

Niche Capital Emas

NICHE CAPITAL EMAS HOLDINGS BERHAD

Registration No.: 200001024664 (527272-V)

(Incorporated in Malaysia)

Interim Financial Report

For the Fourth Quarter ended 30 June 2022



NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2022
Condensed Consolidated Statement of Profit or Loss (Unaudited)

	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
	<u>3 months ended</u>			<u>12 months ended</u>		
	<u>30 Jun</u>			<u>30 Jun</u>		
	<u>2022</u>	<u>2021</u>	<u>+ / (-)</u>	<u>2022</u>	<u>2021</u>	<u>+ / (-)</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	6,536	1,782	266.8	17,216	16,513	4.3
Cost of goods sold	(5,463)	(1,877)	191.0	(15,043)	(13,634)	10.3
Gross profit/ (loss)	1,073	(95)	-1229.5	2,173	2,879	-24.5
Administrative expenses	(8,155)	(1,268)	543.1	(11,982)	(5,334)	124.6
Other expenses	-	6	-100.0	(1)	(23)	-95.7
Other income	47	4	1075.0	306	37	727.0
Operating loss	(7,035)	(1,353)	420.0	(9,504)	(2,441)	289.3
Finance cost	(22)	(11)	100.0	(71)	(18)	294.4
Loss before tax	(7,057)	(1,364)	417.4	(9,575)	(2,459)	289.4
Taxation	541	(35)		541	(44)	
Loss for the period	(6,516)	(1,399)	365.8	(9,034)	(2,503)	260.9
Loss attributable to Equity holders of the Company	(6,516)	(1,399)	365.8	(9,034)	(2,503)	260.9
Loss per share (sen)						
- basic	(0.74)	(0.19)		(1.09)	(0.34)	
- diluted	(0.64)	(0.16)		(0.93)	(0.28)	

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 FOURTH QUARTER ENDED 30 JUNE 2022
Condensed Consolidated Statement of Other Comprehensive Income (Unaudited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>12 months ended</u>	
	<u>30 Jun</u>		<u>30 Jun</u>	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Loss for the period	(6,516)	(1,399)	(9,034)	(2,503)
Other comprehensive income:				
Currency translation differences	(15)	(4)	(17)	42
Total comprehensive loss for the period	<u>(6,531)</u>	<u>(1,403)</u>	<u>(9,051)</u>	<u>(2,461)</u>
Total comprehensive loss attributable to:				
Equity holders of the Company	<u>(6,531)</u>	<u>(1,403)</u>	<u>(9,051)</u>	<u>(2,461)</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 FOURTH QUARTER ENDED 30 JUNE 2022
Condensed Consolidated Statement of Financial Position

	Unaudited	Audited
	As at	As at
	30 Jun 2022	30 Jun 2021
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	16,137	7,136
Right-of-use Assets	1,699	1,333
Goodwill	13	10
Current Assets		
Inventories	14,556	21,150
Trade Receivables	13,761	12,096
Contract Asset	188	-
Other Receivables, Deposits and Prepayments	2,868	304
Tax Prepayment	90	10
Cash & Cash Equivalents	4,168	5,355
Total Current Assets	35,631	38,915
Total Assets	53,480	47,394
EQUITY AND LIABILITIES		
Equity attributable to the shareholders of the Company		
Share Capital	80,984	64,537
Reserves		
Exchange Fluctuation Reserve	(357)	(340)
Warrants Reserve	4,433	4,433
Accumulated Losses	(36,736)	(27,702)
Total Reserves	(32,660)	(23,609)
Total Equity	48,324	40,928
Non-Current Liability		
Deferred Taxation	-	9
Finance Lease Liability	854	806
Total Non-Current Liability	854	815
Current Liabilities		
Trade Payables	1,978	2,008
Other Payables & Accruals	1,740	2,814
Provision for taxation	-	529
Finance Lease Liability	584	300
Total Current Liabilities	4,302	5,651
Total Liabilities	5,156	6,466
Total Equity and Liabilities	53,480	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 FOURTH QUARTER ENDED 30 JUNE 2022
Condensed Consolidated Statement of Changes in Equity (Unaudited)

	<u>Non-Distributable</u>			<u>Distributable</u>	Total Equity
	Share Capital	Warrants Reserve	Exchange Fluctuation Reserve	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	-	-	-	(9,034)	(9,034)
Other Comprehensive Loss	-	-	(17)	-	(17)
Total Comprehensive Loss for the period	-	-	(17)	(9,034)	(9,051)
Transactions with owners					
Special Placement Share Issuance	16,613	-	-	-	16,613
Special Placement Corporate Exercise Expenses	(166)	-	-	-	(166)
Balance as at 30 Jun 2022	80,984	4,433	(357)	(36,736)	48,324

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 FOURTH QUARTER ENDED 30 JUNE 2022
Condensed Consolidated Statement of Changes in Equity (Continued)

	Attributable to shareholders of the Company				Total Equity	
	Non-Distributable			Distributable		RM'000
	Share	Warrants	Exchange	Accumulated		
	Capital	Reserve	Fluctuation	Losses		
RM'000	RM'000	Reserve	RM'000	RM'000		
Balance as at 1 Jul 2020	52,505	4,433	(382)	(25,199)	31,357	
Loss for the period	-	-	-	(2,503)	(2,503)	
Other Comprehensive Income	-	-	42	-	42	
Total Comprehensive Loss for the period	-	-	42	(2,503)	(2,461)	
Transactions with owners						
Private Placement Share Issuance	7,561	-	-	-	7,561	
Private Placement Corporate Exercise Expenses	(215)	-	-	-	(215)	
Special Placement Share Issuance	4,794	-	-	-	4,794	
Special Placement Corporate Exercise Expenses	(108)	-	-	-	(108)	
Warrants Issuance	-	-	-	-	-	
Deconsolidate NCI	-	-	-	-	-	
Balance as at 30 Jun 2021	64,537	4,433	(340)	(27,702)	40,928	

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 FOURTH QUARTER ENDED 30 JUNE 2022

Condensed Consolidated Statement of Cash Flows (Unaudited)

	<i>Unaudited</i>	<i>Audited</i>
	Cumulative Quarter	
	12 months ended	
	30 Jun	
	2022	2021
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Tax	(9,575)	(2,459)
Adjustments for:		
Depreciation on Property, Plant and Equipment	465	162
Depreciation on Right-of-use ("ROU") Assets	408	203
Fixed asset written off	575	-
Unrealised loss on foreign exchange	1	23
Impairment of trade receivable	329	293
Impairment of other receivable	-	1,428
Impairment of inventory	5,522	-
Interest expenses	71	19
Interest income	(66)	(37)
Operating loss before working capital changes	(2,270)	(368)
Changes in working capital		
Inventories	1,071	5,853
Trade and other receivables	(4,573)	(6,281)
Trade and other payables	(1,300)	(171)
Cash used in operating activities	(7,072)	(967)
Interest paid	(71)	(19)
Tax refund	12	-
Tax paid	(86)	(93)
Net cash used in operating activities	(7,217)	(1,079)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(10,041)	(6,530)
Acquisition of ROU asset	-	(181)
Interest received	66	37
Net cash used in investing activities	(9,975)	(6,674)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability	(442)	(202)
Proceed from share issuance	16,613	12,355
Share issuance expenses	(166)	(323)
Net cash generated from financing activities	16,005	11,830
Net (decrease) / increase in cash and cash equivalents	(1,187)	4,077
Cash and cash equivalents at 1 Jul	5,355	1,278
Exchange difference in Translation	-	-
Cash and cash equivalents at 31 Mar	4,168	5,355
Cash and cash equivalents comprises:		
Cash and bank balances	4,168	5,355
	4,168	5,355

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 FOURTH QUARTER ENDED 30 JUNE 2022

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:

		<u>Effective dates for financial periods 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 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	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

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 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
03 Jan 2022	2,000,000	0.120	240,000	Macquarie Bank Ltd	842,513,900
04 Jan 2022	2,000,000	0.124	248,000	Macquarie Bank Ltd	844,513,900
05 Jan 2022	3,200,000	0.127	406,400	Macquarie Bank Ltd	847,713,900
06 Jan 2022	3,000,000	0.128	384,000	Macquarie Bank Ltd	850,713,900
07 Jan 2022	2,500,000	0.128	320,000	Macquarie Bank Ltd	853,213,900
26 Jan 2022	9,700,000	0.123	1,193,100	Macquarie Bank Ltd	862,913,900
28 Jan 2022	5,000,000	0.122	610,000	Macquarie Bank Ltd	867,913,900
16 Feb 2022	1,000,000	0.135	135,000	Macquarie Bank Ltd	868,913,900
18 Feb 2022	8,600,000	0.136	1,169,600	Macquarie Bank Ltd	877,513,900
As at 30 Jun 2022					877,513,900
Total	120,200,000		16,612,600		

The Special Share Issuance of 146,000,000 ordinary shares was 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.

8. Segment Information

	Trading		Construction and Services		Mining		Others		Group	
	Cumulative Quarter		Cumulative Quarter		Cumulative Quarter		Cumulative Quarter		Cumulative Quarter	
	12 months ended		12 months ended		12 months ended		12 months ended		12 months ended	
	30 Jun		30 Jun		30 Jun		30 Jun		30 Jun	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
Total Revenue	7,264	9,393	9,972	7,120	-	-	-	-	17,236	16,513
Inter-segment revenue	(20)	-	-	-	-	-	-	-	(20)	-
External Sales	7,244	9,393	9,972	7,120	-	-	-	-	17,216	16,513
Segment Result	(6,343)	(362)	(485)	623	-	-	(1,869)	(2,374)	(8,697)	(2,113)
Interest Income	-	-	3	-	-	-	63	37	66	37
Interest Expense	(10)	(12)	(4)	(1)	(45)	(4)	(12)	(1)	(71)	(18)
Depreciation on PPE	(68)	(94)	(9)	-	(359)	(67)	(29)	(1)	(465)	(162)
Depreciation on ROU Assets	(44)	(150)	(28)	(7)	(192)	(16)	(144)	(30)	(408)	(203)
Profit/(loss) before tax	(6,465)	(618)	(523)	615	(596)	(87)	(1,991)	(2,369)	(9,575)	(2,459)
Taxation	541	(46)	-	2	-	-	-	-	541	(44)
Profit/(loss) after tax	(5,924)	(664)	(523)	617	(596)	(87)	(1,991)	(2,369)	(9,034)	(2,503)
Assets										
Segment Assets	19,955	27,378	9,331	7,761	18,688	7,390	5,506	4,865	53,480	47,394
Unallocated Assets	-	-	-	-	-	-	-	-	-	-
Total Assets	19,955	27,378	9,331	7,761	18,688	7,390	5,506	4,865	53,480	47,394
Liabilities										
Segment Liabilities	975	2,046	605	586	1,756	2,108	1,820	1,726	5,156	6,466
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	975	2,046	605	586	1,756	2,108	1,820	1,726	5,156	6,466

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 held an Establishment Licence under the Medical Device Act 2012 as an authorised representative, distributor and importer of medical devices and a Certificate of Conformity for Good Distribution Practice for medical device.

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
	30 Jun 2022	30 Jun 2022
	RM	RM
Repayment to an executive director, for his advances to the Company and subsidiaries.	<u>(223,517)</u>	<u>-</u>

Notes:

- (a) *The director’s advances are unsecured, interest-free and repayable on demand.*
- (b) *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”), a former subsidiary of the Company. YJI had defaulted in the repayment of the Creditor Banks’ borrowings amounting to some RM16.6 million as at December 2012, leading to a Debt Settlement Agreement between the Creditor Banks, the Company and YJI, whereby the Company allotted 115,130,000 new ordinary shares to the Creditor Banks at RM0.10 per share, as full and final settlement sum for YJI’s defaulted bank borrowings and the discharge 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, YJI had, entered into a Suit Assignment Agreement, to assign all its rights to receive compensation under a legal suit against, amongst others, Bank Negara Malaysia (“BNM”) for inter alia, the recovery of all the cupronickel material (“Stocks”) which are held by BNM, to the Company. Any compensation received under this assignment will be utilised to settle all 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.

12. Contingent Assets *(Continued)*

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

- YJI and BNM shall have joint ownership over the Stocks which was then held under custody of the Seremban Criminal Session Court;
- 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;
- 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
- 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 September 2021, BNM has successfully awarded the tender for the sale and meltdown of the Stocks as scrap and delivered the Stocks to the successful bidder in April 2022. BNM had subsequently paid out YJI's 40% portion of the sale proceeds to YJI's solicitors, and after deducting all legal costs and other relevant expenses, NICE had received the sum of some RM5.9 million from YJI's solicitors as full and final payment pursuant to the Suit Assignment Agreement. As the amount received by NICE under the Suit Assignment Agreement is less than YJI's indebtedness to the Company, there shall be no surplus to be refunded to YJI.

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

	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
	<u>3 months ended</u>			<u>12 months ended</u>		
	<u>30 Jun</u>			<u>30 Jun</u>		
	<u>2022</u>	<u>2021</u>	<u>+ / (-)</u>	<u>2022</u>	<u>2021</u>	<u>+ / (-)</u>
<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	
Revenue	6,536	1,782	266.8	17,216	16,513	4.3
Segments results:						
Trading	(5,172)	(1,562)	231.1	(6,466)	(618)	946.3
Construction and Services	(1,057)	73	-1,547.9	(523)	615	-185.0
Mining	(172)	(87)	97.7	(596)	(87)	585.1
Others	(656)	212	-409.4	(1,990)	(2,369)	-16.0
Loss before tax	<u>(7,057)</u>	<u>(1,364)</u>	417.4	<u>(9,575)</u>	<u>(2,459)</u>	289.4

The Group recorded a RM6.5 million revenue for the current quarter, 266.8% higher compared with the corresponding financial quarter in the preceding financial year of RM1.8 million. Revenue generated from the current quarter mainly contributed by the Group's Trading segment of RM3.8 million while Construction and Services segment contributed RM2.7 million. In comparison, the Group reported RM1.8 million revenue from the Construction and Services segment in the corresponding financial quarter in the preceding financial year.

The Group recorded RM17.2 million revenue for the financial year, 4.3% higher compared with RM16.5 million in the preceding financial year. The Construction and Services segment contributed RM10.0 million revenue while Trading segment contributed RM7.2 million revenue for the current financial year, compared to RM7.1 million revenue from Construction and Services segment and RM9.4 million revenue from the Trading segment in the preceding financial year.

No revenue was recognised in the Mining segment as the mining operations is still at exploration stage.

The Group recorded loss before taxation of RM7.1 million for the current quarter and loss before taxation of RM9.6 million for the financial year, as compared to a RM1.4 million loss before taxation for the corresponding quarter in previous financial year and RM2.5 million loss before taxation for the previous financial year. The current year Trading segment's result was impacted by a RM5.5 million impairment on inventory, RM575,000 impairment on property, plant and equipment and RM329,000 impairment on trade receivable.

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>30 Jun</u>	<u>31-Mar</u>	
	<u>2022</u>	<u>2022</u>	
	RM'000	RM'000	
Revenue	6,536	7,623	-14.3
Segments results:			
Trading	(5,172)	(656)	688.4
Construction and Services	(1,057)	113	-1,035.4
Mining	(172)	(156)	10.3
Others	(656)	(549)	19.5
Loss before tax	<u>(7,057)</u>	<u>(1,248)</u>	465.5

The Group recorded loss before taxation of RM7.1 million in the current quarter compared to a loss before taxation of RM1.2 million in the immediate preceding quarter. Revenue decreased by 14.3% from RM7.6 million in the immediate preceding quarter to RM6.5 million in the current reporting quarter. Whilst the Trading segment revenue increased from RM3.4 million in preceding quarter to RM3.8 million in the current quarter, the Construction and Services segment reduced from preceding quarter's RM4.2 million to RM2.7 million for the current reporting quarter. During the current reporting quarter, there was a RM5.5 million impairment on inventory and RM329,000 impairment on trade receivable under the Trading segment. In comparison, under the Trading segment, there was an impairment of RM571,000 in property, plant and equipment in the immediate preceding quarter.

15. Current Year Prospects

The Group's Trading segment prospect from the jewellery business continues to be weak due to lower consumer demand. In view of this, the Group is building up the gold trading business to substitute the weak jewellery business.

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 is projected to move towards exploitation stage for the 'Rixen' mining site, pending the necessary authorities' approval for the Environmental Impact Assessment, while exploration works will continue at 'Extend' mining site, and other Mining area to identify potential deposits.

16. Profit Forecast

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

17. Taxation

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

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year-To-	Preceding Year-
	Quarter	Corresponding	Date	To-Date
	30/6/2022	Quarter 30/6/2021	30/6/2022	30/6/2021
	RM'000	RM'000	RM'000	RM'000
Income Tax				
Malaysia -current year	24	38	24	47
Malaysia -prior year	(7)	(4)	(7)	(4)
Overseas- prior year	(549)	-	(549)	-
Subtotal	(532)	34	(532)	43
Deferred Taxation				
Malaysia -current year	(9)	1	(9)	1
Subtotal	(9)	1	(9)	1
Total taxation expense	(541)	35	(541)	44

18. Status of Utilisation of Proceeds Raised from Corporate Proposal

During the period from 21 June 2021 until 18 February 2022, the Company raised RM21.4 million from the issuance of 146.0 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			
	Utilisation	Raised	Utilised	Balance
	RM'000	RM'000	RM'000	RM'000
Construction and Property Related	4,000	4,000	4,000	-
Mining Business	4,000	4,000	4,000	-
Trading Business	10,000	10,000	5,956	4,044
Working Capital	8,349	2,907	2,907	-
Proposal Expenses	500	500	409	91
Total	26,849	21,407	17,272	4,135

As at 30 Jun 2022, the Company raised a final total sum of RM21.4 million only instead 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 of 146.0 ordinary shares which was completed on 18 February 2022.

20. Group Borrowings and Debt Securities

The Group borrowing is as follows:

	30 Jun	
	2022	2021
	RM'000	RM'000
Amount payable within 12 months	312	292
Amount payable after 12 months	494	806
Total	806 ^a	1,098 ^b

The bank borrowing of the Group is in Ringgit Malaysia.

Remark: *a* RM540,000 is secured by a Corporate Guarantee of the Company and RM266,000 by a personal guarantee of a director of the Company
 b RM795,000 is secured by a Corporate Guarantee of the Company and RM303,000 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.

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.

25. Earnings Per Share

a) Basic loss per share

The basic loss per share (“Basic LPS”) is calculated based on the consolidated 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 as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30 Jun		30 Jun	
	2022	2021	2022	2021
Net loss attributable to owners of the Company (Basic LPS numerator) (RM'000)	(6,516)	(1,399)	(9,034)	(2,503)
Weighted average number of ordinary shares in issue (Basic LPS denominator) ('000)	877,514	733,178	827,807	726,750
Basic loss per share (sen)	(0.74)	(0.19)	(1.09)	(0.34)

b) Diluted loss per share

The diluted loss per share (“Diluted LPS”) is calculated based on the adjusted consolidated loss for the financial year attributable to the owners of the parents and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30 Jun		30 Jun	
	2022	2021	2022	2021
Net loss attributable to owners of the Company (Diluted LPS numerator) (RM'000)	(6,516)	(1,399)	(9,034)	(2,503)
Weighted average number of ordinary shares in issue ('000)	877,514	733,178	827,807	726,750
Effect of dilution				
- Warrants B	137,567	166,473	146,560	172,404
Adjusted weighted average number of ordinary shares in issue (Diluted LPS denominator) ('000)	1,015,081	899,651	974,367	899,154
Diluted loss per share (sen)	(0.64)	(0.16)	(0.93)	(0.28)

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:

	30 Jun 2022	
	Individual Quarter RM '000	Cumulative Quarter RM '000
(a) Interest Income	17	66
(b) Other Income	30	240
(c) Interest Expense	(22)	(71)
(d) Depreciation and Amortization	(247)	(873)
(e) Provision / Write-off of Receivables	(329)	(329)
(f) Provision / Write-off of Inventories	(5,522)	(5,522)
(g) Gain / (Loss) on Disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of Assets	(4)	(575)
(i) Foreign Exchange Loss	-	(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