

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 2023



NICHE CAPITAL EMAS HOLDINGS BERHAD *Reg. No. 200001024664 (527272-V)*
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023
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>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
	<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	<u>RM'000</u>	
Revenue	24,326	6,536	272.2	29,400	17,216	70.8
Cost of goods sold	(22,795)	(5,463)	317.3	(27,650)	(15,043)	83.8
Gross profit	1,531	1,073	42.7	1,750	2,173	-19.5
Other operating expenses	(1,046)	-		(1,144)	-	
Administrative expenses	(7,506)	(8,155)	-8.0	(13,542)	(11,982)	13.0
Other expenses	-	-		-	(1)	
Other income	212	47	351.1	6,472	306	2015.0
Operating loss	(6,809)	(7,035)	-3.2	(6,464)	(9,504)	-32.0
Finance costs	(14)	(22)	-36.4	(65)	(71)	-8.5
Loss before tax	(6,823)	(7,057)	-3.3	(6,529)	(9,575)	-31.8
Taxation	(21)	541		(60)	541	
Loss for the period	(6,844)	(6,516)	5.0	(6,589)	(9,034)	-27.1
Loss attributable to Equity holders of the Company	(6,844)	(6,516)	5.0	(6,589)	(9,034)	-27.1
Loss per share (sen)						
- basic	(0.60)	(0.74)		(0.67)	(1.09)	
- diluted	(0.53)	(0.64)		(0.59)	(0.93)	

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Report for the financial year ended 30 June 2022. The accompanying Explanatory 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 2023
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>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Loss for the period	(6,844)	(6,516)	(6,589)	(9,034)
Other comprehensive income:				
Currency translation differences	(7)	(15)	(7)	(17)
Total comprehensive loss for the period	<u>(6,851)</u>	<u>(6,531)</u>	<u>(6,596)</u>	<u>(9,051)</u>
Total comprehensive loss attributable to:				
Equity holders of the Company	<u>(6,851)</u>	<u>(6,531)</u>	<u>(6,596)</u>	<u>(9,051)</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 2022. The accompanying Explanatory 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 2023
Condensed Consolidated Statement of Financial Position

	Unaudited	Audited
	As at	As at
	30 Jun 2023	30 Jun 2022
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	23,430	16,137
Right-of-use Assets	2,395	1,699
Goodwill on Consolidation	13	13
Current Assets		
Inventories	13,311	14,556
Trade Receivables	9,756	13,761
Contract Asset	-	188
Other Receivables, Deposits and Prepayments	20,496	2,868
Tax Prepayment	103	75
Deposits, Cash and Bank Balances	22,844	4,169
Total Current Assets	66,510	35,617
Total Assets	92,348	53,466
EQUITY AND LIABILITIES		
Equity attributable to the shareholders of the Company		
Share Capital	113,505	80,984
Reserves		
Warrant Reserve	4,306	4,433
Foreign Currency Translation Reserve	(364)	(357)
Accumulated Losses	(43,326)	(36,738)
Total Reserves	(39,384)	(32,662)
Total Equity	74,121	48,322
Non-Current Liabilities		
Lease Liabilities	1,012	860
Deferred Taxation	1	-
Total Non-Current Liabilities	1,013	860
Current Liabilities		
Trade Payables	737	1,977
Other Payables & Accruals	1,250	1,719
Contract Liability	14,480	-
Provision for taxation	20	9
Lease Liabilities	727	579
Total Current Liabilities	17,214	4,284
Total Liabilities	18,227	5,144
Total Equity and Liabilities	92,348	53,466
Net Assets per Share attributable to the equity holders of the Company (RM)	0.06	0.06

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Report for the financial year ended 30 June 2022. The accompanying Explanatory 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 2023
Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to shareholders of the Company				Total Equity
	Non-Distributable		Distributable	Accumulated	
	Share Capital	Warrant Reserve	Foreign Currency Translation Reserve		Losses
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 Jul 2022	80,984	4,433	(357)	(36,738)	48,322
Loss for the financial year	-	-	-	(6,589)	(6,589)
Other Comprehensive Loss	-	-	(7)	-	(7)
Total Comprehensive Loss for the financial year	-	-	(7)	(6,589)	(6,596)
Transactions with owners					
Conversion of Warrants	506	(127)	-	-	379
Private Placement Share Issuance	33,143	-	-	-	33,143
Private Placement Corporate Exercise Expenses	(1,128)	-	-	-	(1,128)
Rounding adjustment	-	-	-	1	1
Balance as at 30 Jun 2023	113,505	4,306	(364)	(43,326)	74,121

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the financial year ended 30 June 2022. The accompanying Explanatory 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 2023
Condensed Consolidated Statement of Changes in Equity (Continued)

	Attributable to shareholders of the Company				Total Equity
	Non-Distributable		Distributable	Accumulated	
	Share Capital	Warrant Reserve	Foreign Currency Translation Reserve		Losses
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 Jul 2021	64,537	4,433	(340)	(27,703)	40,927
Loss for the financial year	-	-	-	(9,034)	(9,034)
Other Comprehensive Loss	-	-	(17)	-	(17)
Total Comprehensive Loss for the financial year	-	-	(17)	(9,034)	(9,051)
Transactions with owners					
Private Placement Share Issuance	16,613	-	-	-	16,613
Private Placement Corporate Exercise Expenses	(166)	-	-	-	(166)
Rounding adjustment	-	-	-	(1)	(1)
Balance as at 30 Jun 2022	80,984	4,433	(357)	(36,738)	48,322

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the financial year ended 30 June 2022. The accompanying Explanatory 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 2023

Condensed Consolidated Statement of Cash Flows

	<i>Unaudited</i>	<i>Audited</i>
	Cumulative Quarter	
	12 months ended	
	30 Jun	
	2023	2022
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Tax	(6,529)	(9,575)
Adjustments for:		
Depreciation on Property, Plant and Equipment ("PPE")	1,171	465
Depreciation on Right-of-use ("ROU") Assets	602	408
PPE written off	8	575
Unrealised (gain)/loss on foreign exchange	(1)	1
Impairment of trade receivables	4,571	349
Impairment of other receivables	47	-
Impairment of inventory	-	5,522
Deposit forfeited	-	7
Reversal of impairment on trade receivable	-	(20)
Reimbursement of debt settlement	(188)	-
Reversal of accrual	(40)	-
Waiver of liability	(71)	(23)
Finance Costs	65	71
Interest Income	(229)	(66)
Operating loss before working capital changes	(594)	(2,286)
Changes in working capital		
Inventories	1,245	1,071
Receivables	(18,639)	(4,579)
Contract assets	-	(188)
Payables	13,068	(1,089)
Cash used in operating activities	(4,920)	(7,071)
Interest paid	(65)	(71)
Tax refund	-	12
Tax paid	(76)	(86)
Net cash used in operating activities	(5,061)	(7,216)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of PPE	(7,886)	(10,041)
Acquisition of ROU asset	(383)	-
Interest received	229	66
Net cash used in investing activities	(8,040)	(9,975)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(618)	(442)
Proceed from share issuance	33,522	16,613
Share issuance expenses	(1,128)	(166)
Net cash generated from financing activities	31,776	16,005
Net increase/(decrease) in cash and cash equivalents	18,675	(1,186)
Cash and cash equivalents at 1 Jul	4,169	5,355
Exchange difference in Translation	-	-
Cash and cash equivalents at 30 Jun	22,844	4,169
Cash and cash equivalents comprises:		
Cash and bank balances	22,844	4,169

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Report for the financial year ended 30 June 2022. The accompanying Explanatory 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 2023

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 2022 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 2022.

(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 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 - 2020	
• Amendments to MFRS 1	
• Amendments to MFRS 9	
• Amendments to Illustrative Examples accompanying MFRS 16	
• Amendments to MFRS 141	

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:

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 101	Non-current Liabilities with Covenants (Amendments to MFRS 101)	1 January 2024
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 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
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 2022 were not subject to any audit qualification.

3. Seasonal or Cyclical Factors

The Group's mining operations are affected by the end of the year's 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:

- a) 6,318,800 new ordinary shares arising from the exercise of 6,318,800 Warrants-B at the exercise price of RM0.06 per Warrants-B on 2 February 2023; and
- b) 265,149,800 new ordinary shares at the issue price of RM0.125 per ordinary share pursuant to the proposed private placement approved by Bursa Malaysia Securities Berhad (“Bursa Securities”) on 20 December 2022 which entails the issuance of up to 369,233,500 new ordinary shares, representing approximately 30% of the Company’s enlarged issued share capital (“Proposed Private Placement”).

Date	No. of ordinary shares allotted unit	Price RM	Amount RM
16 Feb 2023	245,900,000	0.125	30,737,500
22 Mar 2023	19,249,800	0.125	2,406,225
	<u>265,149,800</u>		<u>33,143,725</u>

Upon issuance of the above new shares, the issued share capital of the Company increased to 1,148,982,500 ordinary shares as reported in this interim financial report from 877,513,900 ordinary shares as at 30 June 2022.

The above new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

7. Dividend Paid

No dividend has been paid during the current quarter and financial year-to-date ended 30 June 2023 (30 June 2022: Nil).

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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
Total Revenue	3,059	7,264	26,150	9,972	1,396	-	-	-	30,605	17,236
Inter-segment revenue	(767)	(20)	-	-	(438)	-	-	-	(1,205)	(20)
External Sales	2,292	7,244	26,150	9,972	958	-	-	-	29,400	17,216
Segment Result										
Interest Income	-	-	-	3	-	-	229	63	229	66
Finance Costs	(10)	(10)	-	(4)	(38)	(45)	(17)	(12)	(65)	(71)
Depreciation on PPE	(12)	(68)	-	(9)	(1,105)	(359)	(54)	(29)	(1,171)	(465)
Depreciation on ROU Assets	(67)	(44)	-	(28)	(298)	(192)	(237)	(144)	(602)	(408)
(Loss)/Profit before tax	(4,473)	(6,465)	485	(523)	(6,003)	(596)	3,462	(1,991)	(6,529)	(9,575)
Taxation	(58)	541	-	-	-	-	(2)	-	(60)	541
(Loss)/Profit after tax	(4,531)	(5,924)	485	(523)	(6,003)	(596)	3,460	(1,991)	(6,589)	(9,034)
Assets										
Segment Assets	13,773	19,955	25,938	9,331	29,451	18,688	23,186	5,506	92,348	53,480
Unallocated Assets	-	-	-	-	-	-	-	-	-	-
Total Assets	13,773	19,955	25,938	9,331	29,451	18,688	23,186	5,506	92,348	53,480
Liabilities										
Segment Liabilities	783	975	14,587	605	1,699	1,756	1,158	1,820	18,227	5,156
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	783	975	14,587	605	1,699	1,756	1,158	1,820	18,227	5,156

9. Material Subsequent Events

There were no material events subsequent to the end of the current quarter under review that have not been reflected in this interim financial report.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period under review.

11. Significant Related Party Transactions

There was no significant related party transaction in the financial period under review.

12. Contingent Assets

In August 2022, the Company had received a sum of some RM5.9 million from a former subsidiary of the Company, Yikon Jewellery Industry Sdn. Bhd.'s ("YJI") solicitors as full and final payment pursuant to the Suit Assignment Agreement ("SAA") between the Company and YJI. The SAA assigned all YJI's 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. YJI entitled to a 40% portion of the sale proceeds of the Stocks which BNM has subsequently sold as scrap and paid out YJI's entitlement of some RM5.9 million to YJI's solicitors in August 2022.

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

	Individual Quarter			Cumulative Quarter		
	3 months ended		+ / (-)	12 months ended		+ / (-)
	30 Jun			30 Jun		
	2023	2022	2023	2022		
RM'000	RM'000	%	RM'000	RM'000	%	
Revenue	24,326	6,536	272.2	29,400	17,216	70.8
Segments results:						
Trading	(3,853)	(5,172)	-25.5	(4,473)	(6,466)	-30.8
Construction and Services	532	(1,057)	-150.3	485	(523)	-192.7
Mining	(3,018)	(172)	1,654.7	(6,003)	(596)	907.2
Others	(484)	(656)	-26.2	3,462	(1,990)	-274.0
Loss before tax	<u>(6,823)</u>	<u>(7,057)</u>	-3.3	<u>(6,529)</u>	<u>(9,575)</u>	-31.8

The Group recorded a RM24.3 million revenue for the current quarter, a 272.2% increase compared with the RM6.5 million in the corresponding financial quarter in the preceding financial year. The Construction and Services segment contributed RM23.6 million (FY2022 RM2.7 million) revenue with new renovation enhancement works, while the Mining segment, commenced alluvia gold mining operation on 15 February 2023, contributed RM738,000 for the current quarter.

The Group recorded RM29.4 million revenue for the financial year-to-date, a 70.8% increase compared with RM17.2 million revenue in the preceding financial year. The Construction and Services segment contributed RM26.2 million (FY2022 – RM10.0 million) while Trading segment contributed RM2.3 million (FY2022 – RM7.2 million). The Mining segment which commenced its mining production since February 2023 contributed RM958,000 revenue for the financial year-to-date.

The Group recorded RM6.8 million loss before taxation for the current quarter and RM6.5 million loss before taxation for the financial year-to-date, as compared to RM7.1 million loss before taxation for the corresponding quarter in previous financial year and RM9.6 million loss before taxation for the financial year-to-date in the preceding financial year. During the current reporting quarter, the Trading segment impaired RM3.5 million (FY2022 – RM329,000) of receivables, while the Construction and Services segment impaired RM1.1 million of receivables. Included in last year's Trading segment were RM5.5 million impairment on inventory and RM575,000 impairment on property, plant and equipment.

Included in the first quarter of the reporting financial year, there was a RM5.9 million reversal of prior year's provision of liabilities written off for the Company's obligation under the corporate guarantees on former subsidiary, Yikon Jewellery Industry Sdn Bhd's bank borrowings.

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>2023</u>	<u>2023</u>	
	<u>RM'000</u>	<u>RM'000</u>	
Revenue	24,326	2,649	818.3
Segments results:			
Trading	(3,853)	(287)	1,242.5
Construction and Services	532	128	315.6
Mining	(3,018)	388	-877.8
Others	(484)	(979)	-50.6
Loss before tax	<u>(6,823)</u>	<u>(750)</u>	809.7

The Group recorded a RM6.8 million loss before taxation in the current quarter compared to a RM750,000 loss before taxation in the immediate preceding quarter.

Higher revenue of RM24.3 million was reported in the current quarter as compared to RM2.6 million in the immediate preceding quarter. Construction and Services segment contributed RM23.6 million revenue compared to RM1.9 million revenue in the immediate preceding quarter. Mining segment which commenced alluvia gold mining operation on 15 February 2023, contributed RM738,000 revenue compared to RM220,000 in the immediate preceding quarter.

During the current reporting quarter, the Trading segment impaired RM3.5 million of receivables, while the Construction and Services segment impaired RM1.1 million of receivables.

15. Current Year Prospects

The Group had commenced alluvial gold mining operation on 15 February 2023 and production have been encouraging. Further verification works are currently being carried out on the two new mineralisation discovered while exploration works is continuously carried out over the rest of the Sokor North Area. The Group's maiden Independent Mineral Resource Report prepared in accordance with the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, was out in July 2023. The mineral resources reported are contained within a single deposit at an identified gold mineralisation measuring approximately 8 hectares within the 547 hectares in Sokor North area. The Statement of Mineral Resources at 15 March 2023 is as follow:

Classification	Type	Quantity (kt)	Au (g/t)	Ounces
Indicated	Oxide	56.4	0.41	800
	Transition	294.0	0.40	3,800
	Fresh	62.7	0.38	800
	Sub-Total	413.1	0.40	5,400
Inferred	Oxide	440.2	0.43	6,100
	Transition	97.5	0.46	1,400
	Fresh	369.1	0.37	4,400
	Sub-Total	906.8	0.41	11,900
Total	Oxide	496.6	0.43	6,800
	Transition	391.4	0.41	5,200
	Fresh	431.9	0.37	5,100
	Total	1,319.9	0.40	17,100

15. Current Year Prospects (Continued)

The Trading segment's prospect is expected to continue to be challenging. In May 2023, the Group has obtained the necessary approvals from the authorities to purchase golds from mine in the state of Kelantan and this is expected to contribute to the Group's overall gold trading activities.

For the Construction and Services segment, the Group will continue to explore new opportunities cautiously albeit the overall weak demand in the industries.

16. Profit Forecast

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

17. Taxation

The taxation of the Group for the current financial year-to-date and comparative financial period is as follows:

	<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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Income Tax				
Malaysia -current year	20	24	50	24
Malaysia -prior year	-	(7)	9	(7)
Overseas- prior year	-	(549)	-	(549)
Subtotal	<u>20</u>	<u>(532)</u>	<u>59</u>	<u>(532)</u>
Deferred Taxation				
Malaysia -current year	1	(9)	1	(9)
Subtotal	<u>1</u>	<u>(9)</u>	<u>1</u>	<u>(9)</u>
Total taxation expense	<u>21</u>	<u>(541)</u>	<u>60</u>	<u>(541)</u>

18. Status of Utilisation of Proceeds Raised from Corporate Proposal

On 16 February 2023 and 22 March 2023, the Company raised a total RM33.1 million from the issuance of 265.1 million ordinary shares through two (2) tranches of Private Placement at an issue price of RM0.125 per share.

The utilisation of the proceeds are as follows:

Category	Proposed	Raised	Utilised	Balance
	Utilisation			
	RM'000	RM'000	RM'000	RM'000
Mining Business	25,000	25,000	(7,500)	17,500
Property Business	3,463	3,463	-	3,463
Working Capital	3,581	3,581	(2,044)	1,537
Estimated expenses for corporate exercises	1,100	1,100	(1,100)	-
Total	33,144	33,144	(10,644)	22,500

19. Status of Corporate Proposals Announced

The Proposed Private Placement which was approved on 20 December 2022 has been completed:

- On 16 February 2023, the Company had allotted 245,900,000 Placement Shares at an issue price of RM0.125 per Placement Share for a gross proceed of approximately RM30.7 million ("Tranche 1 of the Private Placement"). The Tranche 1 of the Private Placement was completed on 17 February 2023 with the listing of and quotation for the said placement shares on the Main Market of Bursa Securities.
- On 22 March 2023, the Company had allotted 19,249,800 Placement Shares at an issue price of RM0.125 per Placement Share for a gross proceed of approximately RM2.4 million ("Tranche 2 of the Private Placement"). The Tranche 2 of the Private Placement was completed on 23 March 2023 with the listing of and quotation for the said placement shares on the Main Market of Bursa Securities.

20. Group Borrowings and Debt Securities

As at the end of the reporting year, the Group borrowings which are all denominated in Ringgit Malaysia, were as follows:

	30 Jun	
	2023	2022
	RM'000	RM'000
Lease liabilities:		
Amount payable within 12 months	727	579
Amount payable after 12 months	1,012	860
Total	1,739^a	1,439^b

Remark: a RM267,000 is secured by a Corporate Guarantee of the Company and RM228,000 by personal guarantee of a director of the Company

b RM540,000 is secured by a Corporate Guarantee of the Company and RM266,000 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 period under review.

23. Material Litigation

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

24. Dividend

- a) The Directors do not recommend the payment of dividend for the fourth quarter ended 30 June 2023 (30 June 2022: Nil).
- b) Total dividend for the current financial year-to-date is Nil (30 June 2022: Nil).

25. Earnings Per Share

a) Basic loss per share (“Basic LPS”)

The basic loss per share is calculated based on the consolidated loss for the financial period-to-date attributable to Equity holders of the Company and the weighted average number of ordinary shares in issue during the financial period-to-date:

	<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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net loss attributable to owners of the Company (Basic LPS numerator) (RM'000)	(6,844)	(6,516)	(6,589)	(9,034)
Weighted average number of ordinary shares in issue (Basic LPS denominator) ('000)	1,148,983	877,514	976,369	827,807
Basic loss per share (sen)	<u>(0.60)</u>	<u>(0.74)</u>	<u>(0.67)</u>	<u>(1.09)</u>

b) Diluted loss per share (“Diluted LPS”)

The diluted loss per share is calculated based on the adjusted consolidated loss for the financial period-to-date attributable to the Equity holders of the Company 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:

	<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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net loss attributable to owners of the Company (Diluted LPS numerator) (RM'000)	(6,844)	(6,516)	(6,589)	(9,034)
Weighted average number of ordinary shares in issue ('000)	1,148,983	877,514	976,369	827,807
Effect of dilution				
- Warrants B	131,453	137,567	132,257	146,560
Adjusted weighted average number of ordinary shares in issue (Diluted LPS denominator) ('000)	1,280,436	1,015,081	1,108,626	974,367
Diluted loss per share (sen)	<u>(0.53)</u>	<u>(0.64)</u>	<u>(0.59)</u>	<u>(0.93)</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

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

	30 Jun 2023	
	Individual Quarter RM '000	Cumulative Quarter RM '000
(a) Interest Income	141	229
(b) Other Income	71	6,243
(c) Interest Expense	(14)	(65)
(d) Depreciation and Amortization	(907)	(1,773)
(e) Provision / Write off of Receivables	(4,586)	(4,618)
(f) Provision / Write off of Inventories	-	-
(g) Gain / (Loss) on Disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of Assets	-	(8)
(i) Foreign Exchange Gain	1	1
(j) Gain / (Loss) on derivatives	-	-
(k) Exceptional Items	-	-

By Order of the Board

Yeow Sze Min (MAICSA 7065735) (SSM PC No. 201908003120)

Yee Kit Yeng (MAICSA 7068292) (SSM PC No. 202208000022)

Joint Company Secretaries