

Niche Capital Emas

NICHE CAPITAL EMAS HOLDINGS BERHAD

Registration No.: 200001024664 (527272-V)

(Incorporated in Malaysia)

Interim Financial Report

For the Second Quarter ended 31 December 2021



NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021
Condensed Consolidated Statement of Profit or Loss (Unaudited)

	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
	<u>3 months ended</u>			<u>6 months ended</u>		
	<u>31 Dec</u>			<u>31 Dec</u>		
	2021	2020	+ / (-)	2021	2020	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	1,043	5,872	-82.2	3,056	10,399	-70.6
Cost of goods sold	(907)	(4,704)	-80.7	(2,725)	(8,207)	-66.8
Gross profit	136	1,168	-88.4	331	2,192	-84.9
Administrative expenses	(909)	(1,043)	-12.8	(1,807)	(1,831)	-1.3
Other expenses	(1)	(10)	-90.0	(1)	(37)	-97.3
Other income	212	16	1225.0	237	21	1028.6
Operating profit/(loss)	(562)	131	-529.0	(1,240)	345	-459.4
Finance cost	(15)	(2)	650.0	(30)	(5)	500.0
Profit/(Loss) before tax	(577)	129	-547.3	(1,270)	340	-473.5
Taxation	-	-		-	-	
Profit/(Loss) for the period	(577)	129	-547.3	(1,270)	340	-473.5
Profit/(Loss) attributable to Equity holders of the Company	(577)	129	-547.3	(1,270)	340	-473.5
Earnings/(Loss) per share (sen)						
- basic	(0.07)	0.02		(0.16)	0.05	
- diluted	(0.06)	0.01		(0.14)	0.04	

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 SECOND QUARTER ENDED 31 DECEMBER 2021
Condensed Consolidated Statement of Other Comprehensive Income (Unaudited)

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 Dec		31 Dec	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) for the period	(577)	129	(1,270)	340
Other comprehensive income:				
Currency translation differences	6	30	1	72
Total comprehensive income/ (loss) for the period	(571)	159	(1,269)	412
Total comprehensive income/ (loss) attributable to:				
Equity holders of the Company	(571)	159	(1,269)	412

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 SECOND QUARTER ENDED 31 DECEMBER 2021
Condensed Consolidated Statement of Financial Position

	Unaudited	Audited
	As at	As at
	31 Dec 2021	30 Jun 2021
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	12,687	7,136
Right-of-use Assets	1,253	1,333
Goodwill	13	10
Current Assets		
Inventories	20,450	21,150
Trade Receivables	11,529	12,096
Other Receivables, Deposits and Prepayments	2,166	304
Tax Prepayment	29	10
Cash & Cash Equivalents	9,089	5,355
Total Current Assets	43,263	38,915
Total Assets	57,216	47,394
EQUITY AND LIABILITIES		
Equity attributable to the shareholders of the Company		
Share Capital	76,325	64,537
Reserves		
Exchange Fluctuation Reserve	(339)	(340)
Warrants Reserve	4,433	4,433
Accumulated Losses	(28,972)	(27,702)
Total Reserves	(24,878)	(23,609)
Total Equity	51,447	40,928
Non-Current Liability		
Deferred Taxation	9	9
Finance Lease Liability	675	806
Total Non-Current Liability	684	815
Current Liabilities		
Trade Payables	1,888	2,008
Other Payables & Accruals	2,310	2,814
Provision for taxation	528	529
Finance Lease Liability	359	300
Total Current Liabilities	5,085	5,651
Total Liabilities	5,769	6,466
Total Equity and Liabilities	57,216	47,394
Net Assets per Share attributable to the equity holders of the Company (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 SECOND QUARTER ENDED 31 DECEMBER 2021
Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to shareholders of the Company				Total Equity
	Non-Distributable		Distributable		
	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 Jul 2021	64,537	4,433	(340)	(27,702)	40,928
Loss for the period	-	-	-	(1,270)	(1,270)
Other Comprehensive Loss	-	-	1	-	1
Total Comprehensive Loss for the period	-	-	1	(1,270)	(1,269)
Transactions with owners					
Special Placement Share Issuance	11,907	-	-	-	11,907
Special Placement Corporate Exercise Expenses	(119)	-	-	-	(119)
Balance as at 31 Dec 2021	76,325	4,433	(339)	(28,972)	51,447

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 SECOND QUARTER ENDED 31 DECEMBER 2021
Condensed Consolidated Statement of Changes in Equity (Unaudited) (Continued)

	Attributable to shareholders of the Company				Total Equity	
	Non-Distributable			Distributable		RM'000
	Share	Warrants	Exchange	Retained Earnings		
	Capital	Reserve	Fluctuation	/ (Accumulated		
RM'000	RM'000	RM'000	Losses)			
Balance as at 1 Jul 2020	52,505	4,433	(382)	(25,199)	31,357	
Profit for the period	-	-	-	340	340	
Other Comprehensive Income	-	-	72	-	72	
Total Comprehensive Income for the period	-	-	72	340	412	
Transactions with owners						
Private Placement Share Issuance	7,561	-	-	-	7,561	
Private Placement Corporate Exercise Expenses	(215)	-	-	-	(215)	
Balance as at 31 Dec 2020	59,851	4,433	(310)	(24,859)	39,115	

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 SECOND QUARTER ENDED 31 DECEMBER 2021

Condensed Consolidated Statement of Cash Flows (Unaudited)

	Cumulative Quarter	
	6 months ended	
	31 Dec	
	2021	2020
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(1,270)	340
Adjustments for:		
Depreciation on Property, Plant and Equipment	218	48
Depreciation on Right-of-use ("ROU") Assets	142	61
Unrealised loss on foreign exchange	1	37
Interest expenses	30	5
Interest income	(27)	(21)
Operating profit / (loss) before working capital changes	(906)	470
Changes in working capital		
Inventories	700	5,503
Trade and other receivables	(1,300)	(8,204)
Trade and other payables	(535)	(1,190)
Cash used in operating activities	(2,041)	(3,421)
Interest paid	(30)	(5)
Tax refund	12	44
Tax paid	(31)	(20)
Net cash used in operating activities	(2,090)	(3,402)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(5,770)	(9)
Acquisition of ROU asset	(62)	-
Interest received	27	21
Net cash generated from / (used in) investing activities	(5,805)	12
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability	(159)	(60)
Proceed from share issuance	11,907	7,561
Share issuance expenses	(119)	(215)
Net cash generated from financing activities	11,629	7,286
Net increase in cash and cash equivalents	3,734	3,896
Cash and cash equivalents at 1 July	5,355	1,278
Exchange difference in Translation	-	-
Cash and cash equivalents at 31 December	9,089	5,174
Cash and cash equivalents comprises:		
Cash and bank balances	9,089	5,174
	9,089	5,174

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 SECOND QUARTER ENDED 31 DECEMBER 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	<i>Interest Rate Benchmark Reform - Phase 2</i>
Amendment to MFRS 16	<i>COVID-19 - Related Rent Concessions beyond 30 Jun 2021</i>

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 (Continued)

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	<i>Reference to the Conceptual Framework</i>	01 Jan 2022
Amendments to MFRS 116	<i>Property, Plant and Equipment - Proceeds before Intended Use</i>	01 Jan 2022
Amendments to MFRS 137	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>	01 Jan 2022
Annual Improvements to MFRS Standards 2018 - 2020		01 Jan 2022
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to Illustrative Examples accompanying MFRS 16		
• Amendments to MFRS 141		
MFRS 17	<i>Insurance Contracts</i>	01 Jan 2023
Amendments to MFRS 17	<i>Insurance Contracts</i>	01 Jan 2023
Amendments to MFRS 101	<i>Classification of Liabilities as Current or Non-current</i>	01 Jan 2023
Amendments to MFRS 101	<i>Disclosure of Accounting Policies</i>	01 Jan 2023
Amendments to MFRS 108	<i>Definition of Accounting Estimates</i>	01 Jan 2023
Amendments to MFRS 112	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	01 Jan 2023
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	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

The Group's mining operations are affected by the weather conditions while the Trading operations are affected by 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 year-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 year-to-date except for the following new issuance of ordinary shares:

Date	No. of ordinary shares allotted	Price RM	Amount RM	Allottee	Cumulative ordinary shares issued
As at 1 Jul 2021					757,313,900
01 Jul 2021	500,000	0.194	97,000	Macquarie Bank Ltd	757,813,900
02 Jul 2021	700,000	0.191	133,700	Macquarie Bank Ltd	758,513,900
05 Jul 2021	1,500,000	0.190	285,000	Macquarie Bank Ltd	760,013,900
06 Jul 2021	1,800,000	0.186	334,800	Macquarie Bank Ltd	761,813,900
07 Jul 2021	3,000,000	0.191	573,000	Macquarie Bank Ltd	764,813,900
13 Jul 2021	750,000	0.193	144,750	Macquarie Bank Ltd	765,563,900
14 Jul 2021	1,000,000	0.189	189,000	Macquarie Bank Ltd	766,563,900
15 Jul 2021	2,500,000	0.187	467,500	Macquarie Bank Ltd	769,063,900
16 Jul 2021	1,500,000	0.188	282,000	Macquarie Bank Ltd	770,563,900
30 Jul 2021	2,000,000	0.178	356,000	Macquarie Bank Ltd	772,563,900
13 Aug 2021	1,000,000	0.175	175,000	Macquarie Bank Ltd	773,563,900
24 Aug 2021	1,000,000	0.165	165,000	Macquarie Bank Ltd	774,563,900
30 Aug 2021	2,000,000	0.162	324,000	Macquarie Bank Ltd	776,563,900
10 Sep 2021	1,000,000	0.163	163,000	Macquarie Bank Ltd	777,563,900
21 Sep 2021	1,000,000	0.154	154,000	Macquarie Bank Ltd	778,563,900
28 Sep 2021	1,000,000	0.145	145,000	Macquarie Bank Ltd	779,563,900
28 Sep 2021	1,000,000	0.145	145,000	Macquarie Bank Ltd	780,563,900
14 Oct 2021	1,250,000	0.145	181,250	Macquarie Bank Ltd	781,813,900
15 Oct 2021	1,000,000	0.155	155,000	Macquarie Bank Ltd	782,813,900
25 Oct 2021	1,500,000	0.151	226,500	Macquarie Bank Ltd	784,313,900
29 Oct 2021	2,000,000	0.157	314,000	Macquarie Bank Ltd	786,313,900
08 Nov 2021	3,000,000	0.149	447,000	Macquarie Bank Ltd	789,313,900
11 Nov 2021	4,000,000	0.145	580,000	Macquarie Bank Ltd	793,313,900
12 Nov 2021	2,000,000	0.149	298,000	Macquarie Bank Ltd	795,313,900
15 Nov 2021	3,500,000	0.150	525,000	Macquarie Bank Ltd	798,813,900
23 Nov 2021	3,000,000	0.134	402,000	Macquarie Bank Ltd	801,813,900
15 Dec 2021	850,000	0.120	102,000	Macquarie Bank Ltd	802,663,900
27 Dec 2021	5,500,000	0.120	660,000	Macquarie Bank Ltd	808,163,900
28 Dec 2021	11,000,000	0.120	1,320,000	Macquarie Bank Ltd	819,163,900
29 Dec 2021	21,350,000	0.120	2,562,000	Macquarie Bank Ltd	840,513,900
As at 31 Dec 2021					840,513,900
Total	83,200,000		11,906,500		

Subsequent to the current quarter under review, the Special Share Issuance of 146,000,000 ordinary shares have been completed on 18 February 2022. The Company raised total gross proceeds of RM21.4 million at issue prices from RM0.120 to RM0.206 per share.

7. Dividend Paid

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

8. Segment Information

	Trading		Construction and Services		Mining		Others		Group	
	Cumulative Quarter		Cumulative Quarter		Cumulative Quarter		Cumulative Quarter		Cumulative Quarter	
	6 months ended		6 months ended		6 months ended		6 months ended		6 months ended	
	31 Dec		31 Dec		31 Dec		31 Dec		31 Dec	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
Total Revenue	7	7,539	3,049	2,860	-	-	-	-	3,056	10,399
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
External Sales	7	7,539	3,049	2,860	-	-	-	-	3,056	10,399
Segment Result	(555)	982	439	192	-	-	(791)	(741)	(907)	433
Interest Income	-	-	-	-	-	-	27	21	27	21
Interest Expense	(3)	(4)	(2)	-	(24)	-	(1)	(1)	(30)	(5)
Depreciation on PPE	(64)	(47)	(2)	-	(148)	-	(4)	(1)	(218)	(48)
Depreciation on ROU assets	(16)	(46)	(14)	-	(96)	-	(16)	(15)	(142)	(61)
Profit/(loss) before tax	(638)	885	421	192	(268)	-	(785)	(737)	(1,270)	340
Taxation	-	-	-	-	-	-	-	-	-	-
Profit/(loss) after tax	(638)	885	421	192	(268)	-	(785)	(737)	(1,270)	340
Assets										
Segment Assets	25,170	32,561	12,342	4,854	12,752	-	6,952	6,181	57,216	43,596
Unallocated Assets	-	-	-	-	-	-	-	-	-	-
Total Assets	25,170	32,561	12,342	4,854	12,752	-	6,952	6,181	57,216	43,596
Liabilities										
Segment Liabilities	2,002	1,823	950	1,194	1,411	-	1,406	1,464	5,769	4,481
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	2,002	1,823	950	1,194	1,411	-	1,406	1,464	5,769	4,481

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 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 Cumulative Quarters	Balance Outstanding as at
	31 Dec 2021	31 Dec 2021
	RM	RM
Advances from/(Repayment to) an executive director, for his advances ^(a) to the Company and subsidiaries.	<u>(88,422)</u>	<u>223,517</u>

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.*

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. (“YJI”), former subsidiary of the Company. YJI 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 YJI 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, as full and final settlement sum for YJI’s defaulted bank borrowings and the discharged of the corporate guarantees previously granted by the Company in favour of the Creditor Banks.

In return for the Company’s settlement on behalf of YJI to the Creditor Banks as abovementioned, YJI 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 the Company. The Company shall at all times utilise the compensation received under this assignment to settle all of YJI’s liabilities to the Company. Any excess after settling legal expenses payable and relevant expenses under the legal suit and YJI’s liabilities to the Company shall be refunded. The Company and YJI then entered into a Suit Assignment Agreement to formalise the letter of irrevocable undertaking.

12. **Contingent Assets** *(Continued)*

In 2014, YJI and BNM have reached a settlement and entered into a consent judgement where it is recorded that:

- (a) YJI 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 YJI 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 YJI 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; and
- (d) the proceeds from the sales of the Stocks through the aforesaid open public tender shall be split between YJI and BNM at the ratio of 40:60.

Pursuant to the Suit Assignment Agreement, the Company is entitled to YJI'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's 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, and has awarded the tender to one successful bidder. The successful bidder is currently carrying out a survey to assay the metal content of the Stock, for calculation of payment.

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

	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
	<u>3 months ended</u>			<u>6 months ended</u>		
	<u>31 Dec</u>			<u>31 Dec</u>		
	<u>2021</u>	<u>2020</u>	<u>+ / (-)</u>	<u>2021</u>	<u>2020</u>	<u>+ / (-)</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	1,043	5,872	-82.2	3,056	10,399	-70.6
Segments results:						
Trading	(355)	316	-212.3	(638)	885	-172.1
Construction and Services	284	193	47.2	421	192	119.3
Mining	(140)	-	<i>n/m</i>	(268)	-	<i>n/m</i>
Others	(366)	(380)	-3.7	(785)	(737)	6.5
Profit / (Loss) before tax	<u>(577)</u>	<u>129</u>	<u>-547.3</u>	<u>(1,270)</u>	<u>340</u>	<u>-473.5</u>

n/m- not meaningful due to no comparative figures

The Group recorded a RM1.04 million revenue for the current quarter, 82.2% lower compared with the corresponding financial quarter in the preceding financial year of RM5.9 million. Revenue generated from the current quarter mainly contributed by the Group's Construction and Services segment. In comparison, the Group reported RM2.9 million Construction revenue and RM3.0 million Trading revenue in the corresponding financial quarter in the preceding financial year.

The Group recorded RM3.06 million revenue for the financial year-to-date, 70.6% lower compared with the corresponding cumulative quarter in the preceding financial year of RM10.4 million. The Trading operation which contributed RM7.5 million revenue in the preceding corresponding financial year has not yet recovered under the current COVID-19 pandemic and various versions of Movement Control Order ("MCO") which was only lifted in October 2021 during the current reporting quarter.

The Group recorded loss before taxation of RM577,000 for the current quarter and loss before taxation of RM1.27 million for the financial year-to-date, as opposed to a RM129,000 profit before taxation for the corresponding quarter in previous financial year and RM340,000 profit before taxation for the cumulative quarter in 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>		+ / (-) %
	3 months ended		
	<u>31 Dec</u>	<u>30 Sep</u>	
	2021	2021	
	RM'000	RM'000	
Revenue	1,043	2,014	-48.2
Segments results:			
Trading	(355)	(283)	25.4
Construction and Services	284	137	107.3
Mining	(140)	(128)	9.4
Others	(366)	(419)	-12.6
Loss before tax	<u>(577)</u>	<u>(693)</u>	-16.7

The Group recorded loss before taxation of RM577,000 in the current quarter compared to a loss before taxation of RM693,000 in the immediate preceding quarter. Revenue reduced by 48.2% from RM2.01 million in the immediate preceding quarter to RM1.04 million in the current reporting quarter. The increase profit contribution from the Construction and Services during the quarter included gain on disposal of equipment. The Trading segment was still affected by weak consumer demand.

15. Current Year Prospects

The Group's Trading segment prospect, mainly from the jewellery business, continues to be weak due to lower consumer demand while the Construction and Services segment will continue to contribute positively from its current construction and infrastructure works activities at the Mining area.

The Mining segment will move towards pilot production in the coming next quarter, consequence from the earlier exploration. In addition, exploration works will continue at other parts of the Mining area to identify potential deposits.

16. Profit Forecast

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

17. Taxation

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

18. Status of Utilisation of Proceeds Raised from Corporate Proposal

From 21 June until 31 December 2021, the Company raised RM16.7 million from issuance of 109 million ordinary shares through Special Share Issuance at issue prices from RM0.120 to RM0.206 per share.

The utilisation of the proceeds are as follows:

Category	Proposed	Raised	Utilised	Balance
	Utilisation			
	RM'000	RM'000	RM'000	RM'000
Construction and Property Related	4,000	4,000	3,352	648
Mining Business	4,000	4,000	4,000	-
Trading Business	10,000	8,201	-	8,201
Working Capital	8,349	-	-	-
Proposal Expenses	500	500	409	91
Total	26,849	16,701	7,761	8,940

As at 31 December 2021, the Company had raised RM16.7 million out of the RM26.85 million proposed utilisation as stated in the Circular to Shareholders dated 3 June 2021.

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 other than the Special Share Issuance.

20. Group Borrowings and Debt Securities

The Group borrowing is as follows:

	31 Dec	
	2021	2020
	RM'000	RM'000
Amount payable within 12 months	328	36
Amount payable after 12 months	651	216
Total	979 ^a	252 ^b

The bank borrowing of the Group is in Ringgit Malaysia.

Remark: a RM695,000 is secured by a Corporate Guarantee of the Company and RM284,000 by a personal guarantee of a director of the Company

b RM252,000 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 year-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 year-to-date.

25. Earnings Per Share

a) Basic earnings/(loss) per share

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>31 Dec</u>		<u>31 Dec</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net profit/(loss) attributable to owners of the Company (Basic EPS numerator) (RM'000)	(577)	129	(1,270)	340
Weighted average number of ordinary shares in issue (Basic EPS denominator) ('000)	794,741	731,514	783,744	721,241
Basic earnings/(loss) per share (sen)	<u>(0.07)</u>	<u>0.02</u>	<u>(0.16)</u>	<u>0.05</u>

b) Diluted earnings/(loss) per share

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>31 Dec</u>		<u>31 Dec</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net profit/(loss) attributable to owners of the Company (Diluted EPS numerator) (RM'000)	(577)	129	(1,270)	340
Weighted average number of ordinary shares in issue ('000)	794,741	731,514	783,744	721,241
Effect of dilution - Warrants B	153,907	166,062	146,004	164,609
Adjusted weighted average number of ordinary shares in issue (Diluted EPS denominator) ('000)	<u>948,648</u>	<u>897,576</u>	<u>929,748</u>	<u>885,850</u>
Diluted earnings/(loss) per share (sen)	<u>(0.06)</u>	<u>0.01</u>	<u>(0.14)</u>	<u>0.04</u>

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 Condensed Consolidated Statement of Profit or Loss

Profit / (Loss) before taxation is arrived at after (charging) / crediting the following items:

	31 Dec 2021	
	Individual Quarter RM '000	Cumulative Quarter RM '000
(a) Interest Income	7	27
(b) Other Income	206	210
(c) Interest Expense	(15)	(30)
(d) Depreciation and Amortization	(198)	(360)
(e) Provision / Write off of Receivables	-	-
(f) Provision / Write off of Inventories	-	-
(g) Gain / (Loss) on Disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of Assets	-	-
(i) Foreign Exchange Loss	(2)	(1)
(j) Gain / (Loss) on derivatives	-	-
(k) Exceptional Items	-	-

By Order of the Board

Ong Tze-En (MAICSA 7026537) (SSM PC NO. 202008003397)

Company Secretary