

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018
Condensed Consolidated Income Statement (Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/9/2018 RM'000	30/9/2017 RM'000	30/9/2018 RM'000	30/9/2017 RM'000
Revenue	2,201	2,225	2,201	2,225
Cost of goods sold	(1,271)	(1,118)	(1,271)	(1,118)
Gross profit / (loss)	930	1,107	930	1,107
Administrative expenses	(642)	(609)	(642)	(609)
Other expenses	(120)	(997)	(120)	(997)
Other income	2	-	2	-
Operating profit / (loss)	170	(499)	170	(499)
Finance cost	(2)	(1)	(2)	(1)
Profit/(Loss) before tax	168	(500)	168	(500)
Taxation	-	-	-	-
Profit/(Loss) for the period	168	(500)	168	(500)
Profit/(Loss) after tax attributable to Equity holders of the Company	168	(500)	168	(500)
Earnings per share (sen)				
- basic	0.05	(0.15)	0.05	(0.15)
- diluted	0.05	(0.15)	0.05	(0.15)

The Condensed Consolidated Income Statements should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2018. 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 2018
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
	30/9/2018 RM'000	30/9/2017 RM'000	30/9/2018 RM'000	30/9/2017 RM'000
Profit / (Loss) for the period	168	(500)	168	(500)
Other comprehensive income:				
Currency translation differences	65	(199)	65	(199)
Total comprehensive income/ (loss) for the period	<u>233</u>	<u>(699)</u>	<u>233</u>	<u>(699)</u>
Total comprehensive income/ (loss) attributable to:				
Equity holders of the Company	<u>233</u>	<u>(699)</u>	<u>233</u>	<u>(699)</u>

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018
Condensed Consolidated Statement of Financial Position

	Unaudited As at 30/9/2018 RM'000	Audited As at 30/6/2018 RM'000
Non-Current Assets		
Property, Plant & Equipment	280	288
Current Assets		
Inventories	15,403	16,627
Trade Receivables	6,896	5,851
Other Receivables, Deposits and Prepayments	5,499	5,375
Tax recoverable	62	51
Cash & Cash Equivalents	138	800
	27,998	28,704
Assets held for sale	-	-
Total Current Assets	27,998	28,704
Total Assets	28,278	28,992
Equity		
Share Capital	32,850	32,850
Reserves		
Share Premium	8,254	8,254
Exchange Fluctuation Reserve	(412)	(477)
Accumulated Losses	(20,867)	(21,035)
Equity attributable to the shareholders of the Company	19,825	19,592
Total Equity	19,825	19,592
Current Liabilities		
Trade Payables	990	2,090
Other Payables & Accruals	6,939	6,780
Provision for taxation	524	510
Finance Lease Liability	-	20
Total Current Liabilities	8,453	9,400
Total Equity and Liabilities	28,278	28,992
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 2018. 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 2018
Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to shareholders of the Company					Total Equity
	Non-Distributable			Distributable	Total Equity	
	Share Capital	Share Premium	Warrants Reserve	Exchange Fluctuation Reserve		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1/7/2018	32,850	8,254	-	(477)	(21,035)	19,592
Profit / (Loss) for the period	-	-	-	-	168	168
Other Comprehensive Income / (Loss)	-	-	-	65	-	65
Total Comprehensive Income / (Loss) for the period	-	-	-	65	168	233
Transactions with owners						
Warrants Expired	-	-	-	-	-	-
Balance as at 30/9/2018	32,850	8,254	-	(412)	(20,867)	19,825

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272-V)
INTERIM REPORT FOR FIRST QUARTER ENDED 30 SEPTEMBER 2018
Condensed Consolidated Statement of Changes in Equity (Continued)

	Attributable to shareholders of the Company					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
Balance as at 1/7/2017	32,850	8,254	1,225	351	(23,206)	19,474
Profit / (Loss) for the period	-	-	-	-	946	946
Other Comprehensive Income / (Loss)	-	-	-	(828)	-	(828)
Total Comprehensive Income / (Loss) for the period	-	-	-	(828)	946	118
Transactions with owners						
Warrants Expired	-	-	(1,225)	-	1,225	-
Balance as at 30/6/2018	32,850	8,254	-	(477)	(21,035)	19,592

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 2018
Condensed Consolidated Statement of Cash Flows (Unaudited)

	<i>Unaudited</i> 1/7/2018 to 30/9/2018 RM'000	<i>Unaudited</i> 1/7/2017 to 30/9/2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	168	(500)
Adjustments for: -		
Depreciation	8	2
Unrealised loss/(gain) on foreign exchange	120	997
Interest expenses	2	1
Operating profit / (loss) before working capital changes	<u>298</u>	<u>500</u>
Changes in working capital		
Inventories	1,271	1,108
Trade and other receivables	(1,153)	(1,827)
Trade and other payables	(1,085)	(541)
Cash generated from / (used in) operating activities	<u>(669)</u>	<u>(760)</u>
Interest paid	(1)	(1)
Tax refund/(paid)	(11)	(8)
Net cash generated from / (used in) operating activities	<u>(681)</u>	<u>(769)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(5)
Net cash generated from / (used in) investing activities	-	(5)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability	(20)	-
Advance from director	39	(1)
Net cash generated from / (used in) financing activities	19	(1)
Exchange difference in Translation	-	-
Net increase / (decrease) in cash and cash equivalents	<u>(662)</u>	<u>(775)</u>
Cash and cash equivalents at the beginning of the financial period/year	<u>800</u>	<u>1,166</u>
Cash and cash equivalents at the end of the financial period/year	<u>138</u>	<u>391</u>
Cash and cash equivalents comprise:		
Short term investment in cash fund of financial institutions	4	4
Cash and bank balances	134	387
	<u>138</u>	<u>391</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 2018. 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 2018

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

1. 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 2018 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 2018.

Adoption of new and amended standards

During the financial year, the Company has adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRSs 2014 - 2016 Cycle	Amendments to MFRS 12

The adoption of above amendments to MFRSs did not have any significant impact on the financial statements of the Company.

1. Basis of Preparation (Cont'd)

Standards issued but not yet effective

The Company has not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Company:

		Effective dates for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 <i>Financial Instruments</i> with MFRS 4 <i>Insurance Contracts</i>	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
Annual Improvements to MFRSs 2014 - 2016 Cycle:		
• Amendments to MFRS 1		1 January 2018
• Amendments to MFRS 128		1 January 2018
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRSs 2015 - 2017 Cycle:		
• Amendments to MFRS 3		1 January 2019
• Amendments to MFRS 11		1 January 2019
• Amendments to MFRS 112		1 January 2019
• Amendments to MFRS 123		1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards		
• Amendments to MFRS 2 <i>Share-Based Payment</i>		1 January 2020
• Amendment to MFRS 3 <i>Business Combinations</i>		1 January 2020
• Amendments to MFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>		1 January 2020
• Amendment to MFRS 14 <i>Regulatory Deferral Accounts</i>		1 January 2020
• Amendments to MFRS 101 <i>Presentation of Financial Statements</i>		1 January 2020

1. Basis of Preparation (Cont'd)

Standards issued but not yet effective (Cont'd)

	Effective dates for financial periods beginning on or after	
• Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020	
• Amendments to MFRS 134 <i>Interim Financial Reporting</i>	1 January 2020	
• Amendment to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2020	
• Amendment to MFRS 138 <i>Intangible Assets</i>	1 January 2020	
• Amendment to IC Interpretation 12 <i>Service Concession Arrangements</i>	1 January 2020	
• Amendment to IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2020	
• Amendment to IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2020	
• Amendment to IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2020	
• Amendments to IC Interpretation 132 <i>Intangible Assets- Web Site Costs</i>	1 January 2020	
MFRS 17	Insurance Contracts	1 January 2021
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

Note:

* *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.*

The Company intends to adopt the above MFRSs when they become effective.

2. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 30 June 2018 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	Preceding	Current	Preceding	Current	Preceding
	Year-To-Date	Year-To-Date	Year-To-Date	Year-To-Date	Year-To-Date	Year-To-Date
	30.9.2018	30.9.2017	30.9.2018	30.9.2017	30.9.2018	30.9.2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Total Revenue	2,201	-	-	2,225	2,201	2,225
Inter-segment revenue	-	-	-	-	-	-
External Sales	2,201	-	-	2,225	2,201	2,225
Segment Result	329	(602)	(151)	105	178	(497)
Interest Income	-	-	-	-	-	-
Interest Expense	(2)	(1)	-	-	(2)	(1)
Depreciation and amortisation	(8)	(2)	-	-	(8)	(2)
Profit/(loss) before tax	319	(605)	(151)	105	168	(500)
Taxation	-	-	-	-	-	-
Profit/(loss) after tax	319	(605)	(151)	105	168	(500)
Assets						
Segment Assets	21,584	10,915	6,694	73,325	28,278	84,240
Unallocated Assets	-	-	-	-	-	-
Total Assets	21,584	10,915	6,694	73,325	28,278	84,240
Liabilities						
Segment Liabilities	4,055	3,515	4,398	61,950	8,453	65,465
Unallocated Liabilities	-	-	-	-	-	-
Total Liabilities	4,055	3,515	4,398	61,950	8,453	65,465

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

	30.9.2018 RM'000	30.6.2018 RM'000
Unquoted shares, at cost	-	2
Accumulated Impairment Loss	-	(2)
	<hr/>	<hr/>
	-	-

12. Significant Related Party Transactions

There was no significant related party transaction in the financial period under review except the following:

	Transaction value period-to-date 30/9/2018 RM	Balance Outstanding as at 30/9/2018 RM
Advances from/(Repayment to) an executive director, for his advances ^(a) to the Company and subsidiary companies.	39,287	4,468,579
Advisory fee ^(b) paid/payable to a family member of a director for advisory services.	-	5,250

Notes:

- (a) *The director's advances are unsecured, interest-free and repayable on demand. The Audit Committee and the Board, save and except for Mr Julian Foo Kuan Lin, are of the opinion that the advances were necessary to secure the financial well being of the Group and were entered into in the ordinary course of business with the terms established on a negotiated arms' length basis and not detrimental to the minority shareholders.*
- (b) *The Audit Committee and the Board, save and except for Mr Julian Foo Kuan Lin, are of the opinion that the advisory services were necessary to assist the Group in strategic planning and were entered into in the ordinary course of business with the terms established on a negotiated arms' length basis and not detrimental to the minority shareholders.*

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 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 Year-to-Date

The Group recorded a turnover of RM2.20 million for the current quarter and financial year-to-date. This was a slight 1.08% reduction against the RM2.23 million reported for the comparative financial quarter in previous financial year.

During the current quarter, Niche Diamond Sdn Bhd and Niche Express Gold Sdn Bhd contributed the RM2.20 million revenue to the Group.

The Group recorded profit before taxation of RM168 thousand for the current quarter and financial year-to-date, as opposed to a RM500 thousand loss before taxation for the corresponding quarter in previous financial year.

15. Comment on Material Change in the Profit before Taxation for the Current Quarter Compared with the Immediate Preceding Quarter

The Group recorded profit before taxation of RM168 thousand in the current quarter compared to a profit before taxation of RM6.33 million in the immediate preceding quarter. During the previous quarter, Niche Capital (HK) Limited reversed RM2.90 million of unrealised foreign exchange loss incurred earlier when the overseas based subsidiary returned some purchases denominated in Malaysia Ringgit.

16. Current Year Prospects

The business environment for the Group is expected to continue to be challenging in the near future due to 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 NHK. Locally, the proposed setting up of a jewellery emporium and retail outlets in Malaysia to build on and strengthen the Group's presence in the domestic market is still in progress.

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
	30/9/2018 RM'000	30/9/2017 RM'000	30/9/2018 RM'000	30/9/2017 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.

On 14 May 2018, Mercury Securities, has on behalf of the Company, announced that the conditions precedent of the Settlement Agreements have not been fulfilled within the period stipulated in the Settlement Agreements. As such, the Settlement Agreements have, ipso facto, been terminated effective 10 May 2018.

19. Status of Corporate Proposals Announced (Continued)

Pursuant thereto, the Company will not be proceeding with the Proposed Capitalisation. Notwithstanding the above, the Company intends to proceed with the Proposed Rights Issue with Warrants and is revising the Proposed Rights Issue with Warrants in view of the termination of the Settlement Agreements. The details of the revised rights issue proposal will be announced upon finalisation of the same.

On 21 June 2018, Mercury Securities, on behalf of the Board, announced that after further deliberation, the Company has resolved to amongst others, revise the number of Rights Shares and Warrants to be issued following a revision to the basis of entitlement of the Rights Shares and Warrants as well as revise the minimum subscription level and undertaking from certain shareholders in respect of the Proposed Rights Issue with Warrants (“Revisions”).

The Revisions would entail a renounceable rights issue of up to 1,665,189,250 Rights Shares on the basis of 5 Rights Shares for every 1 existing NICE Share held on the Entitlement Date, together with up to 999,113,550 Warrants on the basis of 3 Warrants for every 5 Rights Shares subscribed for at an issue price of RM0.045 per Rights Share.

On 22 June 2018, Mercury Securities, on behalf of the Board, announced that the application in relation to the Proposed Rights Issue with Warrants has been submitted to Bursa Securities on the same date.

On 8 October 2018, Mercury Securities, on behalf of the Board, announced that Bursa Securities had, vide its letter dated, resolved to approve the following:

- a. admission to the Official List and the listing of and quotation for up to 999,113,550 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants;
- b. listing of and quotation for up to 1,665,189,250 new NICE Shares to be issued pursuant to the Proposed Rights Issue with Warrants; and
- c. listing of and quotation for up to 999,113,550 new NICE Shares to be issued pursuant to the exercise of the Warrants.

On 26 October 2018, the Company issued circular for the approved Corporate Proposal and notice of Extraordinary General Meeting to the shareholders of the Company. The Corporate Proposal was duly passed by way of poll during the Extraordinary General Meeting held on 28 November 2018.

20. Group Borrowings and Debt Securities

The Group borrowing as at 30 September 2018 is as follows:

	As at 30/9/2018 RM'000	As at 30/6/2018 RM'000
Amount payable within 12 months	-	20
Amount payable after 12 months	-	-
Total	<u>-</u>	<u>20</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 Quarter	Preceding Year Corresponding Quarter	Current Year Quarter	Preceding Year Corresponding Quarter
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
Net profit/(loss) attributable to owners of the Company (Basic EPS numerator) (RM'000)	168	(500)	168	(500)
Weighted average number of ordinary shares in issue (Basic EPS denominator) ('000)	333,038	333,038	333,038	333,038
Basic earnings/(loss) per share (sen)	0.05	(0.15)	0.05	(0.15)

(ii) Diluted Earnings Per Share

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Quarter	Preceding Year Corresponding Quarter
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
Net profit/(loss) attributable to owners of the Company (Diluted EPS numerator) (RM'000)	168	(500)	168	(500)
Weighted average number of ordinary shares in issue ('000)	333,038	333,038	333,038	333,038
Effect of dilution - N/A	-	-	-	-
Adjusted weighted average number of ordinary shares in issue (Diluted EPS denominator) ('000)	333,038	333,038	333,038	333,038
Basic earnings/(loss) per share (sen)	0.05	(0.15)	0.05	(0.15)

24. 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	(2)	(2)
(d) Depreciation and Amortization	(8)	(8)
(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)	(120)	(120)
(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
29 November 2018