

Niche Capital Emas

NICHE CAPITAL EMAS HOLDINGS BERHAD

Registration No.: 200001024664 (527272-V)

(Incorporated in Malaysia)

Interim Financial Report

For The First Quarter Ended 30 September 2021



NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021
Condensed Consolidated Statement of Profit or Loss (Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30 Sep 2021 RM'000	30 Sep 2020 RM'000	30 Sep 2021 RM'000	30 Sep 2020 RM'000
Revenue	2,014	4,527	2,014	4,527
Cost of goods sold	(1,818)	(3,503)	(1,818)	(3,503)
Gross profit	196	1,024	196	1,024
Administrative expenses	(898)	(788)	(898)	(788)
Other expenses	-	(27)	-	(27)
Other income	25	5	25	5
Operating profit/(loss)	(677)	214	(677)	214
Finance cost	(16)	(3)	(16)	(3)
Profit/(Loss) before tax	(693)	211	(693)	211
Taxation	-	-	-	-
Profit/(Loss) for the period	(693)	211	(693)	211
Profit/(Loss) after tax attributable to Equity holders of the Company	(693)	211	(693)	211
Earnings/(Loss) per share (sen)				
- basic	(0.09)	0.03	(0.09)	0.03
- diluted	(0.07)	0.02	(0.07)	0.02

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Report for the financial year ended 30 June 2021. The accompanying notes form an integral part of this Statement of Profit or Loss.

NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021
Condensed Consolidated Statement of Other Comprehensive Income (Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) for the period	(693)	211	(693)	211
Other comprehensive income:				
Currency translation differences	(5)	41	(5)	41
Total comprehensive income/ (loss) for the period	<u>(698)</u>	<u>252</u>	<u>(698)</u>	<u>252</u>
Total comprehensive income/ (loss) attributable to:				
Equity holders of the Company	<u>(698)</u>	<u>252</u>	<u>(698)</u>	<u>252</u>

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Annual Report for the financial year ended 30 June 2021. The accompanying notes form an integral part of this Statement of Profit or Loss.

NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021
Condensed Consolidated Statement of Financial Position

	Unaudited As at 30 Sep 2021 RM'000	Audited As at 30 Jun 2021 RM'000
Non-Current Assets		
Property, Plant & Equipment	9,395	7,136
Right-of-use Assets	1,262	1,333
Goodwill	13	10
Current Assets		
Inventories	20,795	21,150
Trade Receivables	12,696	12,096
Other Receivables, Deposits and Prepayments	1,843	304
Tax Prepayment	12	10
Cash & Cash Equivalents	4,730	5,355
Total Current Assets	40,076	38,915
Total Assets	50,746	47,394
Equity		
Share Capital	68,630	64,537
Reserves		
Exchange Fluctuation Reserve	(345)	(340)
Warrants Reserve	4,433	4,433
Accumulated Losses	(28,395)	(27,702)
Equity attributable to the shareholders of the Company	44,323	40,928
Total Equity	44,323	40,928
Non-Current Liability		
Deferred Taxation	9	9
Finance Lease Liability	729	806
Total Non-Current Liability	738	815
Current Liabilities		
Trade Payables	2,372	2,008
Other Payables & Accruals	2,484	2,814
Provision for taxation	532	529
Finance Lease Liability	297	300
Total Current Liabilities	5,685	5,651
Total Liabilities	6,423	6,466
Total Equity and Liabilities	50,746	47,394
Net Assets per Share (RM)	0.06	0.05

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Report for the financial year ended 30 June 2021. The accompanying notes form an integral part of this Statement of Financial Position.

NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021
Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to shareholders of the Company				Total Equity	
	Non-Distributable			Distributable		RM'000
	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 July 2021	64,537	4,433	(340)	(27,702)	40,928	
Loss for the period	-	-	-	(693)	(693)	
Other Comprehensive Loss	-	-	(5)	-	(5)	
Total Comprehensive Loss for the period	-	-	(5)	(693)	(698)	
Transactions with owners						
Special Placement Share Issuance	4,134	-	-	-	4,134	
Special Placement Corporate Exercise Expenses	(41)	-	-	-	(41)	
Balance as at 30 September 2021	68,630	4,433	(345)	(28,395)	44,323	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the financial year ended 30 June 2021. The accompanying notes form an integral part of this statement.

NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM FINANCIAL REPORT FOR FIRST QUARTER ENDED 30 SEPTEMBER 2021
Condensed Consolidated Statement of Changes in Equity (Unaudited) (Continued)

	Attributable to shareholders of the Company				Total Equity RM'000
	Non-Distributable		Distributable		
	Share Capital RM'000	Warrants Reserve RM'000	Exchange Fluctuation Reserve RM'000	Retained Earnings / (Accumulated Losses) RM'000	
Balance as at 1 July 2020	52,505	4,433	(382)	(25,199)	31,357
Profit for the period	-	-	-	211	211
Other Comprehensive Income	-	-	41	-	41
Total Comprehensive Income for the period	-	-	41	211	252
Transactions with owners					
Private Placement Share Issuance	7,561	-	-	-	7,561
Private Placement Corporate Exercise Expenses	(215)	-	-	-	(215)
Balance as at 30 September 2020	59,851	4,433	(341)	(24,988)	38,955

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the financial year ended 30 June 2021. The accompanying notes form an integral part of this statement.

NICHE CAPITAL EMAS HOLDINGS BERHAD

Reg. No. 200001024664 (527272-V)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

Condensed Consolidated Statement of Cash Flows (Unaudited)

	1 Jul 2021 to 30 Sep 2021 RM'000	1 Jul 2020 to 30 Sep 2020 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(693)	211
Adjustments for:		
Depreciation on Property, Plant and Equipment	91	24
Depreciation on Right-of-use ("ROU") Assets	71	31
Unrealised loss/(gain) on foreign exchange	(1)	27
Interest expenses	16	2
Interest income	(20)	(5)
Operating profit / (loss) before working capital changes	<u>(536)</u>	<u>290</u>
Changes in working capital		
Inventories	174	3,431
Trade and other receivables	(1,939)	(4,394)
Trade and other payables	12	(449)
Cash used in operating activities	<u>(2,289)</u>	<u>(1,122)</u>
Interest paid	(16)	(2)
Tax refund	12	44
Tax paid	(14)	(10)
Net cash used in operating activities	<u>(2,307)</u>	<u>(1,090)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2,351)	(4)
Interest received	20	5
Net cash generated from / (used in) investing activities	<u>(2,331)</u>	<u>1</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability	(80)	(30)
Proceed from share issuance	4,134	7,561
Share issuance expenses	(41)	(215)
Net cash generated from financing activities	<u>4,013</u>	<u>7,316</u>
Exchange difference in Translation	-	-
Net increase / (decrease) in cash and cash equivalents	<u>(625)</u>	<u>6,227</u>
Cash and cash equivalents at the beginning of the financial period	<u>5,355</u>	<u>1,278</u>
Cash and cash equivalents at the end of the financial period	<u>4,730</u>	<u>7,505</u>
Cash and cash equivalents comprise:		
Cash and bank balances	<u>4,730</u>	<u>7,505</u>
	<u>4,730</u>	<u>7,505</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Report for the financial year ended 30 June 2021. The accompanying notes form an integral part of this statement.

NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM FINANCE REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

A. Explanatory Notes Pursuant to Malaysian 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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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 2021.

(i) Adoption of new and amended standards

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

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendment to MFRS 16	COVID-19 - Related Rent Concessions beyond 30 June 2021

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

1. Basis of Preparations (Cont'd)

Changes in Accounting Policies (Continued)

(ii) Standards issued but not yet effective

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

		Effective dates for financial periods <u>beginning on or after</u>
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 MFRS Standards 2018 - 2020		1 January 2022
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to Illustrative Examples accompanying MFRS 16		
• Amendments to MFRS 141		
MFRS 17	Insurance Contracts	1 January 2023
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 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 Group and the Company intend to adopt the above new standards and amendments to standards when they become effective.

The initial applications of the above-mentioned new MFRSs and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

2. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 30 June 2021 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 financial years that have an effect in the current interim period.

6. Issuances and Repayment of Debt and Equity Securities

There were no issuance and repayment of debt or 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 1 July 2021, the Company allotted 500,000 ordinary shares of RM0.194 each to Macquarie Bank Ltd;
- On 2 July 2021, the Company allotted 700,000 ordinary shares of RM0.191 each to Macquarie Bank Ltd;
- On 5 July 2021, the Company allotted 1,500,000 ordinary shares of RM0.190 each to Macquarie Bank Ltd;
- On 6 July 2021, the Company allotted 1,800,000 ordinary shares of RM0.186 each to Mdm Heah Kwai Keng;
- On 7 July 2021, the Company allotted 3,000,000 ordinary shares of RM0.191 each to Macquarie Bank Ltd;
- On 13 July 2021, the Company allotted 750,000 ordinary shares of RM0.193 each to Macquarie Bank Ltd;
- On 14 July 2021, the Company allotted 1,000,000 ordinary shares of RM0.189 each to Macquarie Bank Ltd;
- On 15 July 2021, the Company allotted 2,500,000 ordinary shares of RM0.187 each to Macquarie Bank Ltd;
- On 16 July 2021, the Company allotted 1,500,000 ordinary shares of RM0.188 each to Macquarie Bank Ltd;
- On 30 July 2021, the Company allotted 2,000,000 ordinary shares of RM0.178 each to Macquarie Bank Ltd;
- On 13 August 2021, the Company allotted 1,000,000 ordinary shares of RM0.175 each to Macquarie Bank Ltd;

6. Issuances and Repayment of Debt and Equity Securities *(Continued)*

- On 24 August 2021, the Company allotted 1,000,000 ordinary shares of RM0.165 each to Macquarie Bank Ltd;
- On 30 August 2021, the Company allotted 2,000,000 ordinary shares of RM0.162 each to Macquarie Bank Ltd;
- On 10 September 2021, the Company allotted 1,000,000 ordinary shares of RM0.163 each to Macquarie Bank Ltd;
- On 21 September 2021, the Company allotted 1,000,000 ordinary shares of RM0.154 each to Macquarie Bank Ltd;
- On 28 September 2021, the Company allotted 2,000,000 ordinary shares of RM0.145 each to Macquarie Bank Ltd.

7. Dividend Paid

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

8. Segment Information

	Trading		Construction and Services		Mining		Others		Group	
	Current Year- To-Date 30 Sep 2021	Preceding Year- To-Date 30 Sep 2020	Current Year- To-Date 30 Sep 2021	Preceding Year- To-Date 30 Sep 2020	Current Year- To-Date 30 Sep 2021	Preceding Year- To-Date 30 Sep 2020	Current Year- To-Date 30 Sep 2021	Preceding Year- To-Date 30 Sep 2020	Current Year- To-Date 30 Sep 2021	Preceding Year- To-Date 30 Sep 2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
Total Revenue	224	4,527	1,790	-	-	-	-	-	2,014	4,527
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
External Sales	224	4,527	1,790	-	-	-	-	-	2,014	4,527
Segment Result	(249)	618	145	(1)	-	-	(431)	(354)	(535)	263
Interest Income	-	-	-	-	-	-	20	5	20	5
Interest Expense	(2)	(2)	(1)	-	(13)	-	-	-	(16)	(2)
Depreciation on PPE	(24)	(24)	-	-	(67)	-	-	-	(91)	(24)
Depreciation on ROU assets	(8)	(23)	(7)	-	(48)	-	(8)	(8)	(71)	(31)
Profit/(loss) before tax	(283)	569	137	(1)	(128)	-	(419)	(357)	(693)	211
Taxation	-	-	-	-	-	-	-	-	-	-
Profit/(loss) after tax	(283)	569	137	(1)	(128)	-	(419)	(357)	(693)	211
Assets										
Segment Assets	27,404	33,631	8,110	1,846	11,141	-	4,091	8,864	50,746	44,341
Unallocated Assets	-	-	-	-	-	-	-	-	-	-
Total Assets	27,404	33,631	8,110	1,846	11,141	-	4,091	8,864	50,746	44,341
Liabilities										
Segment Liabilities	1,993	3,787	891	85	2,080	-	1,459	1,514	6,423	5,386
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	1,993	3,787	891	85	2,080	-	1,459	1,514	6,423	5,386

9. Material Subsequent Events

There was no material event subsequent to the current quarter under review.

10. Changes in the Composition of the Group

On 23 August 2021, the Company acquired a new subsidiary with the acquisition of 1 ordinary share of RM1.00 each in Novaworth Sdn. Bhd. (“NSB”) for a total cash consideration of RM1 representing 100% equity interest in the issued and paid-up share capital of NSB. NSB remain dormant as at the end of this reporting period.

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 Sep 2021 RM	Balance Outstanding as at 30 Sep 2021 RM
Advances from/(Repayment to) an executive director, for his advances ^(a) to the Company and subsidiaries.	(43,911)	268,028

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 wellbeing 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 granted corporate guarantees in favour of AmBank (M) Berhad, CIMB Bank Berhad, RHB Bank Berhad and United Overseas Bank (Malaysia) Berhad (“Creditor Banks”) for banking facilities taken by Yikon Jewellery Industry Sdn. Bhd. (“former subsidiary company”). The former subsidiary company had defaulted in the repayment of the Creditor Banks’ borrowings, leading to a Debt Settlement Agreement being inked among the Creditor Banks, the Company and the former subsidiary company where the Company allotted 115,130,000 new ordinary shares to the Creditor Banks at RM0.10 per share, and paid a deposit of RM1,014,000 to the Creditor Banks before the signing of the Debt Settlement Agreement, as full and final settlement sum for the former subsidiary company’s defaulted bank borrowings and to allow for the discharge of the corporate guarantees previously granted by NICE in favour of the Creditor Banks.

12. Contingent Assets *(Continued)*

In return for NICE's settlement on behalf of the former subsidiary company to the Creditor Banks as abovementioned, the former subsidiary company had, vide a letter of irrevocable undertaking, undertook to assign all of its rights to receive compensation under a legal suit against, amongst others, Bank Negara Malaysia ("BNM") for inter-alia, the recovery of all the cupro-nickel material ("Stocks") which are held by BNM to NICE. NICE shall at all times utilise the compensation received under this assignment to settle all of the former subsidiary company's liabilities to NICE. Any excess after settling legal expenses payable and relevant expenses under the legal suit and the former subsidiary company's liabilities to NICE shall be refunded. NICE and the former subsidiary company then entered into a Suit Assignment Agreement to formalise the letter of irrevocable undertaking.

In 2014, the former subsidiary company and BNM have reached a settlement and entered into a consent judgement where it is recorded that:-

- (a) the former subsidiary company and BNM shall have joint ownership over the Stocks which was then held under custody of the Seremban Criminal Session Court.
- (b) the consent judgement, inter alia, states that the former subsidiary company and BNM shall jointly make an application to the Seremban Criminal Session Court for the release of the Stocks from the court's custody.
- (c) both the former subsidiary company and BNM shall then put up the Stocks for open public 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.
- (d) the proceeds from the sales of the Stocks through the aforesaid open public tender shall be split between the former subsidiary company and BNM at the ratio of 40:60.

Pursuant to the Suit Assignment Agreement, NICE is entitled to the former subsidiary company's portion of 40% of the sale proceeds of the Stocks.

In February 2017, BNM's application for revocation of the bond to produce the Stocks as exhibit in court and for the Stocks to be released to BNM care was allowed by the Seremban Magistrate Court. In February 2020, BNM had appointed a vendor to carry out stock count of the Stocks and the exercise was completed in July 2020. On September 2021, BNM announced tender for the Sale and Meltdown of Cupronickel and Nickel Raw Metals as Scrap. BNM invites proposal from prospective companies to respond to its advertisement to purchase cupronickel and nickel raw metals, available in various forms as scrap. The tender proposal is opened from 17 September to 15 October 2021 and BNM is now reviewing the tenderers' proposal.

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 Period-to-Date

	<u>Individual Quarter / Financial Period-to-Date</u>		
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Changes</u>
	<u>Quarter</u>	<u>Corresponding Quarter</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	2,014	4,527	-55.5%
Segment results:			
Trading	(283)	569	-149.7%
Construction and Services	137	(1)	-13800.0%
Mining	(128)	-	n/a
Others	(419)	(357)	17.4%
Profit / (Loss) before tax	(693)	211	-428.4%

The Group recorded a RM2.01 million revenue for the current quarter and financial period-to-date, a reduction of 55.5% against the RM4.53 million revenue reported for the corresponding financial quarter in preceding financial year. The construction and services segment contributed RM1.79 million revenue during the current quarter, whilst the RM4.53 million in preceding corresponding quarter was solely contributed by the trading segment of the group. During the reporting quarter, the trading segment only contributed RM224,000 revenue due to adverse effect of ongoing COVID-19 pandemic and various versions of Movement Control Order (“MCO”).

The Group recorded loss before taxation of RM693,000 for the current quarter and financial period-to-date, as opposed to a RM211,000 profit before taxation for the corresponding quarter in previous financial year.

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

	<u>Individual Quarter</u>		
	<u>Current Year</u>	<u>Immediate Preceding</u>	<u>Changes</u>
	<u>Quarter</u>	<u>Quarter</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	2,014	1,782	13.0%
Segment results:			
Trading	(283)	(1,562)	-81.9%
Construction and Services	137	73	87.7%
Mining	(128)	(87)	n/a
Others	(419)	212	-297.6%
Loss before tax	(693)	(1,364)	-49.2%

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

The Group recorded loss before taxation of RM693,000 in the current quarter compared to a loss before taxation of RM1.36 million in the immediate preceding quarter. Revenue increased by 13.0% from RM1.78 million in the immediate preceding quarter to RM2.01 million in the current reporting quarter. The various versions of MCO implemented by the authority has adversely affected the operation of the Group throughout the current financial period, the MCO was subsequently lifted in October 2021. There were impairment of RM293,000 for trade receivable and RM1.43 million for other receivable in the immediate preceding quarter.

15. Current Year Prospects

The Group's Trading and Construction segments' outlooks are expected to be weak and remain challenging due to low consumer demand impacted by the COVID-19 pandemic and the varying stages of the Movement Control Order issued by the Malaysian government. In respect of the Mining segment, the Group have identified several sites to carry out further exploration works in order to evaluate viability for potential commercial production.

16. Profit Forecast

The Group did not issue any profit forecast during the current financial period-to-date.

17. Taxation

There is no taxation provision for the current financial period-to-date and comparative financial period.

18. Status of Utilisation of Proceeds Raised from Corporate Proposal

From 21 June 2021 until 30 September 2021, the Company raised RM8.93 million from issuance of 49.05 million ordinary shares through Special Share Issuance at the issue prices from RM0.145 to RM0.206 per share.

The utilisation of the proceeds are as follows:

Details	Proposed Utilisation	Actual Utilisation as at 30 Sep 2021
	RM'000	RM'000
Construction and property related business expenses	4,000	1,521
Mining Business	4,000	2,550
Trading Business	10,000	-
Working Capital	8,349	-
Estimated expenses for corporate exercises	500	409
TOTAL	26,849	4,480

19. Status of Corporate Proposals Announced

There were no corporate proposals that have been announced by the Company but not completed at the date of this report.

20. Group Borrowings and Debt Securities

The Group borrowing is as follows:

	30 Sep 2021	30 Sep 2020
	RM'000	RM'000
Amount payable within 12 months	297	36
Amount payable after 12 months	729	225
Total	<u>1,026^a</u>	<u>261^b</u>

The bank borrowing of the Group is in Ringgit Malaysia.

Remark: a RM733,000 is secured by a Corporate Guarantee of the Company and RM293,000 by a personal guarantee of a director of the Company
b RM261,000 is secured by a personal guarantee of a director of the Company

21. Derivative Financial Instrument

There was no derivative financial instrument issued by the Company as the date of this report.

22. Fair Value Changes of Financial Liabilities

There were no fair value changes of financial liabilities during the financial period-to-date.

23. Material Litigation

There was no pending material litigation as at the date of this report.

24. Dividend

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

25. Earnings Per Share

a) Basic earning/(loss) per share

The basic earning/(loss) per share are calculated based on the consolidated earning/(loss) for the financial period-to-date attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period-to-date as follows:

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Quarter	Preceding Year Corresponding Quarter
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
Net profit/(loss) attributable to owners of the Company (Basic EPS numerator) (RM'000)	(693)	211	(693)	211
Weighted average number of ordinary shares in issue (Basic EPS denominator) ('000)	772,747	710,968	772,747	710,968
Basic earnings/(loss) per share (sen)	(0.09)	0.03	(0.09)	0.03

b) Diluted earning/(loss) per share

The diluted earning/(loss) per share are calculated based on the adjusted consolidated earning/(loss) for the financial period-to-date attributable to the owners of the parents and the weighted average number of ordinary shares in issue during the financial period-to-date have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Quarter	Preceding Year Corresponding Quarter
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
Net profit/(loss) attributable to owners of the Company (Diluted EPS numerator) (RM'000)	(693)	211	(693)	211
Weighted average number of ordinary shares in issue ('000)	772,747	710,968	772,747	710,968
Effect of dilution				
- Warrants B	153,907	164,276	153,907	164,276
Adjusted weighted average number of ordinary shares in issue (Diluted EPS denominator) ('000)	926,654	875,244	926,654	875,244
Diluted earnings/(loss) per share (sen)	(0.07)	0.02	(0.07)	0.02

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.

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	20	20
(b) Other Income	4	4
(c) Interest Expense	(16)	(16)
(d) Depreciation and Amortization	(162)	(162)
(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	1	1
(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) (SSM PC NO. 202008003397)

Company Secretary