

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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
	30/9/2017 RM'000	30/9/2016 RM'000	30/9/2017 RM'000	30/9/2016 RM'000
Revenue	2,225	6,197	2,225	6,197
Cost of goods sold	(1,118)	(2,156)	(1,118)	(2,156)
Gross profit / (loss)	1,107	4,041	1,107	4,041
Administrative expenses	(609)	(1,351)	(609)	(1,351)
Other expenses	(997)	-	(997)	-
Other income	-	205	-	205
Operating profit / (loss)	(499)	2,895	(499)	2,895
Finance cost	(1)	(12)	(1)	(12)
Profit/(Loss) before tax	(500)	2,883	(500)	2,883
Taxation	-	-	-	-
Profit/(Loss) for the period	(500)	2,883	(500)	2,883
Profit/(Loss) after tax attributable to:				
- Equity holders of the Company	(500)	3,158	(500)	3,158
- Non-Controlling Interest	-	(275)	-	(275)
	(500)	2,883	(500)	2,883
Earnings per share (sen)				
- basic	(0.15)	1.04	(0.15)	1.04
- diluted	(0.15)	1.04	(0.15)	1.04

The Condensed Consolidated Income Statements should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2017. The accompanying notes form an integral part of this Income Statement.

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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
	30/9/2017 RM'000	30/9/2016 RM'000	30/9/2017 RM'000	30/9/2016 RM'000
Profit / (Loss) for the period	(500)	2,883	(500)	2,883
Other comprehensive income:				
Currency translation differences	(199)	187	(199)	187
Total comprehensive income/ (loss) for the period	(699)	3,070	(699)	3,070
Total comprehensive income/ (loss) attributable to:				
Equity holders of the Company	(699)	3,255	(699)	3,255
Non-Controlling interest	-	(185)	-	(185)
	(699)	3,070	(699)	3,070

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

	Unaudited As at 30/9/2017 RM'000	Audited As at 30/6/2017 RM'000
Non-Current Assets		
Property, Plant & Equipment	49	46
Current Assets		
Inventories	71,006	73,301
Trade Receivables	3,111	1,600
Other Receivables, Deposits and Prepayments	9,683	9,393
Cash & Cash Equivalents	391	1,166
Total Current Assets	84,191	85,460
Total Assets	84,240	85,506
Equity		
Share Capital	32,850	32,850
Reserves		
Share Premium	8,254	8,254
Exchange Fluctuation Reserve	152	351
Warrants Reserve	-	1,225
Accumulated Losses	(22,481)	(23,206)
Equity attributable to the shareholders of the Company	18,775	19,474
Total Equity	18,775	19,474
Non-Current Liability		
Deferred Taxation	4	4
Total Non-Current Liability	4	4
Current Liabilities		
Trade Payables	61,702	62,337
Other Payables & Accruals	3,340	3,260
Provision for taxation	309	322
Finance Lease Liability	110	109
Total Current Liabilities	65,461	66,028
Total Equity and Liabilities	84,240	85,506
Net Assets per Share (RM)	0.06	0.06

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 2017. The accompanying notes form an integral part of this Statement of Financial Position.

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017
Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to shareholders of the Company					Total Equity
	Non-Distributable			Distributable	Retained Earnings / (Accumulated Losses)	
	Share Capital	Share Premium	Warrants Reserve	Exchange Fluctuation Reserve		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1/7/2017	32,850	8,254	1,225	351	(23,206)	19,474
Profit / (Loss) for the period	-	-	-	-	(500)	(500)
Other Comprehensive Income / (Loss)	-	-	-	(199)	-	(199)
Total Comprehensive Income / (Loss) for the period	-	-	-	(199)	(500)	(699)
Transactions with owners						
Warrants Expired	-	-	(1,225)	-	1,225	-
Balance as at 30/9/2017	32,850	8,254	-	152	(22,481)	18,775

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 1/7/2016	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)
Transactions with owners								
Issue of Ordinary Shares	2,574	-	-	-	-	2,574	-	2,574
Share Issuance Expenses	-	(47)	-	-	-	(47)	-	(47)
Disposal of subsidiary company	-	-	-	-	-	-	6,232	6,232
Balance as at 30/6/2017	32,850	8,254	1,225	351	(23,206)	19,474	-	19,474

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 2017. The accompanying notes form an integral part of this statement.

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017
Condensed Consolidated Statement of Cash Flows (Unaudited)

	1/7/2017 to 30/9/2017 RM'000	1/7/2016 to 30/9/2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(500)	2,883
Adjustments for: -		
Depreciation	2	61
Inventory written down	-	21
Unrealised loss/(gain) on foreign exchange	997	(205)
Reversal of inventories written down	-	(11)
Interest expenses	1	12
Operating profit / (loss) before working capital changes	<u>500</u>	<u>2,761</u>
Changes in working capital		
Inventories	1,108	(6,911)
Trade and other receivables	(1,827)	4,701
Trade and other payables	(541)	(836)
Cash generated from / (used in) operating activities	<u>(760)</u>	<u>(285)</u>
Interest paid	(1)	(12)
Tax refund/(paid)	(8)	-
Net cash generated from / (used in) operating activities	<u>(769)</u>	<u>(297)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5)	(5)
Net cash generated from / (used in) investing activities	(5)	(5)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability	-	(21)
Advance from director	(1)	3
Net cash generated from / (used in) financing activities	(1)	(18)
Exchange difference in Translation	-	6
Net increase / (decrease) in cash and cash equivalents	<u>(775)</u>	<u>(314)</u>
Cash and cash equivalents at the beginning of the financial period/year	<u>1,166</u>	<u>682</u>
Cash and cash equivalents at the end of the financial period/year	<u>391</u>	<u>368</u>
Cash and cash equivalents comprise:		
Short term investment in cash fund of financial institutions	4	4
Cash and bank balances	387	364
	<u>391</u>	<u>368</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 2017. The accompanying notes form an integral part of this statement.

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 2017 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 2017. 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 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 2017 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 2 August 2017, the Company issued 250 ordinary shares at an issue price of RM0.16 each to a warrants holder.

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
	30.9.2017	30.9.2016	30.9.2017	30.9.2016	30.9.2017	30.9.2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Total Revenue	-	4,717	2,225	1,480	2,225	6,197
Inter-segment revenue	-	-	-	-	-	-
External Sales	-	4,717	2,225	1,480	2,225	6,197
Segment Result	(602)	3,247	105	(291)	(497)	2,956
Interest Income	-	-	-	-	-	-
Interest Expense	(1)	(2)	-	(10)	(1)	(12)
Depreciation and amortisation	(2)	(2)	-	(59)	(2)	(61)
Profit/(loss) before tax	(605)	3,243	105	(360)	(500)	2,883
Taxation	-	-	-	-	-	-
Profit/(loss) after tax	(605)	3,243	105	(360)	(500)	2,883
Assets						
Segment Assets	10,915	671	73,325	39,178	84,240	39,849
Unallocated Assets	-	-	-	-	-	-
Total Assets	10,915	671	73,325	39,178	84,240	39,849
Liabilities						
Segment Liabilities	3,515	2,674	61,950	19,145	65,465	21,819
Unallocated Liabilities	-	-	-	-	-	-
Total Liabilities	3,515	2,674	61,950	19,145	65,465	21,819

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, jadeite 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. Investment in Associate

	30.9.2017 RM'000	30.6.2017 RM'000
Unquoted shares, at cost	2	2
Accumulated Impairment Loss	(2)	(2)
	<hr/>	<hr/>
	-	-

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 30/9/2017 RM	Balance Outstanding as at 30/9/2017 RM
Advances from/(Repayment to) a director, namely Julian Foo Kuan Lin, for his advances ^(a) to the Company.	-	1,203,050
Advances from/(Repayment to) a director, namely Julian Foo Kuan Lin, for his advances ^(a) to a subsidiary company, namely Niche Express Gold Sdn Bhd.	-	202,060
Advances from/(Repayment to) a director, namely Julian Foo Kuan Lin, for his advances ^(a) to a subsidiary company, namely Niche Capital (HK) Limited.	(777) ^(b)	46,712

Notes:

(a) *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.*

(b) *Forex translation changes.*

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)

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.

On 10 October 2017, YJI's solicitors had another meeting with BNM to discuss on the arrangement with MNP. BNM and YJI target the auction to take place on 15 January 2018 and there should be a meeting by the parties with MNP around 17 December 2017 after the documentation and terms and conditions of the auction is prepared by MNP and circulated to the parties. 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

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

The Group recorded a turnover of RM2.23 million for the current quarter and financial period-to-date.

The Group's wholly owned Hong Kong-based subsidiary, namely Niche Capital (HK) Limited ("NHK") which started operation during the second quarter of previous financial year has contributed RM2.23 million turnovers for the current financial year-to-date and produced a gross profit of RM1.11 million. NHK however incurred RM997 thousands of unrealised forex loss on its trade payables.

The Group recorded loss before taxation of RM500 thousands for the current quarter and 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 RM500 thousands in the current quarter compared to a loss before taxation of RM4.52 million in the immediate preceding quarter. The Group's revenue increased 10.24% compared with immediate preceding quarter. The Group incurred RM3.10 million loss on disposal of shares in a former subsidiary in the 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 through divestment of its interest in mainland China's retail sector and kick-started its wholesale trading of jadeite stones and blocks through Niche Capital (HK) Limited, a wholly owned subsidiary in Hong Kong SAR. Locally, the Management is in the process of setting up a jewellery emporium in Malaysia by the fourth quarter of 2017 to build on and strengthen the Group presence in the domestic market.

Moving forward, the Group also intends to set-up a jewellery processing facility in Ipoh, Perak which will facilitate better control over cost, quality and timing of the processing of the Group's raw jadeite stones and provide improved efficiency and recovery rates from the raw jadeite stones. Over time, such gains would benefit the Group's performance and more importantly, enable the Group to develop relevant skill sets to reduce its dependency on out sourcing of such services.

In view of the above, the Group is expected to turn around in the current financial year.

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
	30/9/2017 RM'000	30/9/2016 RM'000	30/9/2017 RM'000	30/9/2016 RM'000
Income Tax				
Malaysia -current year	-	-	-	-
Malaysia -prior year	-	-	-	-
Overseas- current year	-	-	-	-
Overseas- prior year	-	-	-	-
Subtotal	-	-	-	-
Deferred Taxation				
Malaysia -current year	-	-	-	-
Malaysia -prior year	-	-	-	-
Subtotal	-	-	-	-
Total taxation expense	-	-	-	-

19. 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.

20. Status of Utilization of Proceeds Raised from Corporate Proposal

The Company raised RM2.552 million from issuance of 30.276 million unit Private Placement shares at the issue price of RM0.085 each.

	RM'000
Proceeds from issuance of Private Placements Shares	2,573
Expenses of Corporate Exercise	(21)
Working Capital Available	<u>2,552</u>

The proceeds of RM2.552 million from the Private Placement has been fully utilised in the following manner:

Purpose	Utilisation as at 30 Sep 2017 RM'000
Purchase of merchandises such as raw jadeite stone blocks to generate revenue for the Group	1,159
Payment for the outstanding processing costs for the jadeite stones	773
Payment for all the costs and expenses for an exercise which is aimed to strengthen the financial conditions of the Group	77
Payment for the general administrative and operating expenses of the Group which are incurred in its daily operations	543
	<u>2,552</u>

21. Group Borrowings and Debt Securities

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

	As at 30/9/2017 RM'000	As at 30/6/2017 RM'000
Amount payable within 12 months	110	109
Amount payable after 12 months	-	-
Total	<u>110</u>	<u>109</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 30/9/2017	Preceding Year Corresponding Quarter 30/9/2016	Current Year Quarter 30/9/2017	Preceding Year Corresponding Quarter 30/9/2016
Net profit/(loss) attributable to owners of the Company (Basic EPS numerator) (RM'000)	(500)	3,158	(500)	3,158
Weighted average number of ordinary shares in issue (Basic EPS denominator) ('000)	333,038	302,762	333,038	302,762
Basic earnings/(loss) per share (sen)	(0.15)	1.04	(0.15)	1.04

(ii) Diluted Earnings Per Share	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30/9/2017	Preceding Year Corresponding Quarter 30/9/2016	Current Year Quarter 30/9/2017	Preceding Year Corresponding Quarter 30/9/2016
Net profit/(loss) attributable to owners of the Company (Diluted EPS numerator) (RM'000)	(500)	3,158	(500)	3,158
Weighted average number of ordinary shares in issue ('000)	333,038	302,762	333,038	302,762
Effect of dilution - N/A	-	-	-	-
Adjusted weighted average number of ordinary shares in issue (Diluted EPS denominator) ('000)	333,038	302,762	333,038	302,762
Basic earnings/(loss) per share (sen)	(0.15)	1.04	(0.15)	1.04

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 30/9/2017 RM'000	As at 30/6/2017 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries		
- Realised	(28,521)	(29,801)
- Unrealised	(1,180)	(442)
	(29,701)	(30,243)
Less: Consolidation Adjustment	7,220	7,037
Total Group retained profits / (accumulated losses) as per consolidated accounts	(22,481)	(23,206)

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	-	-
(b) Other Income	-	-
(c) Interest Expense	(1)	(1)
(d) Depreciation and Amortization	(2)	(2)
(e) Provision / Write off of Receivables	-	-
(f) Provision / Write off of Inventories	-	-
(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)	(997)	(997)
(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
28 November 2017