

NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020
Condensed Consolidated Income Statement (Unaudited)

| | Individual Quarter | | Cumulative Quarter | |
|---|----------------------|--------------------------------------|----------------------|-------------------------------------|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year-To-Date | Preceding Year Corresponding Period |
| | 30/6/2020 RM'000 | 30/6/2019 RM'000 | 30/6/2020 RM'000 | 30/6/2019 RM'000 |
| Revenue | 4,892 | 3,950 | 10,246 | 8,901 |
| Cost of goods sold | (4,940) | (3,693) | (10,214) | (6,904) |
| Gross profit/(loss) | (48) | 257 | 32 | 1,997 |
| Administrative expenses | (690) | (1,170) | (2,967) | (3,251) |
| Other expenses | - | (15) | - | (94) |
| Other income | 48 | 41 | 133 | 155 |
| Operating profit/(loss) | (690) | (887) | (2,802) | (1,193) |
| Finance cost | (25) | (3) | (30) | (5) |
| Profit/(Loss) before tax | (715) | (890) | (2,832) | (1,198) |
| Taxation | (131) | - | (131) | - |
| Profit/(Loss) for the period | (846) | (890) | (2,963) | (1,198) |
| Profit/(Loss) after tax attributable to Equity holders of the Company | (846) | (890) | (2,963) | (1,198) |
| Earnings/(Loss) per share (sen) | | | | |
| - basic | (0.12) | (0.13) | (0.42) | (0.24) |
| - diluted | (0.12) | (0.13) | (0.42) | (0.24) |

The Condensed Consolidated Income Statements should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2019. The accompanying notes form an integral part of this Income Statement.

NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020
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 |
| | 30/6/2020 RM'000 | 30/6/2019 RM'000 | 30/6/2020 RM'000 | 30/6/2019 RM'000 |
| Profit / (Loss) for the period | (846) | (890) | (2,963) | (1,198) |
| Other comprehensive income: | | | | |
| Currency translation differences | 8 | 18 | 16 | 79 |
| Total comprehensive income/ (loss) for the period | <u>(838)</u> | <u>(872)</u> | <u>(2,947)</u> | <u>(1,119)</u> |
| Total comprehensive income/ (loss) attributable to: | | | | |
| Equity holders of the Company | <u>(838)</u> | <u>(872)</u> | <u>(2,947)</u> | <u>(1,119)</u> |

NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020
Condensed Consolidated Statement of Financial Position

| | Unaudited As at 30/6/2020 RM'000 | Audited As at 30/6/2019 RM'000 |
|---|---|---|
| Non-Current Assets | | |
| Property, Plant & Equipment | 767 | 1,156 |
| Right-of-use Assets | 435 | - |
| Goodwill | 10 | - |
| Current Assets | | |
| Inventories | 27,003 | 17,390 |
| Trade Receivables | 6,107 | 8,971 |
| Other Receivables, Deposits and Prepayments | 1,693 | 4,775 |
| Tax Prepayment | - | 40 |
| Cash & Cash Equivalents | 1,278 | 5,979 |
| Total Current Assets | 36,081 | 37,155 |
| Total Assets | 37,293 | 38,311 |
| Equity | | |
| Share Capital | 52,505 | 52,505 |
| Reserves | | |
| Exchange Fluctuation Reserve | (382) | (398) |
| Warrants Reserve | 4,433 | 4,433 |
| Accumulated Losses | (25,199) | (22,233) |
| Equity attributable to the shareholders of the Company | 31,357 | 34,307 |
| Total Equity | 31,357 | 34,307 |
| Non-Current Liability | | |
| Finance Lease Liability | 209 | 226 |
| Total Non-Current Liability | 209 | 226 |
| Current Liabilities | | |
| Trade Payables | 480 | 13 |
| Other Payables & Accruals | 4,473 | 3,221 |
| Deferred Taxation | 8 | - |
| Provision for taxation | 587 | 523 |
| Finance Lease Liability | 179 | 21 |
| Total Current Liabilities | 5,727 | 3,778 |
| Total Equity and Liabilities | 37,293 | 38,311 |
| Net Assets per Share (RM) | 0.04 | 0.05 |

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 2019. The accompanying notes form an integral part of this Statement of Financial Position.

NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020
Condensed Consolidated Statement of Changes in Equity (Unaudited)

| | Attributable to shareholders of the Company | | | | |
|--|---|------------------|------------------------------|--|---------------|
| | Non-Distributable | | | Distributable | Total Equity |
| | Share Capital | Warrants Reserve | Exchange Fluctuation Reserve | Retained Earnings / (Accumulated Losses) | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1/7/2019 | 52,505 | 4,433 | (398) | (22,233) | 34,307 |
| Accumulated Losses adjustment pursuant to MFRS16 | - | - | - | (3) | (3) |
| Profit / (Loss) for the year | - | - | - | (2,963) | (2,963) |
| Other Comprehensive Income / (Loss) | - | - | 16 | - | 16 |
| Total Comprehensive Income / (Loss) for the year | - | - | 16 | (2,963) | (2,947) |
| Balance as at 30/6/2020 | 52,505 | 4,433 | (382) | (25,199) | 31,357 |

NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM REPORT FOR FOURTH QUARTER ENDED 30 JUNE 2020
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 1/7/2018 | 32,850 | 8,254 | - | (477) | (21,035) | 19,592 |
| Profit / (Loss) for the year | - | - | - | - | (1,198) | (1,198) |
| Other Comprehensive Income / (Loss) | - | - | - | 79 | - | 79 |
| Total Comprehensive Income / (Loss) for the year | - | - | - | 79 | (1,198) | (1,119) |
| Transactions with owners | | | | | | |
| Rights Share Issuance | 12,190 | - | - | - | - | 12,190 |
| Share Issuance Expenses Offset Share Premium | - | (789) | - | - | - | (789) |
| Share Premium Transferred into Share Capital | 7,465 | (7,465) | - | - | - | - |
| Warrants Issuance | - | - | 4,433 | - | - | 4,433 |
| Balance as at 30/6/2019 | 52,505 | - | 4,433 | (398) | (22,233) | 34,307 |

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 2019. The accompanying notes form an integral part of this statement.

NICHE CAPITAL EMAS HOLDINGS BERHAD

Reg. No. 200001024664 (527272-V)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020

Condensed Consolidated Statement of Cash Flows (Unaudited)

| | <i>Unaudited</i> 1/7/2019 to 30/6/2020 RM'000 | <i>Audited</i> 1/7/2018 to 30/6/2019 RM'000 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit / (Loss) Before Tax | (2,832) | (1,198) |
| Adjustments for: - | | |
| Depreciation on Property, Plant and Equipment | 95 | 63 |
| Depreciation on Right-of-use Assets | 242 | - |
| Deposit receivable written off | - | 143 |
| Gain on disposal of property, plant and equipment | - | (66) |
| Unrealised loss/(gain) on foreign exchange | (3) | 94 |
| Reversal of impairment loss of investment in subsidiary | - | (2) |
| Interest expenses | 30 | 3 |
| Interest income | (83) | (87) |
| Operating profit / (loss) before working capital changes | <u>(2,551)</u> | <u>(1,050)</u> |
| Changes in working capital | | |
| Inventories | (9,569) | (715) |
| Trade and other receivables | 6,107 | (2,576) |
| Trade and other payables | 1,547 | (5,769) |
| Cash generated from / (used in) operating activities | <u>(4,466)</u> | <u>(10,110)</u> |
| Interest paid | (30) | (3) |
| Tax refund/(paid) | (43) | 11 |
| Net cash generated from / (used in) operating activities | <u>(4,539)</u> | <u>(10,102)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (18) | (669) |
| Proceeds from disposal of property, plant and equipment | - | 66 |
| Proceeds from disposal of investment in associate | - | 2 |
| Interest received | 83 | 87 |
| Net cash generated from / (used in) investing activities | 65 | (514) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Payment for lease liability | (227) | (35) |
| Proceed from share issuance | - | 16,623 |
| Share issuance expenses | - | (789) |
| Net cash generated from / (used in) financing activities | <u>(227)</u> | <u>15,799</u> |
| Exchange difference in Translation | - | (4) |
| Net increase / (decrease) in cash and cash equivalents | <u>(4,701)</u> | <u>5,179</u> |
| Cash and cash equivalents at the beginning of the financial period/year | <u>5,979</u> | <u>800</u> |
| Cash and cash equivalents at the end of the financial period/year | <u>1,278</u> | <u>5,979</u> |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | <u>1,278</u> | <u>5,979</u> |
| | <u>1,278</u> | <u>5,979</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 2019. The accompanying notes form an integral part of this statement.

NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020

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 2019 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 2019.

Adoption of new and amended standards

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

| | |
|---|--|
| MFRS 16 | Leases |
| IC Interpretation 23 | Uncertainty over Income Tax Treatments |
| Amendments to MFRS 9 | Prepayment Features with Negative Compensation |
| Amendments to MFRS 119 | Plan Amendment, Curtailment or Settlement |
| Amendments to MFRS 128 | Long-term Interests in Associates and Joint Ventures |
| Annual Improvements to MFRSs 2015 - 2017 Cycle: | |
| • Amendments to MFRS 3 | |
| • Amendments to MFRS 11 | |
| • Amendments to MFRS 112 | |
| • Amendments to MFRS 123 | |

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 <u>beginning on or after</u> |
|---|---|--|
| Amendments to References to the Conceptual Framework MFRS Standards | in | 1 January 2020 |
| Amendments to MFRS 3 | Definition of a Business | 1 January 2020 |
| Amendments to MFRS 9, MFRS 139 and MFRS 7 | Interest Rate Benchmark Reform | 1 January 2020 |
| Amendments to MFRS 101 and MFRS 108 | Definition of Material | 1 January 2020 |
| Amendments to MFRS 16 | Covid-19 - Related Rent Concessions | 1 June 2020 |
| Amendments to MFRS 4 | Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9 | 17 August 2020 |
| Amendments to MFRS 3 | Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to MFRS 116 | Property, Plant and Equipment - Proceeds before Intended Use | 1 January 2022 |
| Amendments to MFRS 137 | Onerous Contracts - Cost of Fulfilling a Contract | 1 January 2022 |
| Annual Improvements to MFRSs Standards 2018 - 2020 | | 1 January 2022 |
| <ul style="list-style-type: none"> • Amendments to MFRS 1 • Amendments to MFRS 9 • Amendments to MFRS 16 • Amendments to MFRS 141 | | |
| Amendments to MFRS 17 | Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current | 1 January 2023 |
| 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 |

The Company intends to adopt the above new standards and amendments to standards 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 2019 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

| | Jewellery | | Construction/Property Related | | 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 |
| | 30.6.2020 | 30.6.2019 | 30.6.2020 | 30.6.2019 | 30.6.2020 | 30.6.2019 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | |
| Total Revenue | 8,148 | 9,728 | 3,312 | - | 11,460 | 9,728 |
| Inter-segment revenue | (1,214) | (827) | - | - | (1,214) | (827) |
| External Sales | 6,934 | 8,901 | 3,312 | - | 10,246 | 8,901 |
| Segment Result | (168) | (1,217) | (2,381) | - | (2,549) | (1,217) |
| Interest Income | 83 | 87 | - | - | 83 | 87 |
| Interest Expense | (30) | (5) | - | - | (30) | (5) |
| Depreciation and amortisation | (336) | (63) | - | - | (336) | (63) |
| Profit/(loss) before tax | (451) | (1,198) | (2,381) | - | (2,832) | (1,198) |
| Taxation | (114) | - | (17) | - | (131) | - |
| Profit/(loss) after tax | (565) | (1,198) | (2,398) | - | (2,963) | (1,198) |
| Assets | | | | | | |
| Segment Assets | 35,406 | 38,311 | 1,887 | - | 37,293 | 38,311 |
| Unallocated Assets | - | - | - | - | - | - |
| Total Assets | 35,406 | 38,311 | 1,887 | - | 37,293 | 38,311 |
| Liabilities | | | | | | |
| Segment Liabilities | 5,851 | 4,004 | 85 | - | 5,936 | 4,004 |
| Unallocated Liabilities | - | - | - | - | - | - |
| Total Liabilities | 5,851 | 4,004 | 85 | - | 5,936 | 4,004 |

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. 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 30/6/2020 RM | Balance Outstanding as at 30/6/2020 RM |
|---|---|---|
| Provision of contract construction service ^(a) by a subsidiary company to a company in which a NICE executive director has 50% equity interest in the company. | 2,962,001 | 1,481,387 |
| Provision of contract management service ^(a) by a subsidiary company to a company in which a NICE executive director has 50% equity interest in the company. | 350,000 | 350,000 |
| Advances from/(Repayment to) an executive director, for his advances ^(b) to the Company and subsidiary companies. | (292,696) | 822,061 |

Notes:

(a) *Recurrent related party transactions ("RRPT") of up to an estimated RM150 million has obtained Shareholders' Mandate through EGM held on 26 February 2020 until next AGM. The transactions are made in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public.*

(b) *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.*

12. 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:-

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.

12. 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.

On April 2019 BNM initiated another round of tender invitation for the services to perform stock take on the material. The tender evaluation was completed and the BNM met with the potential vendor on 25 July 2019 to further enquire their capability and negotiate the project cost. The vendor agreed to review their price and submitted revised quotation on 5 August 2019. BNM appointed vendor in February 2020. The stock take exercise is still on going.

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

13. Detailed Analysis of Group Performance for the Current Quarter and Financial Year-to-Date

The Group recorded a turnover of RM4.89 million for the current quarter and RM10.25 million for the financial year-to-date. This was an increase of 23.8% against the RM3.95 million revenue reported for the comparative financial quarter in previous financial year. Subsequent to the diversification exercise undertaken during the previous quarter, the Group has managed to generate RM3.31 million revenue from the newly added construction and property related business. The pre-existing jewellery business contributed RM4.89 million revenue during the current quarter compared to RM3.95 million in the corresponding quarter in previous financial year. Despite the current quarter slight increase in reported jewellery sales, the overall demand for jewellery remains low due to persistent global economic uncertainty and recent COVID-19 pandemic around the world.

The Group recorded loss before taxation of RM715 thousand for the current quarter and a loss before taxation of RM2.83 million for the financial year-to-date, as opposed to a RM890 thousand loss before taxation for the corresponding quarter in previous financial year. The Movement Control Order implemented by the authority during the COVID-19 pandemic has adversely affected the group's newly started construction operation.

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

The Group recorded loss before taxation of RM715 thousand in the current quarter compared to a loss before taxation of RM1.07 million in the immediate preceding quarter. The revenue increased by a slight 7% from RM4.57 million in the immediate preceding quarter to RM4.89 million in the current reporting quarter. The increase in revenue during the reporting quarter was contributed by the Group's jewellery segment. The Movement Control Order implemented by the authority during the current quarter has halted the Group's revenue from the construction operation for the said quarter.

15. Current Year Prospects

The Group's jewellery business prospect continues to be weak due to slowing consumer demand, intense competition from other jewellery retailers and economy slow down due to COVID-19 pandemic and varying stages of Movement Control Order issued by the Malaysian authorities. Whilst the Group had commenced its construction and properties related businesses in Q2 2020, the Movement Control Order implemented by the authority due to COVID-19 has halted the Group's construction operation during the fourth quarter. The construction and the properties industry are expected to be challenging this year and the Group will identify and proceed with new opportunities cautiously. Notwithstanding the Covid-19 pandemic and the challenges in the construction sector, the Group is of the view that these are temporary setback and still expects the construction operations to contribute to future growth of the Group.

16. Profit Forecast

Not applicable as no profit forecast was published.

17. Taxation

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

| | Individual Quarter | | Cumulative Quarter | |
|-------------------------------|-------------------------|--|--------------------------|---------------------------|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year- To-Date | Preceding Year-To-Date |
| | 30/6/2020 | 30/6/2019 | 30/6/2020 | 30/6/2019 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income Tax | | | | |
| Malaysia -current year | 123 | - | 123 | - |
| Malaysia -prior year | - | - | - | - |
| Overseas- current year | - | - | - | - |
| Overseas- prior year | - | - | - | - |
| Subtotal | 123 | - | 123 | - |
| Deferred Taxation | | | | |
| Malaysia -current year | 8 | - | 8 | - |
| Malaysia -prior year | - | - | - | - |
| Subtotal | 8 | - | 8 | - |
| Total taxation expense | 131 | - | 131 | - |

18. Status of Utilisation of Proceeds Raised from Corporate Proposal

A total of RM16.623 million net proceeds was raised from Rights Issue with Warrants on 22/1/2019. The utilisation of the proceeds are as follows:

| Details | Proposed Utilisation | Re- Allocation | Actual | Balance Available | Intended Time Frame for Utilisation |
|---|-------------------------|-------------------|-----------------------------------|----------------------|---|
| | | | Utilisation as at 30/6/2020 | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | |
| Jewellery Emporium | 1,800 | 590 | 590 | - | Within 24 months |
| Inventories | 8,500 | 8,000 | 7,920 | 80 | Within 24 months |
| Processing Factory | 2,000 | - | - | - | Within 24 months |
| Working Capital | 2,323 | 7,033 | 6,104 | 929 | Within 24 months |
| Estimated expenses for corporate exercises | 2,000 | 1,000 | 1,000 | - | Within 3 months |
| TOTAL | 16,623 | 16,623 | 15,614 | 1,009 | |

19. Group Borrowings and Debt Securities

The Group borrowing is as follows:

| | 30/6/2020 | 30/6/2019 |
|---------------------------------|------------------|------------------|
| | RM'000 | RM'000 |
| Amount payable within 12 months | 16 | 21 |
| Amount payable after 12 months | 202 | 226 |
| Total | <u>218</u> | <u>247</u> |

The bank borrowing of the Group is in Ringgit Malaysia. The bank borrowing of the subsidiary company is unsecured.

20. 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.

21. Proposed Dividend

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

22. Earnings Per Share

| (i) Basic Earnings Per Share | Individual Quarter | | Cumulative Quarters | |
|---|--------------------------------------|---|--------------------------------------|---|
| | Current Year Quarter 30/6/2020 | Preceding Year Corresponding Quarter 30/6/2019 | Current Year Quarter 30/6/2020 | Preceding Year Corresponding Quarter 30/6/2019 |
| Net profit/(loss) attributable to owners of the Company (Basic EPS numerator) (RM'000) | (846) | (890) | (2,963) | (1,198) |
| Weighted average number of ordinary shares in issue (Basic EPS denominator) ('000) | 702,434 | 702,434 | 702,434 | 493,953 |
| Basic earnings/(loss) per share (sen) | (0.12) | (0.13) | (0.42) | (0.24) |
| | | | | |
| (ii) Diluted Earnings Per Share | Individual Quarter | | Cumulative Quarters | |
| | Current Year Quarter 30/6/2020 | Preceding Year Corresponding Quarter 30/6/2019 | Current Year Quarter 30/6/2020 | Preceding Year Corresponding Quarter 30/6/2019 |
| Net profit/(loss) attributable to owners of the Company (Diluted EPS numerator) (RM'000) | (846) | (890) | (2,963) | (1,198) |
| Weighted average number of ordinary shares in issue ('000) | 702,434 | 702,434 | 702,434 | 493,953 |
| Effect of dilution - N/A | - | - | - | - |
| Adjusted weighted average number of ordinary shares in issue (Diluted EPS denominator) ('000) | 702,434 | 702,434 | 702,434 | 493,953 |
| Basic earnings/(loss) per share (sen) | (0.12) | (0.13) | (0.42) | (0.24) |

Remark:

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

23. 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 | 4 | 83 |
| (b) Other Income | - | - |
| (c) Interest Expense | (25) | (30) |
| (d) Depreciation and Amortization | (242) | (337) |
| (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) | (4) | 3 |
| (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