	-
Reversal of impairment loss on trade receivables	-	(61)
Bad debt recovered	-	(3)
Fixed asset written off	58	3
Reversal of inventories written down	(11)	(568)
Interest expenses	27	37
Interest income	(1)	(1)
Operating profit / (loss) before working capital changes	<u>232</u>	<u>(5,563)</u>
Changes in working capital		
Inventories	(71,754)	(2,053)
Trade and other receivables	7,465	3,796
Trade and other payables	61,808	(1,856)
Cash generated from / (used in) operating activities	<u>(2,249)</u>	<u>(5,676)</u>
Interest paid	(27)	(37)
Interest received	1	1
Tax refund/(paid)	(60)	(4)
Net cash generated from / (used in) operating activities	<u>(2,335)</u>	<u>(5,716)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(104)	(446)
Net cash outflow from disposal of subsidiary	(1,020)	-
Net cash generated from / (used in) investing activities	<u>(1,124)</u>	<u>(446)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability	(47)	(72)
Private placement share issuance	2,527	5,098
Advance from director	1,463	-
Net cash generated from / (used in) financing activities	<u>3,943</u>	<u>5,026</u>
Exchange difference in Translation	-	163
Net increase / (decrease) in cash and cash equivalents	<u>484</u>	<u>(973)</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><u>1,166</u></u>	<u><u>682</u></u>
Cash and cash equivalents comprise:		
Short term investment in cash fund of financial institutions	4	4
Cash and bank balances	1,162	678
	<u><u>1,166</u></u>	<u><u>682</u></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 FOURTH QUARTER ENDED 30 June 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. At the date of authorisation of the Interim Report, the following Standards were issued but not yet effective and have not been adopted by the Group:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
<u>Annual Improvements to MFRSs 2014 - 2016 Cycle:</u>		
Amendments to MFRS 12		1 January 2017
Amendments to MFRS 1		1 January 2018
Amendments to MFRS 128		1 January 2018
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share- based Payment Transactions	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018*
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

\* Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.

**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
	30.6.2017	30.6.2016	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
Total Revenue	4,718	-	10,073	13,837	14,791	13,837
Inter-segment revenue	-	-	-	-	-	-
<b>External Sales</b>	4,718	-	10,073	13,837	14,791	13,837
					-	
<b>Segment Result</b>	(1,977)	2,436	(1,065)	(2,598)	(3,042)	(162)
Interest Income	-	-	1	1	1	1
Interest Expense	(5)	(9)	(22)	(28)	(27)	(37)
Depreciation and amortisation	(8)	(86)	(303)	(165)	(311)	(251)
<b>Profit/(loss) before tax</b>	(1,990)	2,341	(1,389)	(2,790)	(3,379)	(449)
Taxation	(177)	(4)	(211)	-	(388)	(4)
<b>Profit/(loss) after tax</b>	(2,167)	2,337	(1,600)	(2,790)	(3,767)	(453)
<b>Assets</b>						
Segment Assets	11,398	8,034	74,108	29,361	85,506	37,395
Unallocated Assets	-	-	-	-	-	-
<b>Total Assets</b>	11,398	8,034	74,108	29,361	85,506	37,395
<b>Liabilities</b>						
Segment Liabilities	3,980	2,280	62,052	20,155	66,032	22,435
Unallocated Liabilities	-	-	-	-	-	-
<b>Total Liabilities</b>	3,980	2,280	62,052	20,155	66,032	22,435

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 9 September 2017, the Company completed disposal of 1,500 ordinary shares of HKD1.00 each in Yikon (H.K.) Limited (“YHK”) representing 15% equity interest in the issued and paid-up share capital of YHK. Upon the completion of the disposal, the Company’s equity holding in YHK reduced from 51% to 36%, YHK ceased to be a subsidiary of the Company and effectively became an associate company.

	<b>Audited</b>	<b>Unaudited</b>	<b>Effect from</b>
		<b>After YHK</b>	<b>YHK Share</b>
		<b>Share Disposal</b>	<b>Disposal</b>
	<b>30/6/2016</b>	<b>30/6/2017</b>	<b>RM’000</b>
	<b>RM’000</b>	<b>RM’000</b>	
Share Capital	30,276	32,850	-
Share Premium	8,301	8,254	-
Exchange fluctuation reserve	829	351	(830)
Warrant reserve	1,225	1,225	-
Retained earnings	(20,568)	(23,206)	(3,097)
<b>Equity attributable to the owners of NICE</b>	<b>20,063</b>	<b>19,474</b>	
Non-Controlling Interest	(5,103)	0	(6,232)
<b>Total Equity</b>	<b>14,960</b>	<b>19,474</b>	
<b>Number of NICE Shares in issue</b>	<b>302,761,500</b>	<b>333,037,600</b>	
Net Asset per NICE Share (RM)	0.07	0.06	
Total Borrowings (RM’000)	156	109	
Gearing (times)	0.01	0.01	

The Group incurred RM3.097 million of loss on the disposal of YHK shares.

## 12. Investment in Associate

	30.6.2017	30.6.2017
	RM’000	RM’000
Unquoted shares, at cost	2	-
Impairment	(2)	-
	<u>-</u>	<u>-</u>

### 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 30/6/2017 RM	Balance Outstanding RM
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.	202,060	202,060
Advances from/(Repayment to) a director, namely Julian Foo Kuan Lin, for his advances* to a subsidiary company, namely Niche Capital (HK) Limited.	47,489	47,489

*\* 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.*

### 14. 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")

#### 14. Contingent Assets (Continued)

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.

On 15 March 2017, YJI’s solicitors had a meeting with BNM to discuss the necessary steps and tentative timeline to put up the Stock for sale by open tender. The proceeds from the sale of the Stock through open tender shall be split between YJI and BNM at the ratio of 40:60, in which NICE is entitled to YJI’s split of the sales proceeds pursuant to the Suit Assignment Agreement dated 25 April 2013. On 23 May 2017, BNM reverted to YJI’s solicitors informing that they have received a proposal from MNP Auctioneers to undertake a stocktake exercise on the raw materials. On 25 May 2017, YJI’s solicitors informed BNM that it is agreeable to the proposal but enquired whether the cost of the proposed auctioneer will be shared on the same 40:60 ratio as mentioned above. Currently, YJI is still awaiting a reply from BNM with regards to the cost of the proposed auctioneer.

##### (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 jewellerys 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**

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

The Group recorded a turnover of RM2.02 million in the current quarter and RM14.79 million for the financial year-to-date. Compared with RM13.84 million turnover of previous financial year ended 30 June 2016, the Group's turnover has increased by RM954 thousand in the current financial year.

The Group's wholly owned Hong Kong-based subsidiary, namely Niche Capital (HK) Limited which started operation during the second quarter of the financial year has contributed RM3.25 million turnover for the current financial year-to-date and recorded a profit before taxation of RM1.27 million.

The Group's wholly owned Malaysia-based subsidiary Niche Express Gold Sdn Bhd ("NEG") has contributed RM4.72 million turnover for the current financial year-to-date and recorded a profit before taxation of RM2.74 million.

The Group's China-based subsidiary, namely Yikoni Gold (Shenzhen) Co. Ltd. ("YGSZ") contributed RM1 million revenue for the current quarter and RM6.82 million for the financial period up to 31 May 2017. The Group no longer consolidate the turnover from YGSZ from June 2017 onwards as the it is no longer a subsidiary to the Group with the reduction of the Group's equity interest in Yikon (HK) Limited ("YHK") which wholly own YGSZ.

The Group recorded loss before taxation of RM4.52 million for the current quarter and a loss before taxation of RM3.38 million for the financial year-to-date. The Group incurred RM3.10 million loss on disposal of shares in YHK during the quarter.

**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 taxation of RM4.52 million in the current quarter compared to a loss before taxation of RM763 thousand in the immediate preceding quarter. The Group's revenue reduced 40.36% compared with immediate preceding quarter. The Group incurred RM3.10 million loss on disposal of shares in a subsidiary during the quarter.

## 17. 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.

In view of the above, the Group is expected to turn around in the next financial year with the remaining profit-making subsidiaries.

## 18. Profit Forecast

Not applicable as no profit forecast was published.

## 19. Taxation

The taxation of the Group for the financial period under review is as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year-To-Date
	30/6/2017 RM'000	30/6/2016 RM'000	30/6/2017 RM'000	30/6/2016 RM'000
<b>Income Tax</b>				
Malaysia -current year	(173)	-	(173)	-
Malaysia -prior year	-	-	-	(4)
Overseas- current year	(211)	-	(211)	-
Overseas- prior year	-	-	-	-
<b>Subtotal</b>	<b>(384)</b>	<b>-</b>	<b>(384)</b>	<b>(4)</b>
<b>Deferred Taxation</b>				
Malaysia -current year	(4)	-	(4)	-
Malaysia -prior year	-	-	-	-
<b>Subtotal</b>	<b>(4)</b>	<b>-</b>	<b>(4)</b>	<b>-</b>
<b>Total taxation expense</b>	<b>(388)</b>	<b>-</b>	<b>(388)</b>	<b>(4)</b>

## 20. Status of Corporate Proposals Announced

On 10 August 2017, Mercury Securities Sdn Bhd (“Mercury Securities”), has on behalf of the Company, announced that the Company proposes to undertake the following corporate proposals:

- (i) proposed renounceable rights issue of up to 1,332,151,400 new ordinary shares in NICE (“NICE Shares”) (“Rights Shares”) on the basis of 4 Rights Shares for every 1 existing NICE Share, together with up to 666,075,700 free detachable warrant (“Warrants”) on the basis of 2 Warrants for every 4 Rights Shares subscribed for at an issue price of RM0.045 per Rights Share; and
- (ii) proposed capitalisation of RM54,003,850 in aggregate of the amount owing to certain creditors of NICE via the issuance of 1,080,077,000 new NICE Shares (“Settlement Shares”) at an issue price of RM0.05 per Settlement Share.

On 16 August 2017, Mercury Securities, has on behalf of the Company, announced that the listing application in respect of the Proposals has been submitted to Bursa Securities on the same date.

## 21. Group Borrowings and Debt Securities

The Group borrowing as at 30 June 2017 is as follows:

	<b>As at 30/6/2017 RM'000</b>	<b>As at 30/6/2016 RM'000</b>
Amount payable within 12 months	109	98
Amount payable after 12 months	-	58
Total	<u>109</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.

## 22. Changes in Material Litigation

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

## 23. Proposed Dividend

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

## 24. Earnings Per Share

(i) Basic Earnings Per Share	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30/6/2017	Preceding Year Corresponding Quarter 30/6/2016	Current Year Quarter 30/6/2017	Preceding Year Corresponding Quarter 30/6/2016
Net profit/(loss) attributable to owners of the Company (Basic EPS numerator) (RM'000)	(4,645)	(927)	(2,638)	910
Weighted average number of ordinary shares in issue (Basic EPS denominator) ('000)	333,038	302,762	311,886	289,628
<b>Basic earnings/(loss) per share (sen)</b>	<b>(1.39)</b>	<b>(0.31)</b>	<b>(0.85)</b>	<b>0.31</b>
(ii) Diluted Earnings Per Share	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30/6/2017	Preceding Year Corresponding Quarter 30/6/2016	Current Year Quarter 30/6/2017	Preceding Year Corresponding Quarter 30/6/2016
Net profit/(loss) attributable to owners of the Company (Diluted EPS numerator) (RM'000)	(4,645)	(927)	(2,638)	910
Weighted average number of ordinary shares in issue ('000)	333,038	302,762	311,886	289,628
Effect of dilution				
- Warrants 2012/2017 ('000) #	-	-	-	-
Adjusted weighted average number of ordinary shares in issue (Diluted EPS denominator) ('000)	333,038	302,762	311,886	289,628
<b>Basic earnings/(loss) per share (sen)</b>	<b>(1.39)</b>	<b>(0.31)</b>	<b>(0.85)</b>	<b>0.31</b>

# 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.*



## 25. Realised and Unrealised Retained Profits

	As at 30/6/2017 RM'000	As at 30/6/2016 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries		
- Realised	(29,801)	(40,413)
- Unrealised	(442)	107
	(30,243)	(40,306)
Less: Consolidation Adjustment	7,037	19,738
Total Group retained profits / (accumulated losses) as per consolidated accounts	(23,206)	(20,568)

## 26. 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
(b) Other Income	-	-
(c) Interest Expense	(1)	(27)
(d) Depreciation and Amortization	(80)	(311)
(e) Provision / Write off of Receivables	(203)	(203)
(f) Provision / Write off of Inventories	(3)	1
(g) Gain / (Loss) on Disposal of quoted or unquoted investments or properties	(3,097)	(3,097)
(h) Impairment of Assets	n/a	n/a
(i) Foreign Exchange Gain / (Loss)	(76)	21
(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  
30 August 2017