Niche Capital Emas

NICHE CAPITAL EMAS HOLDINGS BERHAD

Registration No.: 200001024664 (527272-V)

New Challenges Make Us Shine

ANNUAL REPORT

2020

Niche Capital Emas

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Registration No.: 200001024664 (527272-V)
(Incorporated in Malaysia)

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Corporate Information

■ BOARD OF DIRECTORS ■

Datuk Khairul Idham Bin Ismail
Independent Non-Executive Chairman

Julian Foo Kuan Lin
Executive Director & Chief Executive Officer

Loh Siew Jiann
Executive Director
(Appointed on 26 December 2019)

Yeong Chee Jong Nicky
Executive Director
(Appointed on 8 September 2020)

Mah Weng Kee
Non-Independent Non-Executive Director

Dato' Tan Sek Yin
Independent Non-Executive Director

Tong Siut Moi
Independent Non-Executive Director

Lee Kien Fatt
Independent Non-Executive Director
(Appointed on 13 April 2020)

Dr Edward Leung
Independent Non-Executive Director
(Appointed on 8 September 2020)

AUDIT COMMITTEE
Lee Kien Fatt *(Chairman)*
Dato' Tan Sek Yin *(Member)*
Datuk Khairul Idham Bin Ismail *(Member)*
Tong Siut Moi *(Member)*

NOMINATING & REMUNERATION COMMITTEE
Tong Siut Moi *(Chairman)*
Dato' Tan Sek Yin *(Member)*
Datuk Khairul Idham Bin Ismail *(Member)*

RISK MANAGEMENT COMMITTEE
Lee Kien Fatt *(Chairman)*
Dato' Tan Sek Yin *(Member)*
Datuk Khairul Idham Bin Ismail *(Member)*
Tong Siut Moi *(Member)*

COMPANY SECRETARY
Ong Tze-En
MAICSA 7026537
SSM PC NO.202008003397

REGISTERED OFFICE
170-09-01, Livingston Tower
Jalan Argyll, 10050 George Town
Pulau Pinang, Malaysia
Phone No. : +604-229 4390
Fax No. : +604-226 5860

REGISTRAR
AGRITEUM Share Registration Services Sdn. Bhd.
2nd Floor, Wisma Penang Garden
42 Jalan Sultan Ahmad Shah
10050 George Town, Penang, Malaysia
Phone No. : +604-228 2321
Fax No. : +604-227 2391

CORPORATE OFFICE
Unit 3.1, 3rd Floor, Wisma Leader
No. 8 Jalan Larut
10050 George Town, Penang
Malaysia
Phone No. : +604-229 8108
Fax No. : +604-229 7108

AUDITORS
UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia

PRINCIPAL BANKERS
Alliance Bank Malaysia Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING
Bursa Malaysia Securities Berhad (Main Market)
Stock Name : NICE
Stock Code : 7139

WEBSITE
www.nichecapital.com.my

Corporate Structure

100%

NICHE EXPRESS GOLD SDN BHD
Registration No.199701012522 (428018-P)
Processing and wholesale of jewellery, precious stones and precious metals

100%

NICHE DIAMOND SDN BHD
Registration No. 200601004885 (724634-K)
Retail of jewellery products

100%

NICHE CAPITAL (HK) LIMITED
Hong Kong Registration No.1660356
Trading of jewellery, precious stones and precious metals

100%

PEMBANGUNAN MAJU SETIA SDN BHD
Registration No.199101003255 (213565-T)
Construction and property related business

100%

WAWASAN PASIFIKA SDN BHD
Registration No. 201501001156 (1126488-U)
Project management

100%

JADEKEY BRIDGE SDN BHD
Registration No. 201201001218 (974742-H)
Dormant

Profile of Directors

DATUK KHAIRUL IDHAM BIN ISMAIL

Independent Non-Executive Chairman, Aged 44, Male, Malaysian

Datuk Khairul Idham Bin Ismail ("Datuk Khairul") was appointed as an Independent Non-Executive Director of Niche Capital Emas Holdings Berhad ("NICE" or "the Company") on 26 May 2015. He was subsequently appointed as the Chairman of the Board of Directors ("Board") of NICE on 29 May 2017. He is also a member of the Audit Committee, Nominating & Remuneration Committee and Risk Management Committee of the Company.

Datuk Khairul was called to the Malaysian Bar in September 2000. He holds a LLB (2^{nd} Class Upper Division) from King's College, London and a Certificate in Legal Practice (C.L.P.) from the Legal Profession Qualifying Board of Malaysia.

Datuk Khairul started his legal career with Messrs David Chong & Co in 2000 before joining the Corporate Secretarial and Legal Department of MMC Corporation Berhad in January 2003. He joined Messrs Naqiz & Partners in 2006 and was promoted as Managing Partner in 2015. His expertise in the legal industry includes all corporate & commercial matters, capital markets, Islamic banking & finance, construction and real estate transactions, infrastructure and projects, corporate restructuring, public-private partnerships, privatisation initiatives and intellectual property.

He has attended five (5) out of six (6) Board Meetings held during the financial year ended 30 June 2020.

JULIAN FOO KUAN LIN

Executive Director & Chief Executive Officer/Key Senior Management, Aged 35, Male, Malaysian

Mr Julian Foo Kuan Lin ("Mr Julian Foo") was appointed as an Executive Director of NICE on 16 November 2015 and re-designated as the Chief Executive Officer on 1 September 2017. He graduated with a MA in Finance from the Heriot-Watt University, United Kingdom, in 2009.

Upon graduation, he joined a construction and trading company for two years and for five years thereafter, he served in various finance and operations positions with several other companies involved in property development and real estate investment.

Mr Julian Foo has accumulated over 10 years of professional experience in construction, property development consumer products and precious metals industries. He sits on the Board of certain subsidiaries and other private companies. He is also a major shareholder of the Company.

He has attended all six (6) Board Meetings held during the financial year ended 30 June 2020.

LOH SIEW JIANN

Executive Director/Key Senior Management, Aged 37, Male, Malaysian

Mr Loh Siew Jiann ("Mr Loh") was appointed to the Board as an Executive Director on 26 December 2019. He graduated with a Degree in Building Construction Management from University Tunku Abdul Rahman.

Mr Loh has more than 15 years working experiences in the construction industry rising from being a site supervisor to founding a CIDB G7 construction company prior to joining NICE. He is primarily responsible for the overall construction business of the Group.

He sits on the Board of several private limited companies.

He has attended three (3) Board Meetings held since the date of his appointment.

MAH WENG KEE

Non-Independent Non-Executive Director, Aged 58, Male, Malaysian

Mr Mah Weng Kee ("Mr Mah") was appointed to the Board as Managing Director on 27 November 2012 and re-designated as Executive Director on 16 November 2015. On 1 September 2017, he was re-designated as Non-Independent Non-Executive Director.

Mr Mah holds a Bachelor of Arts degree from York University, Toronto, Canada. He returned to Malaysia upon graduation and joined Malaysia Packaging Industries Sdn. Bhd. In 1991, he joined Wah Chan Group of companies as a Business Development Manager. This would be his first foray into the gold and luxury goods industry. After his accomplishment in Wah Chan Group, he joined Woo Hing Brothers Berhad as a General Manager before assuming the role as the Managing Director until 2003.

Mr Mah's experience in the gold and luxury goods industry had led him to buy out Woo Hing's luxury goods and watches division in 2004. The venture was run privately together with Sisma Group. He was the Executive Director of Woo Hing KL Sdn Bhd and was involved in the industry until 2011. He also sits on the Board of several private companies.

He has attended all six (6) Board Meetings held during the financial year ended 30 June 2020.

DATO' TAN SEK YIN

Independent Non-Executive Director, Aged 63, Male, Singaporean

Dato' Tan Sek Yin ("Dato' Tan) was appointed to the Board as an Independent Non-Executive Director on 1 December 2007 and re-designated as an Executive Director on 3 May 2008. He assumed the title of CEO on 28 May 2009, a position he held until 30 December 2011. Upon stepping down, Dato' Tan was re-designated as a Non-Independent Non-Executive Director. On 30 May 2014, he was re-designated as an Independent Non-Executive Director. He is also a member of the Audit Committee, Nominating & Remuneration Committee and Risk Management Committee of the Company.

He holds a MA in Corporate and Manpower Studies and a BSc (Honours) in Economics and Accountancy from City University, UK.

Dato' Tan has more than thirty years of involvement in the cement industry with particular focus on financial, marketing, operations and general management. He was an Executive Director of Tasek Corporation Bhd from 1986 to 2004. From 1990 to 2005, he was a Director of Cement Industries Sabah, overseeing the technical and marketing functions. From 1989 to 2007, Dato' Tan was appointed a Director in Jurong Cement Ltd, a cement manufacturing plant based in Singapore.

Dato' Tan has been involved in precious metals and stones industry with interest in gold and jade. He is currently the CEO of Top Gold Resources Sdn Bhd, an investment holding company. Since 1991, he has been a member of the Board of Trustees of the Yayasan Sultan Idris Shah in Perak, a not-for-profit foundation focussed on enhancing quality of life for children and people with physical disabilities.

Dato' Tan also sits on the board of several private limited companies.

He has attended all six (6) Board Meetings held during the financial year ended 30 June 2020.

TONG SIUT MOI

Independent Non-Executive Director, Aged 50, Female, Malaysian

Ms Tong Siut Moi ("Ms Tong") was appointed as an Independent Non-Executive Director on 17 August 2016. She is a member of the Audit Committee and Risk Management Committee of the Company. On 26 February 2020, she was re-designated as the Chairman of the Nominating & Remuneration Committee of the Company.

She qualified as a Chartered Secretary following completion of the ICSA professional examinations and was admitted as an Associate member of the Malaysian Association of Institute of Chartered Secretaries and Administrators (MAICSA) since 1996.

Ms Tong has more than 26 years of professional experience in corporate secretarial advisory and senior management level, gathered from both commercial and advisory environments. She is currently an Executive Director of CKM Advisory Sdn Bhd, a company that focuses on providing specialised training relating to Bursa Malaysia Securities Berhad's Main and ACE Markets Listing Requirements to Directors and senior management of public listed companies, investment bankers and company secretaries.

Ms Tong is also an Independent Non-Executive Director of Kejuruteraan Asastera Berhad.

She has attended five (5) out of six (6) Board Meetings held during the financial year ended 30 June 2020.

LEE KIEN FATT

Independent Non-Executive Director, Aged 53, Male, Malaysian

Mr Lee Kien Fatt ("Mr Lee") was appointed to the Board as an Independent Non-Executive Director on 13 April 2020. Concurrently, he was also appointed as the Chairman of the Audit Committee and Risk Management Committee of the Company.

Mr Lee is a member of Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA).

Mr Lee started his career with an articleship with KPMG in 1987 before joining Group Associated (C&L) Sdn Bhd as Finance Manager from 1992 to 1994. After a stint with Ng Tiong Seng Corporation Berhad, he joined United Straits Amalgamated Berhad as Group Financial Controller in 1997. Subsequently, he was appointed as Consultant cum Executive Director of RNC Corporation Berhad in 1999. Mr Lee then left to join as Consultant cum Non-Executive Director of LBI Capital Berhad in 2003. He also served as a Non-Executive Director of Tenggara Oil Berhad from 2007 to 2008.

Mr Lee is presently on the Board of Key Alliance Group Berhad and Fattco Holdings Sdn Bhd.

He has attended one (1) Board Meeting held since the date of his appointment.

YEONG CHEE JONG NICKY

Executive Director/Key Senior Management, Aged 37, Male, Malaysian

Mr Yeong Chee Jong Nicky ("Mr Nicky") was appointed to the Board as an Executive Director on 8 September 2020 and is responsible for NICE Group's corporate finance, financial planning and analysis, human resources and administration.

Mr Nicky graduated in 2006 with a Bachelor of Science (Hons) in Mathematic with Economics from Universiti Malaysia Sabah.

Upon graduation, he joined a boutique advisory firm providing corporate finance, corporate advisory and corporate recovery services to clienteles from various industries comprising manufacturing, property development, construction, oil and gas, retail, media and entertainment. He then he joined an investment holding company as vice president, corporate finance, overseeing financial and corporate matters. Prior to joining NICE in 2015, Mr Nicky was the finance manager of a manufacturing company listed on Bursa Securities.

He sits on the Board of several private limited companies.

DR EDWARD LEUNG

Independent Non-Executive Director, Aged 41, Male, Australian

Dr Edward Leung ("Dr Leung") was appointed to the Board as an Independent Non-Executive Director on 8 September 2020.

Dr Leung holds a PhD in Actuarial Mathematics from the University of Melbourne where he also holds a Bachelor of Commerce (Hons) and Bachelor of Laws (Hons). He also holds an MSc (Distinction) from the University of Oxford.

Dr Leung is currently a Partner of MPM Capital Management which launched the Marshall Precious Metals Fund SP. Dr Leung brings global financial investment experience specialising in Metals and Mining alongside business management experience in the wealth management sector. Immediately prior to joining the fund, Dr Leung was Head of the UHNW Platform, Asia Pacific for Credit Suisse AG based in Singapore. He has also served as Co-Head of Natural Resources Asia (Hong Kong), Executive Director of Metals and Mining Investment Banking (New York) and Head of Investment Banking (Perth) for UBS AG. Dr Leung was also part of UBS AG and Deutsche Bank AGs Metals and Mining practice in Melbourne.

Notes:

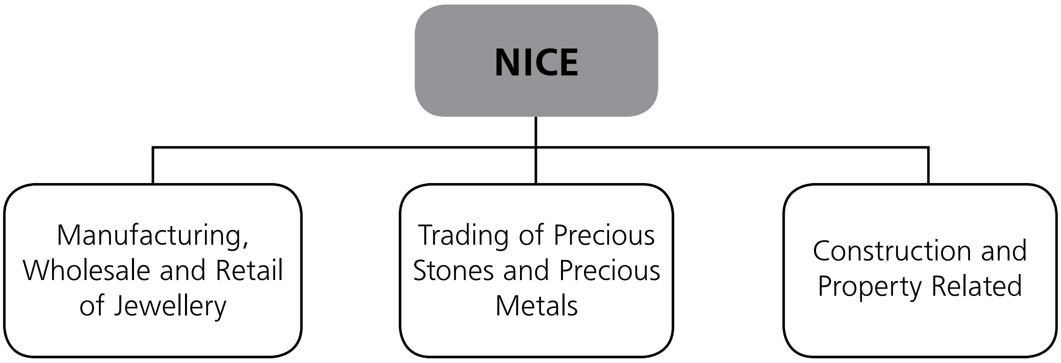
- None of the Directors has any family relationship with any Director and/or Major Shareholder of the Company.
- None of the Directors has any conflict of interest with NICE Group other than as disclosed in the notes to the financial statements.
- None of the Directors has any conviction for offences within the past five years other than traffic offences.
- None of the Directors has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Management Discussion and Analysis

1.0 Overview of the Group's Business and Operations

1.1. Business and Operation Overview

The NICE group of companies (collectively, Niche Capital Emas Holdings Berhad and its subsidiaries) consists of five (5) subsidiaries in Malaysia and a subsidiary company in Hong Kong SAR which are principally involved in the following business segments:-



1.2. Business and Operation Strategy

Our mission is to create value through expansion of our revenue base by identifying strategic opportunities focusing on gold and other precious metals as well as construction and property development with the goal of maximising shareholders' value and building strong businesses that are viable and sustainable on a long-term basis.

During the financial year under review, NICE Group also derived a significant part of its revenue from construction and property related businesses which has provided the Group with alternative opportunities to diversify its earning potentials and spread business risks arising from economic uncertainties and changing operating conditions.

The principal strategies of NICE Group comprise the following:-

(a) *Diversification of the Group's Revenue Base through Identification of Strategic Opportunities*

NICE Group pursues a strategy of building a diversified portfolio of businesses and products. The Group diversified its selection inventory of gold and other precious metals by sourcing inventories directly from the mines and building long term supply arrangement with these suppliers.

At the corporate strategy-level, the decision to diversify into construction and property development activities during the financial year has paid off as the new business contributed significantly to earnings.

(b) *Growth and Enhancement of NICE Group's Business*

NICE Group will continue to enhance its expertise as well as improve and revise its business operations in the jewellery and construction business segments.

(c) *Enhancement of Operational Efficiencies and Expand Customer Base*

NICE Group will maximise returns from the Group's businesses by enhancing operation efficiency and expand its customer base.

2.0 Discussion and Analysis of the Financial Results and Financial Condition

For the financial year ended ("FYE") 30 June 2020, NICE Group recorded a revenue of RM10.25 million, representing an increase of 15% over the preceding financial year with the increase mainly contributed by the construction segment.

NICE recorded a gross profit of RM0.03 million compared to RM2.00 million reported for FYE 30 June 2019. The weaker gross profit margin was mainly due to lower contribution from higher margin products, higher discount given to customers to boost sales and higher operational expenses for the construction segment arising from the impact of compulsory closure of non-essential operations and activities (including construction) during the MCO (Movement Control Order) imposed from 18 March 2020 to 04 May 2020 under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 to control the COVID-19 pandemic.

Accordingly, the Group incurred loss before tax of RM2.83 million for this financial year impacted by the imposition of the MCO on the construction business operations.

3.0 Significant Corporate Developments

3.1. Proposed Diversification

On 6 January 2020, AmInvestment Bank Berhad ("AmInvestment Bank") had announced, on behalf of the Board of Directors ("Board"), of NICE's intention to seek the approval of its shareholders for, amongst others, the proposed diversification of NICE's existing core business to enable the Group to expand its existing core business to include construction business, property management, property development and property investment ("Proposed Diversification"). The shareholders of NICE had approved the Proposed Diversification in an Extraordinary General Meeting held on 26 February 2020.

3.2. Proposed Private Placement

On 26 June 2020, AmInvestment Bank, had on behalf of the Board of NICE, announced that NICE is proposing to undertake a private placement of up to 10% of the total number of issued shares of NICE ("Proposed Private Placement"). The additional listing application in relation to the Proposed Private Placement was submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 1 July 2020 and Bursa Securities had vide a letter dated 3 July 2020, approved the listing of and quotation for up to 70,243,390 new NICE shares to be issued pursuant to the Proposed Private Placement, subject to the conditions stated therein.

On 1 September 2020, the Board fixed the issue price for the 1st tranche of NICE Shares to be issued pursuant to the Proposed Private Placement at RM0.2600 per NICE Share. The 1st tranche of the Private Placement was completed on 8 September 2020 following the listing of 29,080,000 NICE Shares on the Main Market of Bursa Securities on even date.

4.0 Review of Operating Activities

(a) *Jewellery Segment*

Our jewellery emporium located in De Garden Ipoh, Perak is focused on customer retail experience where the Group sells a diverse selection of jewellery, exhibits unique jadeite stone pieces and provides detailed history of jadeite stones. Further, our jewellery emporium would allow us to continuously reinvent ourselves by creating feel-good factor in enhancing customers' shopping experience through well-planned personalised customer service. Our sales personnel had attended a series of training including products knowledge and customer service to ensure that customer needs are met.

4.0 Review of Operating Activities (cont'd)

(b) *Precious Stones and Precious Metals Segment*

The wholesale business continues to be the primary revenue driver for the Group for the financial year. NICE's wholesale business involved the trading and distribution of precious stones such as jadeite and diamond stones and precious metals such as gold. Given the weakening market demand for precious stones, NICE will capitalise further on its trading and distribution of precious metal such as gold as the metal is highly sought after as an investment to hedge against inflation and as safe haven in the current global uncertainties.

(c) *Construction and Property Related*

NICE commenced construction and property related segment business during the FYE 2020 amid challenging business environment brough upon by the COVID-19 pandemic. NICE currently has approximately RM12 million under its order book which is expected to last until mid-2021.

5.0 Risk Management

5.1. Foreign Currency Exchange Risk

The Group is exposed to fluctuation of foreign currency exchange as the cost of goods are denominated in foreign currencies. As such, fluctuations in foreign exchange rates could have material effects to the costing of our products. However, as a countermeasure, the Group will follow natural hedging policy between its sales and purchases in HKD or RMB to mitigate impact from foreign currency exchange. The finance department of the Group would also closely monitor the movement of foreign currency exchange.

5.2. Credit Risk

Credit risk arises principally from credit exposure to receivables from customers. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis where credit terms and limits are evaluated every 6 months and ageing reports are reviewed periodically to identify slow paying customers for actions to be taken for recovery and provisions, if necessary.

5.3. Market Risk/Liquidity Risk

NICE's inventory position represents a market risk as any decline in prices or volatility of prices could result in loss. It is crucial to maintain a sizeable inventory to compete with other jewellery players as well as to have an uninterrupted supply of quality products for our operations, so as to ensure business growth and sustainability. As optimal floor stock level is crucial, this is estimated by management after taking into consideration the anticipated inventory turnover, production lead time and opening of new outlets.

5.4. Operational Risk

The risk of loss due to inadequate monitoring system, management failure, defective controls, fraud or human errors. The Group will mitigate operational risks by reducing complexity in operating procedures, staff performance monitoring and evaluations at regular intervals and periodic assessment of the internal control procedures.

6.0 Outlook and Prospect

As jewellery are considered luxury products rather than living necessities, there is a tendency for consumers to restrain themselves from making purchases during economic uncertainty, in order to curtail spending. Further, jewellery also faces competition from other luxury goods such as bags, perfumes and watches. Therefore, NICE expects the jewellery retail sector demand will continue to be weak as a result of conscious consumer spending due to the general economic uncertainty. In view of the above, NICE Group will focus on strengthening the precious metals and precious stones and construction and property related business segments for future growth. NICE will continue to identify strategic opportunities for gold and other precious metals for steady long-term supply.

On the other hand, the outlook for the construction and property markets remains subdued. Nonetheless, NICE is of the view that various measures implemented by the government to-date would help to stimulate consumer demand in property sector, especially those lower price segment products.

Sustainability Statement

1.0 Introduction

As part of Niche Capital Emas Holdings Berhad's ("NICE") journey to integrate sustainable business practices in its operations for the long-term, the Group (collectively, NICE and its subsidiaries) is committed to a holistic approach to its business management, taking into consideration of Economic, Environmental and Social ("EES") risks and opportunities alongside financial implications, as a measure to generate long-term benefits and business continuity.

This Sustainability Statement disclosed our Group's sustainability activities which are in line with regulatory requirements and best practices and were carried during the financial year ended 30 June 2020. Our management is always looking into progressive improvement of our sustainability foot prints by integrating, wherever possible, sustainable practices into our business activities.

Our organisation's sustainability strategy is determined by our Board of Directors, who are responsible for corporate sustainability policies and performance. Senior Management oversees the implementation of the Group's sustainability approach and ensures that key targets are being met. The respective division heads are responsible for identifying, evaluating, monitoring and managing EES risks and opportunities directly.

The Group has undertaken the following initiatives as an integral part of its business operations and practices by contributing to the welfare of its employees, stakeholders, the general public and the communities where the Group operates in.

2.0 Sustainability Approach and Principles

NICE strives to conduct all its activities in an ethical and responsible manner by embracing sustainability practices in all aspects of our business operations to ensure the long-term sustainability of the Group. The Group pursues its sustainability approach in accordance with these sustainability principles:

Economic
- To grow our business operations for long-term sustainability of the Group by embracing business ethics and integrity in the manner we run our businesses, offering high quality jewellery products and delivering construction projects on schedule as well as developing symbiotic and professional relationships with our supply chain as to ensure high level of support in terms of goods supply and services rendered.

Environmental
- As a responsible business operator, the Group sources its precious stones such as jadeite stones and precious metals such as gold only from legitimate and verified suppliers who comply with quality assurance standards and regulations. On our construction business, we would also work with clients to minimise waste footprints from our construction works as well as to ensure that waste disposal is carried out in accordance with environmental guidelines.

Social
- To provide a safe, conducive and friendly working environment for the Group's employees where they enjoy personal and career growth and at the same time, give back to society through activities that benefit the local communities.

3.0 Economic Sustainability

(a) Responsible Sourcing

The Group is committed to provide the best service and product design to our customers. We also assure our customers that all precious stones and precious metals purchased from the Group are sourced from only legitimate sources and that all precious stones and precious metals are natural (not laboratory made, synthetic, treated or conflicted) without compromising on its quality.

(b) Quality of Products

The Group only purchases natural and mined precious stones and precious metals. If consumers discovered the products they bought from the Group were not so, this could have detrimental impact to our reputation and threaten the viability of the Group's long-term business sustainability. As such, the Group has mineral specialists and gemstones specialists who are qualified from the Gemmological Institute of America (GIA) on hand to provide expertise and quality assurance to ensure that the Group's products are of the highest quality. We also apply rigorous selection processes before any purchase of inventory.

3.0 Economic Sustainability (cont'd)

(c) Customer Relationship Management

The Group depends on repeat purchases by its customers to sustain its jewellery and precious stones business operations in the long run. By such definition, customer experience is essential to us. NICE has developed detailed customer information (with due regards to privacy concerns) which allows us to keep in touch with our customers. Concurrently, we capitalise on our in-house expertise to deliver better and customised after-sales service as well as educate them on the latest developments in the industry and update on our products offering. On our construction works, management of customer relations has been structured to ensure focus on quality assurance and timely handover, environment and safety at work, cooperation and regular site supervision.

(d) Supply Chain Partners

The Group engages constantly with its supply chain partners to inculcate integrity and professionalism in procurement and supply chain management and to ensure compliance with standard procedures. There is also continuous demand of the suppliers' quality to ensure consistency in achieving quality levels beyond customers' expectations.

4.0 Environmental Sustainability

The Group is committed to minimizing the potential impact of its operations on the environment by adopting and applying environmentally responsible practices in achieving long-term sustainability growth.

The Group has considered safety and environmental factors in all its operating decisions and explores possible opportunities to minimise any adverse impact from processing operations, waste disposal and energy consumption. The Group places great emphasis on compliance with the environmental rules and regulations set by the various governing authorities both locally and abroad. In addition, we also communicate to our customers and supply chain on our commitment to environmental protection and conservation.

The Group avoids using hazardous materials and we work constantly to optimise output and minimise wastage in our raw material inputs. We also constantly look into improving design and technology employed in the production processes in order to reduce wastages and uphold environment standards.

In order to minimise the use of new resources, the Group creates awareness among employees on environment conservation by encouraging them to adopt the 3R lifestyle choice: "Reduce, Reuse and Recycle" whenever possible. In addition, there is a concerted effort by the Group's retail outlet and offices to optimise the use of electricity whenever possible by monitoring monthly electricity consumptions.

5.0 Social Sustainability

As a caring employer, we strive to create a conducive working environment that is positive and productive for all our employees. We organised social events to mark occasions and cultural festivities with our employees to foster closer relationships and to show appreciation for employees' dedication and commitment towards the business.

The Group actively engages with our employees through performance evaluation and informal discussion to encourage them to improve their potential for a sustainable and fruitful career. Upon their annual performance review, the management will reward those outstanding employees with benefits and opportunities to be future leaders in the Group.

Further, the Group strongly believes in continuous professional education and training as part of their career development programme. The Group had organised internal training, engaging external expertise and as well as encouraging our employees to enrol in seminars and courses to enhance their knowledge. These talent development plans are aimed at equipping employees with technical skills and knowledge so that these could be deployed to meet customers' needs and expectation as well as embedding soft skills for the development of a new generation of leaders in the Group.

The Group believes in promoting equal employment opportunities to Malaysians regardless of age, gender and ethnicity. The Group does not employ any child or forced labour and has met all the minimum wages requirements as required by law.

6.0 Going Forward

The Group is committed to embedding sustainability into its business activities and operations by considering the impact of its operation on economy, environmental and society. As the Group works to fulfil its roles as a responsible employer and corporate citizen, the Group has adopted and applied economically beneficial, environmentally friendly measures, caring social policies and good corporate governance practices and and would continue to refine the same vis a vis its business activities and operations.

Statement of Directors' Responsibility
For Preparing The Annual Audited Financial Statements

The Directors are required by the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and their results and cash flows for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 30 June 2020, the appropriate accounting policies were used and applied consistently, adopted to include new and revised Malaysian Financial Reporting Standards where applicable. The Board is also at the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors are responsible for ensuring that the Group and the Company keeps proper accounting records which enable the financial position of the Group and the Company to be disclosed with reasonable accuracy and which enable them to ensure that the financial statements comply with the Act.

The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and of the Company as well as prevent and detect fraud and irregularities.

Corporate Governance Overview Statement

The Board of Directors ("the Board") of Niche Capital Emas Holdings Berhad ("the Company" or "NICE") is committed to ensure that sound standards of corporate governance are practised throughout NICE and its subsidiaries ("the Group") towards enhancing business success and corporate accountability to protect and enhance the interests of its shareholders and stakeholders. The main focus is to adopt the substance behind good corporate governance practices with the ultimate aim to ensure Board effectiveness and efficacy in enhancing shareholders' value.

The Board is working towards ensuring compliance with the Principles and recommendations of Malaysian Code on Corporate Governance ("MCCG") and this commitment is evidenced by the formulation of various policies and processes and the establishment of the relevant Board Committees. The Board wished to report on how the Company and Group have applied the Principles, having regard to the Practices stated under each Principle of the Code.

This Corporate Governance Overview Statement ("CG Statement") provides the summary of the Company's corporate governance practices during the financial year with reference to the following three (3) principles set out in the MCCG:

Principle A: Board leadership and effectiveness;
Principle B: Effective audit and risk management; and
Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders

The detailed application for each Practice is as set out in the Corporate Governance Report ("CG Report") which is available on the Company's website: www.nichecapital.com.my. This CG Statement is to be read together with CG Report based on a prescribed format as outlined under paragraph 15.25(2) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). Summary of the corporate governance practices of NICE during the financial year ended 30 June 2020 ("FY2020") are described as follows:

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Part I Board Responsibilities

1 Functions of the Board and Management

1.1 Strategic Aims, Values and Standards

The Board assumes full responsibilities for the overall performance of the Group by providing leadership and direction as well as management supervision. As a whole, the Board is the ultimate decision making body. The Board is responsible for the overall corporate governance of the Group, including strategic direction, risk management internal control system, establishing goals for management and monitoring the achievement of these goals.

The Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:

- Audit Committee;
- Nominating & Remuneration Committee; and
- Risk Management Committee

(collectively referred to as the "Board Committees")

The Board Committees are composed solely of Independent Non-Executive Directors ("INEDs"). The Board Committees operate within specific Terms of References that were drawn up in accordance with best practice in the Code and function principally to assist the Board in the performance of its stewardship duties.

All decisions and deliberations at Board Committees level are documented by the Company Secretary in the minutes of Committee meetings. The Chairman of the respective Board Committees reports on the outcome and recommendations of the Board Committees meetings to the Board for further deliberation and approval. Such reporting is included in the minutes of Board meetings.

During the financial year under review, the Board has devoted sufficient time to attend meetings to deliberate on matters under their purview. Key matters deliberated include strategic planning, corporate exercise, financial and operational performance, risk management and internal control, corporate governance practices and compliance with regulatory and statutory requirements.

1.1 Strategic Aims, Values and Standards (cont'd)

The Board has delegated the responsibility of implementing the Company's strategic plans, policies and decisions adopted by the Board to the Management, which is led by the Chief Executive Officer ("CEO"). The CEO is the conduit between the Board and the Management in ensuring smooth and effective running of the Group.

1.2 Chairman of the Board

The Board is led by Datuk Khairul Idham Bin Ismail, the Independent Non-Executive Chairman. He is supported by an experienced Board, comprising members with wide ranging experience in relevant fields such as finance, corporate affairs, legal, financial investment, corporate secretarial and advisory, general management, tax, human resource, banking, industry knowledge and sales and marketing.

The Chairman is responsible for leading the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions.

As part of that role, Chairman ensures that no Board member dominates any discussion and appropriate discussions are taken place with relevant participation among the Board members are forthcoming. The Chairman encourages a healthy debate on issues raised at meetings and gives opportunity to all Directors to express their views.

1.3 Separation of positions of Chairman and CEO

The Board has always made the distinction that the position of the Chairman and CEO does not reside with the same person. The CEO (who is also an Executive Director) is Julian Foo Kuan Lin. There is a clear and separate division of duties, responsibilities and role of the Chairman and CEO to ensure a balance of power and that no one has unfettered powers over decision making. The Chairman helms the Board and is primarily responsible for the effective and efficient conduct and working of the Board. The Chairman is also responsible for ensuring that all Directors receive sufficient relevant information on both financial and non-financial information of the Group to ensure effective participation and informed deliberation during Board meetings. The CEO is responsible for implementing Board policies and decisions as well as to oversee daily operational management of the Group.

1.4 Qualified and competent Company Secretary

The Company Secretary, who is qualified, competent and experienced, advises the Board on any updates relating to any new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors and the potential impact and implications arising there from.

The Company Secretary, or her representatives, attend and ensure that all Board and Board Committees meetings are properly convened, and meeting materials are disseminated on a timely basis to accord Directors with adequate time to peruse the materials and prepare for the meetings. The Company Secretary is also responsible for proper and accurate documentation of all proceedings of meetings including key deliberations, resolutions passed, rationale of each decision and any significant concerns raised by the Directors.

Other roles of the Company Secretary included coordinating with Management the preparation of Board papers, ensuring Board procedures and applicable rules are observed and maintaining records of the Board as well as provide timely dissemination of information relevant to the Directors' roles and functions and keeping them updated on evolving regulatory requirements.

1.5 Access to information and advice

All Directors of the Company have the same right of access to all information within the Group and may seek the advice of Management on matters under discussion or request further information on the Group's business activities.

1.5 Access to information and advice (cont'd)

The notices for Board and Board Committees meetings together with relevant materials are circulated to the Directors at least seven (7) days prior to each meeting. All Directors are provided with an agenda and relevant board papers, including quarterly financial results, performance reports, minutes of previous meetings, updates from all regulatory authorities, external and internal audit reports and any other matters requiring Board's approval, prior to meetings to ensure that they have sufficient time to review and evaluate the matters be deliberated and obtain further information, if needed, prior to meeting to expedite decision-making during meetings. Management is invited to provide Directors with updates on business and operational matters or clarify items tabled to the Board. Verbal explanation and briefings are also provided by management and advisors, as needed, to enhance understanding of the matters under discussions.

The Board recognises that the decision-making process is highly dependent on the quality of information available. All Board and Board Committees have full and unrestricted access to management and the Company Secretary on all matters requiring information for deliberation.

2 Demarcation of Responsibilities

2.1 Board Charter

The Board acknowledges and appreciates the need to establish a point of reference for Board activities through a Board Charter. The Board has formalised a Board Charter recently to clearly delineate the roles of the Board (including Chairman and CEO), Board Committees and management in order to provide a structured guidance regarding their various responsibilities including the requirements of Directors in carrying out their leadership and supervisory role and in discharging their duties towards the Group as well as boardroom activities. The Board Charter is subjected to periodical review by the Board to ensure that it remains consistent with the Board's roles and responsibilities, changing needs of the Company as well as any development in the prevailing legislation and practices.

The Board Charter was made available on the Company's website at www.nichecapital.com.my.

3 Good Business Conduct and Corporate Culture

3.1 Code of Conduct

The Board is committed towards inculcating a corporate culture which engenders ethical conduct throughout the Group.

A Code of Conduct has been established to instil and inculcate, amongst Directors, managements and employees (collectively "the Officers") of the Group a corporate culture which engenders ethical conduct, ethical conduct from, among others, human rights, health and safety, environmental care, gifts and business courtesies, company, assets, records and controls to confidentiality, and integrity and professionalism, anti-bribery, exclusive service, personal appearance, confidential information and compliance obligations.

This Code of Conduct is designed based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism in the workplace among Officers.

It sets out the circumstances in which such Officers would be deemed to have breached the Code of Conduct and disciplinary actions that can be taken against wrongdoers.

The Code of Conduct is available on the Company's website at www.nichecapital.com.my.

3.2 Code of Ethics

A Code of Ethics for Directors outlined statements of personal responsibilities covering various elements from exercise of powers to conflicts of interests, exercise of independent judgment to upholding relationship with stakeholders in a professional and responsible manner balancing between their interests and that of the Group.

3.2 Code of Ethics (cont'd)

This Code focused on the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability.

The Code of Ethics is available on the Company's website at www.nichecapital.com.my.

3.3 Whistle Blower Policy

The Company has put in place a Whistle Blower Policy which allows the whistle blower(s) to raise concerns about actual or potential corporate fraud or breach of ethics involving any officers of the Group. The policy fosters an environment in which integrity and ethical behaviour are maintained through protocols which allow for the exposure of any violations or improper conduct or wrongdoing within the Group.

All reports are to be addressed to the Chairman of the Board and Audit Committee following the specific conditions as prescribed under the policy. The policy also affirms that the identity of the whistle blower will be kept confidential and protection will be accorded to the whistle blower against any form of reprisal or retribution save and except for circumstances as prescribed in the policy.

The Whistle Blower Policy is available on the Company's website at www.nichecapital.com.my.

Part II Board Composition

4 Board Objectivity
4.1 Board Composition

The Board presently comprised of nine (9) members with the composition as outlined below:

Directorate	Director(s)
Independent Non-Executive Chairman	Datuk Khairul Idham Bin Ismail
Executive Director & Chief Executive Officer	Julian Foo Kuan Lin
Executive Director	Loh Siew Jiann
	Yeong Chee Jong Nicky
Non-Independent Non-Executive Director	Mah Weng Kee
Independent Non-Executive Director ("INED")	Dato' Tan Sek Yin
	Tong Siut Moi
	Lee Kien Fatt
	Dr Edward Leung

Brief profile of the Board members are presented under Profile of Directors in this Annual Report.

The Directors, with their different background and specialisations, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, legal, financial investment, corporate secretarial and advisory, general management, tax, human resource, banking, as well as sales and marketing.

The present Board composition reflects the Board's commitment to gender diversity and consideration of merit in evaluation of candidates.

The Board is compliance with paragraph 15.02 of MMLR of Bursa Securities, which requires that at least two (2) Directors or one-third (1/3) of the Directors of the Company, whichever is the higher, are Independent Directors.

The high proportion of INEDs five (5) out of a total of nine (9) Directors also provides for effective check and balance in the functioning of the Board. Further, the Directors are a mix of professionals and seasoned business leaders who exercise objectivity and independence of opinions in arriving at their decisions and that Board deliberations are collegial and inclusive with ultimate aim of objective review of priorities and proposals. Chairman of the Board will solicit the opinion of fellow Board members before seeking consensus on decisions.

4.2 Tenure of Independent Director

The Board is mindful of the recommendation of the MCCG that the tenure of an Independent Director should not exceed a cumulative or consecutive term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.

However, the Board may, in exceptional cases and subject to the assessment of the NRC on an annual basis, recommend for an Independent Director who has served a cumulative term of nine (9) years to remain as an Independent Director subject to shareholders' approval. If the Board continues to retain the Independent Director after the twelfth (12) year, upon passing the assessment from NRC, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process as stipulated in the MCCG. Presently, the tenure of all the Independent Directors does not exceed nine (9) years.

4.3 Policy on Tenure of INEDs

The Board did not adopt any policy which limits the tenure of an Independent Director to nine (9) years. In the event, the Board intend to retain a Director as an Independent Director beyond nine (9) years, it would provide justification and seek annual shareholders' approval at the Company's general meeting.

4.4 Diverse of Board and Senior Management

The Board is supportive of diversity on the Board and in senior management. The appointment of Directors and senior management personnel is based on objective criteria, merit and also due regard for diversity in experience, gender, skills set, age and cultural background.

The present Directors, with their diverse background and professional specialisation, collectively, bring with them a wealth of experience and expertise in areas such as finance, corporate affairs, legal, financial investment, corporate secretarial and advisory, general management, tax, human resource, banking as well as sales and marketing. As such, the Group is essentially led and guided by a competent Board.

4.5 Gender Diversity

The Board acknowledged the recommendation of the MCCG on gender diversity, the Board believes there is no necessity to adopt a formal diversity policy as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group.

The current Board composition that comprise of (1) female Director, who is also an INED, which testifies to Group's commitment to gender diversity.

4.6 Diverse sources for new candidate(s) for Board appointment

During FY2020, and up to the date of this report, the Company had appointed four (4) new Directors to the Board either to replace retired Director or to further strengthen the composition of the Board.

4.7 Nominating & Remuneration Committee ("NRC")

The Board, through the NRC, ensures that it recruits to the Board only individuals of highly caliber, knowledge and experience, integrity, and reputation, competence and capability to fulfil the duties of a Director appropriately.

The Terms of Reference of NRC is available at the Company's website at www.nichecapital.com.my.

The NRC comprises of three (3) members, all INEDs. Its Chairman is an INED and the present composition of the NRC is as follows:

Name	Position
Tong Siut Moi	Chairman
Datuk Khairul Idham Bin Ismail	Member
Dato' Tan Sek Yin	Member

The NRC would meet at least once (1) annually with additional meetings convened on as and when needed basis.

4.7 Nominating & Remuneration Committee ("NRC") (cont'd)

During the year under review, key activities undertaken by the NRC are summarised as follows:

(a) Reviewed the current Board structure, size and composition with an aim to achieving a balance of views on the Board.

(b) Reviewed and assessed the contribution of each Director and the effectiveness of the Board and Board Committees.

(c) Discussed the character, experience, integrity and competence of the Directors (including CEO) and to ensure they have the time to discharge their respective roles.

(d) Reviewed the level of independent of Independent Directors.

(e) Noted the training attended by Directors and recommended to the Board for adoption and disclosure in the CG Statement for publication in the Annual Report.

(f) Review and recommend for Directors to determine their training needs as they are in better position to assess their areas of concern.

(g) Reviewed and recommended re-election of Directors, who retire by rotation under the Company's Constitution, at the forthcoming Annual General Meeting.

(h) Reviewed the term of office and performance of the Audit Committee and its members.

(i) Discussed proposed fees for the Non-Executive Directors of the Company.

(j) Discussed and recommended to the Board a remuneration package for the Executive Directors.

(k) Discussed and recommended the appointment of new Executive Directors and Independent Non-Executive Directors to the Board and Committees.

5 Board Assessments

5.1 Overall effectiveness of the Board and individual Directors

The NRC had conducted an evaluation of the effectiveness of the Board as a whole, the various Board Committees and contribution of each individual Director during the FY2020. The evaluation process is led by the NRC Chairman. The Directors complete questionnaires regarding the effectiveness of the Board and Board Committees. This process includes a self-review where Directors assess their own performance. The assessment and comments from Directors are summarised and discussed at the NRC meeting and reported at the Board Meeting by the NRC Chairman.

The Board, through the NRC, assesses the independence of the INEDs annually. Based on the assessment carried out for the financial year under review, the Board is satisfied with the level of independence demonstrated by the INEDs and their ability to act in the best interests of the Company in decision-making.

In accordance with Clause 103 of the Company's Constitution, one-third (1/3) or the number nearest to one third (1/3) of the Directors are required by rotation to submit themselves for re-election by shareholders at each AGM at least once in every three (3) years. The Company's Constitution further provides that all Directors appointed by the Board during the financial year are subject to retirement and re-election by the shareholders at the AGM following their appointment.

The Board is committed to ensuring diversity and inclusiveness in its composition and deliberations. The present Board composition reflects the broad range of experience, skills and expertise necessary for the success of the Group and the importance of independent judgment and opinion at Board level.

The Board normally meets at least five (5) times annually at quarterly intervals. Under exceptional circumstances owing to urgent and important issues at hand, additional meetings are convened between the scheduled meetings with sufficient notice.

During the FY2020, the Board held six (6) meetings to deliberate and decide on various issues. The major deliberation, in terms of issues discussed and the conclusion arrived by the Board during the meetings, are recorded by the Company Secretary with the minutes signed by the Chairman of the meetings.

5.1 Overall effectiveness of the Board and individual Directors (cont'd)

Details of attendance of each Director at the meetings of the Board and respective Board Committees meetings of NICE during the financial year under review are as follows:

Directors	Board	Audit Committee	Nominating & Remuneration Committee
Datuk Khairul Idham Bin Ismail	5/6	5/6	3/3
Julian Foo Kuan Lin	6/6	-	-
Loh Siew Jiann(1)	3/3	-	-
Yeong Chee Jong Nicky(2)	-	-	-
Mah Weng Kee	6/6	-	-
Dato' Tan Sek Yin	6/6	6/6	3/3
Tong Siut Moi	5/6	5/6	3/3
Lee Kien Fatt(3)	1/1	1/1	-
Dr Edward Leung(2)	-	-	-
Ng Chin Nam(4)	4/6	4/6	2/3

Notes:
(1) Loh Siew Jiann was appointed to the Board on 26 December 2019. His attendance at the Board meetings (as applicable) is counted from his date of appointment;
(2) Yeong Chee Jong Nicky and Dr Edward Leung were appointed to the Board on 8 September 2020. They did not attend any Board meetings in FY2020;
(3) Lee Kien Fatt was appointed to the Board on 13 April 2020. His attendance at the Board and Board Committee meetings (as applicable) is counted from his date of appointment; and
(4) Ng Chin Nam retired 6 February 2020. His attendance at the Board and Board Committee meetings is up to his date of retirement.

There was no Risk Management Committee ("RMC") meeting held during the financial year under review.

The Company Secretary will convene, after consultation with the Chairman and Executive Director & CEO, special Board meetings to discuss any urgent issues. In between meetings, whenever required, decisions are taken by way of Directors' Circular Resolutions.

In additional, all of the Directors do not hold more than five (5) directorships in public listed companies as required under paragraph 15.06 of the MMLR of Bursa Securities to enable the Directors to discharge their duties effectively by ensuring that their commitment, resources and time are more focused. A Director shall notify the Board's Chairman before he/she accepts any new directorships in other public listed companies.

Directors' Training

The Board is cognisant of the need to ensure that its members undergo continuous trainings to enhance their knowledge, expertise and professionalism in discharging their duties.

The Directors are encouraged to attend relevant training courses and professional programmes deemed necessary so as to keep abreast with the changes on guidelines and laws as issued by the relevant authorities as well as developments in the business environment to complement their contribution to the Group. The Directors are regularly updated by the Company Secretary on any changes to new statutory, corporate and regulatory developments relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company.

On joining, new Director is given background information on the Group and its activities with site visits are arranged, whenever necessary. The Directors will continue to undergo other relevant training programmes from time to time to enhance their skills and knowledge where relevant.

5.1 Overall effectiveness of the Board and individual Directors (cont'd)

Directors' Training (cont'd)

The Board had, through the NRC, undertaken as assessment of the training needs of the Directors and concluded that the Directors are to determine their training needs as they are in the better position to assess their areas of concern. Nonetheless, the NRC had recommended for training to improve financial literacy and keep up with changes to financial reporting environment as well as understand the impact of the changes arising from implementation of the Companies Act 2016 and related laws. Internal briefings are provided from time to time to update on any amendment(s) or implementation of existing or new laws.

The management will facilitate the organisation of training programs for Directors and maintain a record of trainings attended by the Directors.

The training, conferences or seminars attended by Directors during FY2020 encompassed various topics as outlined below:

Directors	Training, Conferences or Seminars
Datuk Khairul Idham Bin Ismail	• Briefing on Malaysian Anti-Corruption Commission (Amendment) Act 2018
Julian Foo Kuan Lin	• Perspectives on Gold Markets and Streaming • 2020 Tax Seminar • Briefing on Malaysian Anti-Corruption Commission (Amendment) Act 2018
Loh Siew Jiann	• Briefing on Malaysian Anti-Corruption Commission (Amendment) Act 2018
Mah Weng Kee	• Briefing on Malaysian Anti-Corruption Commission (Amendment) Act 2018
Dato' Tan Sek Yin	• Briefing on Malaysian Anti-Corruption Commission (Amendment) Act 2018
Tong Siut Moi	• Dealings in Listed Securities, Closed Period & Insider Trading • Computation of Percentage Ratios • Common Pitfalls in Transaction & RPT Rules • Managing Recurrent Related Party Transactions • Key Disclosure Obligations of A Listed Company • Key Disclosure Obligations of A Listed Company - Financial Reporting • Decoding Transaction & RPT Rules • Provision of Financial Assistance & RPT • Briefing on Malaysian Anti-Corruption Commission (Amendment) Act 2018
Lee Kien Fatt	• Briefing on Malaysian Anti-Corruption Commission (Amendment) Act 2018

As at the date of this CG Statement, all the Directors, save for Dr Edward Leung, had attended and successfully completed the Mandatory Accreditation Programme (MAP). Dr Edward Leung will attend the MAP Programme in November 2020.

The Company Secretary has circulated appropriate trainings, briefings, seminars and conferences, covering topics on governance, risk management, accounting, general management and investor relations, for consideration by Board members to keep themselves updated on changes to the legislations and regulations affecting the Group.

The Company Secretary has also circulated the latest relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference. The external auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during FY2020.

Part III Remuneration

6 Level and composition of Remuneration
6.1 Remuneration policy

The objective of the Group's Directors' Remuneration Policy is to determine the level of remuneration package for executive Board members that is sufficient to attract, retain, motivate and reward Directors of the calibre needed to lead the Group towards success.

The remuneration of the INEDs is linked to their professional experience, expertise, competence and skills as well as level of responsibilities undertaken by them in the Company. The INEDs are paid fixed annual fees as members of the Board and Board Committees. The Directors' fees are approved annually by the shareholders of the Company.

7 Remuneration of Directors and Senior Management
7.1 Details of Directors' Remuneration

The remuneration payable in respect of Directors' fees for FY2020 are catergorised as follows:

Types of fees	(RM)
Directors' fees	
• Non-Executive Director (each Director)	25,000
• Non-Executive Director and Chairman	35,000
Meeting allowance – per meeting day	500

The Directors' fees and benefits payable to the Non-Executive Directors are reviewed annually.

The remuneration received/receivable by the Directors of the Company for FY2020 is as disclosed in the CG Report.

7.2 Details of top 5 Senior Management's remuneration

The Board is aware of the need for transparency in the disclosure of its senior management remuneration. Nonetheless, it is of the view that such disclosure could be detrimental to its business interests given the highly competitive human resource environment in which the Group operates where intense headhunting for personnel with the right expertise, knowledge and relevant working experience is the norm. As such, disclosure of specific remuneration information could rise to recruitment and talent retention issues going forward.

The Board ensures that the remuneration of the senior management personnel commensurate with the level of responsibilities, with due consideration in attracting, retaining and motivating senior management to lead and run the Company successfully. Excessive remuneration payout is not made to the senior management personnel in any instance.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I Audit Committee

8 Effective and Independent Audit Committee
8.1 Chairman of the Audit Committee

Mr Lee Kien Fatt, an INED, is the Chairman of Audit Committee. The Chairman of the Audit Committee is not the Chairman of the Board.

Details on the composition and activities of the Audit Committee are outlined under the Audit Committee Report in this Annual Report.

8.2 Policy requiring former key audit partner to observe 2-year cooling off period

None of the members of the Board were former key audit partners. Hence, no former key audit partner is appointed to the Audit Committee. The Board will observe a cooling off period of a least two (2) years in the event any potential candidate to be appointed as a member of the Audit Committee was key audit partner.

8.3 Policy and procedures to assess the suitability, objective and independence of external auditors

The Board has established, through the Audit Committee, a formal and transparent relationship with the external auditors. The external auditors attend the Audit Committee meetings where the Group's annual financial statements are considered as well as meetings to review and discuss the Group's accounting policies, audit findings and improvements to be made on existing internal control measures and accounting policies and procedures. During the financial year 2020, the external auditors had met twice with the Audit Committee without the presence of the executive Board members and senior management.

The Audit Committee had discussed the nature and scope of audit and reporting obligations with the external auditors before commencement of audit engagement. It is also the practice of the Audit Committee to respond to auditors' enquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.

The Audit Committee is empowered by the Board to review all issues in relation to appointment and re-appointment, resignation or dismissal of external auditors. The Audit Committee undertook an assessment of suitability and independence of the external auditors and was satisfied with the technical competency and independence of the external auditors. The evaluation was based on review of performance and assurances from the external auditors as well as discussion with management and reported to the Board on the independence of the external auditors.

The external auditors have confirmed to the Audit Committee that they are, and have been, independent throughout the conduct of audit engagement in accordance with the independence rules of the Malaysian Institute of Accountants.

The amount of audit and non-audit fees paid/payable in respect of the financial year under review to the external auditors or an affiliated firm of the external auditors by the Company and the Group are as follows:

	Company	Group
Audit fees	RM46,000	RM92,670
Non-audit fees *	RM5,000	RM5,000

Note:
* Fee for review of the Statement on Risk Management and Internal Control.

8.4 Composition of the Audit Committee

The present Audit Committee comprises four (4) members, all INEDs. The composition, roles and responsibilities and key activities of the Audit Committee are set out under the Audit Committee Report in this Annual Report.

8.5 Diversity in skills of the Audit Committee

The Audit Committee currently comprised of members with professional experience in financial, legal and corporate secretarial. All members are financially literate and are able to read, interpret and understand the financial statements. The diversity in skills set coupled with their financial literacy give the Audit Committee the ability to effectively discharge their roles and responsibilities.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Part II Risk Management and Internal Control Framework

9. Effective risk management and internal control framework
9.1 Establish an effective risk management and internal control

The Board acknowledges its overall responsibility in establishment and oversight of the Group's Risk Management Framework and Internal Controls System which is designed to manage the Group's risks within an acceptable level. The implementation of the framework and system has been delegated to the Management whilst the RMC was tasked by the Board with oversight responsibility to review the adequacy and effectiveness of the risk management framework and internal controls system.

9.1 Establish an effective risk management and internal control (cont'd)

The Board will review the Risk Management Framework and Internal Controls System from time to time with a view towards appraising the adequacy, effectiveness, integrity and efficiency of such system within the Group and also to ensure that these systems are viable and robust.

The Board also receives/will receive regular reports from the Chairman of the Audit Committee and RMC in relation to the principal risks and internal controls related matters deliberated by respective Committee.

9.2 Disclosure on the features of risk management and internal control framework

The Statement on Risk Management and Internal Control in this Annual Report provides an overview on the state of internal controls and risk management within the Group.

Continuous reviews are carried out by the Group's internal audit function and management to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. The findings of the internal audit function are reported to the Audit Committee regularly.

9.3 Establishment of a Risk Management Committee

The RMC has been put in place which undertakes regular risk reviews on the Group's businesses and operations. An analysis of the risks identified together with proposed mitigating actions are tabled to the Audit Committee. The Audit Committee will report to the Board on exception basis if there was any change in the risks identified. During the year under review, the RMC decided that meeting was unnecessary as there was no major change to the risk profile of the Group.

10 Effective governance, risk management and internal control
10.1 Effectiveness of the internal audit function
10.2 Disclosure on the internal audit function

The internal audit function is outsourced to a professional consulting firm, Interesources Secretarial Services Sdn Bhd, which is sufficiently resourced to provide the services that meet the Group's required service level. The Audit Committee also monitors the feedback and reports from the internal audit team on matters relating to non-compliance, weakness in internal control systems and the implementation of agreed corrective action plan to address such inadequacies by the management. The internal auditors reports directly to the Audit Committee.

The Audit Committee reviews and approves the Internal Audit Plan annually and ensures that the internal auditors are accorded with appropriate standing and authority to facilitate the discharge of its duties. Audits of the practices, procedures, expenditure and internal controls of identified business and support units and subsidiaries are undertaken on a regular basis.

The activities of the internal auditors during the financial year are set out in the Audit Committee Report in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Part I Communication with Stakeholders

11. Continuous communication between Company and stakeholders
11.1 Effectiveness and transparent and regular communication with stakeholders

The Company recognises the importance and value of continuous communication with its shareholders and other stakeholders including the general public on the Group's business performance and corporate development.

The Group disseminates information in relation to its financial performance, operations and corporate developments through the annual reports, quarterly reports, circulars and various announcements. The Company's website at www.nichecapital.com.my contains information, including annual reports, quarterly reports and various announcements, concerning the Group which is updated on a regular basis. The Board will peruse through and approve all announcements prior to release of the same to Bursa Securities. The Group releases all material information publicly through Bursa Securities. Shareholders and the public in general may also obtain announcements and financial results of the Company from Bursa Securities' website.

11.1 Effectiveness and transparent and regular communication with stakeholders (cont'd)

The CEO of the Group is designated spokespersons for all matters related to the Group.

The Company's general meetings also provide a useful forum for shareholders to engage directly with the Board and senior management. The shareholders are at liberty to raise questions or seek clarification on the agenda of the meeting from the Board and the senior management.

11.2 Integrated Reporting

Integrated reporting is not applicable to the Group presently as the Group does not fall within the definition of "Large Companies".

Part II Conduct of General Meetings

12 Encourage Shareholder Participation at General Meeting
12.1 Notice for Annual General Meeting

The Board encourage shareholders' participation AGM by providing adequate notice. The Company had dispatched its Notice of the 19th Annual General Meeting held in 2020 to shareholders at least twenty- eight (28) days before the date of the meeting to enable shareholders to peruse the annual report and papers supporting the resolutions proposed. Each item of special business included in the Notice of AGM is accompanied by a full explanation of the effects of the proposed resolution.

All Directors attended the Annual General Meeting to answer any such questions that may arise as shareholders may seek more information than what is available in the Annual Report and/or circulars. All the resolutions set out in the notice for the 19th Annual General Meeting were put to vote by poll with the outcome announced to Bursa Securities on the same day.

In line with the MMLR, all resolutions were decided by poll voting. The Board will also consider adopting electronic voting to facilitate greater shareholder participation at the Company's general meetings.

12.2 All Directors to attend general meetings

All the Directors had attended the 18th AGM held on 28 November 2019 and Extraordinary General Meeting held on 26 February 2020.

12.3 Leveraging on technology for voting in absentia and remote shareholders' participation

Based on an analysis of the shareholders, the Company does not have a large number of shareholders. Also, a large majority of the shareholders are Malaysians. Further, most general meetings are held at a hotel, which is easily accessible to all shareholders. As such, the concern over voting in absentia and/or remote shareholders' participation at AGM are not applicable.

As of now, the Company encourages participation of shareholders through the issuance of proxies when there is indication that shareholders are unable to attend and vote in person at general meetings.

Statement on Compliance

The Board will continue to strive for sound standards of corporate governance throughout the Group. Presently, the Board is of the view that the Company has, in all material aspects satisfactory complied with the Principles and Practices set out in the MCCG, except for the departures set out in the CG Report.

The CG Statement is issued in accordance with a resolution of the Board of Directors 28 September 2020.

Audit Committee Report

The primary objective of the Audit Committee of Niche Capital Emas Holdings Berhad ("NICE" or "the Company"), as a sub-committee of the Board of Directors of NICE ("Board") is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

The key responsibilities of the Audit Committee include, among others, overseeing the Company and its subsidiaries (collectively "the Group") financial reporting process and the integrity of the Group's financial statements; assessing the Group's processes in relation to its risks, governance and control environment; reviewing conflict of interest situations and related party transactions; and evaluating the internal and external audit processes and performance.

The Terms of Reference ("TOR") of the Audit Committee are published on the Company's website at www.nichecapital.com.my.

Composition

The Audit Committee comprises five (5) members, all of whom are Independent Non-Executive Directors. The Audit Committee meets the requirements of paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR").

Mr Lee Kien Fatt who is a member of a professional accountancy organisation, was appointed as Independent Non-Executive Director of the Company and also Chairman of the Audit Committee with effect from 13 April 2020 to replace our former Senior Independent Non-Executive Director, Mr Ng Chin Nam who has retired on 6 February 2020.

All members of the Audit Committee are financially literate and are able to analyse and interpret financial statements and therefore, able to effectively discharge their duties and responsibilities as members of the Audit Committee. No alternate director should be appointed as a member of the Audit Committee.

Meetings

The Audit Committee had convened six (6) meetings during FY2020. These meetings were appropriately structured through the use of agendas, which were distributed to Audit Committee members with sufficient notification.

Details of the attendance of the Audit Committee members during FY2020 are as follows:

Directors | Position	Attendance
Lee Kien Fatt | *Chairman (Appointed on 13 April 2020)* *Independent Non-Executive Director*	1/1
Datuk Khairul Idham Bin Ismail | *Member* *Independent Non-Executive Director*	5/6
Dato' Tan Sek Yin | *Member* *Independent Non-Executive Director*	6/6
Tong Siut Moi | *Member* *Independent Non-Executive Director*	5/6
Ng Chin Nam | *Chairman (Retired on 6 February 2020)* *Senior Independent Non-Executive Director*	4/6

The Company Secretary and/or her representatives were present at all meetings. Executive Director, representatives of the external auditors and internal auditors and members of Management were invited to attend the meetings during the financial year.

The minutes of each Audit Committee meeting were recorded and tabled for confirmation at its following meeting and subsequently presented to the Board for notation. The Audit Committee Chairman reports to the Board regularly on the activities undertaken and the key recommendations for the Board's consideration and decision.

The Audit Committee made arrangements to meet and discuss with the external and internal auditors on any matters relating to the Group and its audit activities. During the financial year under review, the Audit Committee met twice (2) with the external auditors without the presence of the Executive Board members and Management to discuss audit findings and any other observations that they may have during the audit process.

Summary of Activities During the Financial Year

The Audit Committee carried out its duties in accordance with its TOR during the financial year. The main activities undertaken by the Audit Committee during the financial year were as follows:

Financial Reporting

(a) Reviewed the Group's quarterly unaudited financial results and annual audited financial statements as well as appropriate announcements to the regulatory authorities before recommending for the Board's approval, focusing on changes in or implementation of major accounting policies, significant and unusual events and compliance with the provision of the Companies Act 2016, MMLR and applicable accounting standards approved by the Malaysian Accounting Standards Board.

(b) Reviewed through the financial position of the Group and followed up with Management on business and operational restructuring.

External Audit

(a) Discussed with external auditors on their audit plan for FY2020 outlining their scope of work, areas of audit emphasis, possible key audit matters, updates on financial reporting, audit timeline deliverables and proposed audit fees. The Audit Committee reviewed and approved the audit plan presented by external auditors.

(b) Met twice with the external auditors without the presence of Executive Director and Management to discuss issues of concern to the auditors arising from their interim and final audits and any other observations that they may have during the audit process.

(c) Reviewed and discussed with the external auditors, the findings and results of the audit and significant audit/accounting issues and Management letter (if any) together with Management's response and comments.

(d) Reviewed and evaluated the performance and effectiveness of external auditors. The Audit Committee was satisfied with the external auditors' performance and made its recommendation to the Board on their re-appointment as auditors at the forthcoming annual general meeting.

(e) Responded to external auditors' enquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.

Internal Audit

(a) Reviewed the internal audit report(s) at least twice a year. The Audit Committee noted the audit recommendations made and Management's response and actions taken to improve the system of internal controls including the implementation status of Management's agreed on actions to address findings highlighted in previous internal audit.

(b) Reviewed the assistance given by the Group's Management and officers to the internal auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.

Corporate Governance

(a) Reviewed, periodically, related party transactions and recurrent related party transactions of a revenue or trading nature on scope, threshold and any conflict of interest situation that might arise from the aforesaid transactions as reported by Management and report to the Board accordingly.

(b) Reviewed and approved/recommended, as applicable, Audit Committee Report and the Statement on Risk Management and Internal Control of the Company for Board's approval before inclusion in the Annual Report 2020.

Internal Audit Function

The Group outsourced the internal audit function to an independent professional consulting firm, to provide the Audit Committee and the Board with much of the assurance regarding the adequacy and integrity of the system of internal control and risk Management within the Group. The internal auditors adopt a risk-based methodology in the preparation of the internal audit plan and in renewing key processes of the operations.

The internal audit function is independent of the activities or operations of the Group. The principal role of the internal audit function is to undertake independent, regular reviews of the system of internal control of its operations to provide reasonable assurance that such system continues to operate satisfactorily and effectively. It is the responsibility of the internal audit function to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group.

During the financial year, the internal auditors had conducted audit reviews on the inventories, procurement, trade receivables and sales of the Group based on approved internal audit plan. Upon completion of their work, the internal auditors presented their findings and recommendations as well as Management's responses and action plans to the Audit Committee for their review and deliberation. The internal auditors also carried out follow-up reviews to monitor the implementation of the Management's action plans for reporting to the Audit Committee.

Further information on the internal audit function and its activities are set out in the Statement on Risk Management and Internal Control in this Annual Report.

The costs incurred for the internal audit function of the Group for FY2020 amounted to RM35,020.

This Audit Committee Report is issued in accordance with a resolution dated 28 September 2020.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("the Board") of Niche Capital Emas Holdings Berhad ("NICE" or "Company") is committed to maintain a sound system of risk management and internal control throughout the Company and its subsidiaries (collectively "the Group").

The Board is pleased to provide the following statement which outlines the nature and scope of risk management and internal control of the Group during the financial year in review. This Statement on Risk Management and Internal Control ("the Statement") is prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

BOARD RESPONSIBILITY

The Board acknowledges the importance of a sound system of internal control and a structured risk management framework for good corporate governance and affirms its ultimate responsibility for the Group's system of internal control and risk management for reviewing the adequacy and integrity of this system. The systems of internal control and risk management covers financial information, organisational, operational as well as compliance and governance controls. In view of the limitations inherent in any system of risk management and internal controls, the system is designed to manage, rather than to eliminate the risk of failure to achieve the Groups' business objectives. Accordingly, it can only provide reasonable, but not absolute assurance against material loss, misstatement or other significantly adverse consequences.

The Board continues to enhance the existing system of internal control and risk management to ensure reasonable assessment and management of risks through internal operating procedures, company guidelines and policies as well as compliance with applicable laws and regulations. This system has been further improved throughout the financial period under review.

RISK MANAGEMENT

The Board and Management are mindful of measures required to identify risks residing in any major proposed transactions, changes in nature of business activities and/or operating environment, or venturing into new operating environment. Management is responsible for the identification and evaluation of significant risks applicable to their areas of business with the design and implementation of suitable internal controls. The Board has aimed to embed risk management process in all major aspects of the Group's activities covering major strategic and operational activities.

Adequate risk management processes are in place to ensure structured and consistent approach and methods are practised in the on-going process of identifying, assessing, managing and monitoring the principal risks across local and overseas operating units. In view that business risk may be associated with a variety of changing business environments, the Board and management continues to improve the measures which are deployed on appropriate risk response strategies and controls. This is to ensure risk is properly monitored and managed to an acceptable level. The Board has reviewed the effectiveness of risk management and internal control through Audit Committee meeting when reviewing the formal feedback from the external auditors.

RISK APPETITE

The Board is in process of formulating and quantifying its risk appetite to make it more measurable and easier to identify.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and engaged the services of independent professional consulting firm to provide assurance regarding the effectiveness as well as the adequacy and integrity of the Group's internal control and risk management system.

In accordance with the audit plan, the internal auditors had conducted periodic reviews on the internal control and the effectiveness of the processes that are in place to identify, manage and report risks. The routine reviews are being conducted on the Group's core business.

During the financial year under review, internal audit function reviewed the internal controls in the key activities of the Group's business based on internal audit plan duly approved by the Audit Committee. The findings of the internal audit function, including its recommendations and Management's responses, were reported to the Audit Committee on a quarterly basis. In addition, the internal audit function also followed up on the implementation of recommendations from findings of previous internal audit reports and updated the Audit Committee on the implementation status of the agreed action plan.

In addition, follow up on the implementation of correction action plan of the preceding audit findings was carried out to update the Audit Committee on status of Management-agreed action plan implementation.

The Board as a whole fully recognises its responsibility over the actions of the Audit Committee.

INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- An organisation structure with a well-defined scope of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- An establish set of internal policies and procedures for operational, governance, financial and human resource management, which is subject to regular reviews and improvement;
- Regular and comprehensive information is provided to the Board, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Regular visits to operating units are made by Executive Director and senior management with consideration to the cost and benefits of such arrangements; and
- Regular management meetings chaired by the Executive Director are conducted to review and deliberate on the financial performance, credit control, business development and operational issues.

MANAGEMENT INFORMATION SYSTEM

The Board and Management recognise the benefits of an effective information system to track its valuable inventory spread out across multiple outlets and different countries. Thus, the Group has, in place, its own computerised accounting and inventory system as part of its risk management and internal control system.

WEAKNESS IN INTERNAL CONTROLS

Based on the internal auditors' reports for the financial year ended 30 June 2020, the Audit Committee and the Board is of the opinion that the general system of internal control is adequate and appeared to be working satisfactorily. A number of minor internal control weaknesses were identified during the period under review, all of which have been, or are being, addressed. There were no material losses, contingencies or uncertainties that have arisen as a result of weaknesses (inadequacy or failure) in internal control that requires separate disclosure in the Annual Report.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board is committed to putting in place appropriate action plans to ensure that the internal control and risk management systems could continuously evolve to support the business and size of the operations of the Group.

The Board has received assurance in writing from the Executive Director and Chief Executive Officer that the Groups risk management and internal control systems has been operating adequately and effectively, in all material aspects, to ensure achievement of corporate objectives. The Board continues to review and implement measures to strengthen the internal control environment of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Company for the financial year ended 30 June 2020. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines to be set out, nor is factually inaccurate.

This Statement is issued in accordance with a resolution of the Directors dated 28 September 2020.

Niche Capital Emas
NICHE CAPITAL EMAS HOLDINGS BERHAD
Registration No.: 200001024664 (527272-V)
(Incorporated in Malaysia)

Additional Compliance Information Disclosures

In compliance with the Main Market Listing Requirements of Bursa Securities, the following information is provided:

1. Utilisation of Proceeds

On January 2019, the Company raised RM16,622,822 from issuance of 369,396,050 Rights Shares with Warrants at the issue price of RM0.045 per Rights Share.

The proceeds of RM16,622,822 from the issuance of Rights Shares with Warrants has been utilised in the following manner:

Details	**Utilisation as at 30 June 2020 RM'000**	**Utilisation as at 30 September 2020 RM'000**
Jewellery Emporium	590	590
Inventories	7,920	8,000
Processing Factory	-	-
Working Capital	6,104	6,785
Expenses for corporate exercise	1,000	1,000
TOTAL	**15,614**	**16,375**

On September 2020, the Company raised RM7,560,800 from issuance of 29,080,000 ordinary shares through Private Placement at the issue price of RM0.26 per share.

The proceeds of RM7,560,800 million from the issuance of Private Placement Shares has been utilised in the following manner:

Details	**Utilisation as at 30 September 2020 RM'000**
Construction and property related business expenses	-
Employee expenses	130
Office related expenses	75
Expenses for corporate exercise	221
TOTAL	**426**

2. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors or major shareholders, either still subsisting at the end of the financial year ended 30 June 2020 or entered into since the end of the previous financial year.

3. Recurrent related party transactions of revenue nature or trading nature ("RRPT")

Details of RRPT transacted by the Group during the financial year ended 30 June 2020 pursuant to the shareholders' mandate obtained at the Extraordinary General Meeting held on 26 February 2020 are tabulated below. The information contained herein, save for the actual value transacted, is extracted from the Circular dated 10 February 2020.

Provider of goods and services	**Recipient of goods and services**	**Nature of Transaction**	**Actual value transacted (RM'000)**	**Related Parties**
Wawasan Pasifika Sdn. Bhd.	Beta Ocean Group Sdn Bhd ("Beta Ocean")	Provision and/or receipt of contracts in relation to construction and property related activities	350	Julian Foo Kuan Lin, a major shareholder of the Company and holds 50% equity interest in Beta Ocean.
Pembangunan Maju Setia Sdn. Bhd.			2,962	Loh Siew Jiann is an Executive Director of the Company and holds 50% equity interest in Beta Ocean.

Niche Capital Emas

NICHE CAPITAL EMAS HOLDINGS BERHAD
Registration No.: 200001024664 (527272-V)
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FINANCIAL STATEMENTS

Directors' Report

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2020.

Principal Activity

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

Financial Results

	Group RM	Company RM
Loss for the financial year	2,963,173	3,219,681
Attributable to:		
Owners of the parent	2,963,173	3,219,681

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Warrants

The Company had issued 221,637,630 Warrants which were listed on Bursa Malaysia Securities Berhad on 25 January 2019 in conjunction with the right issue on the basis of three (3) Warrants for every five (5) Right Shares.

The Warrants are constituted by a Deed Poll dated 10 December 2018 executed by the Company. Each warrant entitled the registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price of RM0.06 per share, subject to adjustments in accordance with the provisions of the Deed Poll.

The salient feature of the warrants are disclosed in Note 14 to the financial statements.

No warrants were exercised during the financial year. As at the end of reporting date, 221,637,630 warrants remained unexercised.

Directors

The Directors in office during the financial year until the date of this report are:

Datuk Khairul Idham Bin Ismail	
Julian Foo Kuan Lin *	
Loh Siew Jiann *	(Appointed on 26 December 2019)
Yeong Chee Jong Nicky *	(Appointed on 8 September 2020)
Mah Weng Kee *	
Dato' Tan Sek Yin *	
Tong Siut Moi	
Lee Kien Fatt	(Appointed on 13 April 2020)
Dr Edward Leung	(Appointed on 8 September 2020)
Ng Chin Nam	(Retired on 6 February 2020)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report:

Chung Hoong Seng (Resigned on 28 August 2020)

** Director of the Company and its subsidiary companies*

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	*** Date of appointment/ As at 1.7.2019**	**Bought**	**Sold**	**As at 30.6.2020**
Interests in the Company				
Direct Interests				
Julian Foo Kuan Lin	229,930,000	-	14,000,000	215,930,000
Dato' Tan Sek Yin	390,000	-	-	390,000
Loh Siew Jiann *	4,000,000	-	-	4,000,000
Indirect Interests				
Dato' Tan Sek Yin #	660,000	-	660,000	-

	Number of warrants			
	*** Date of appointment/ As at 1.7.2019**	**Bought**	**Sold**	**As at 30.6.2020**
Interests in the Company				
Julian Foo Kuan Lin	53,600,000	-	10,000,000	43,600,000
Loh Siew Jiann *	10,000,000	-	-	10,000,000

\# Deemed interested Top-Gold Resources Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

By virtue of his interests in the shares of the Company, Mr. Julian Foo Kuan Lin is also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8(4) of the Companies Act 2016.

Save as disclosed above, none of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 26 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than Director who have significant financial interests in companies which traded with the companies in the ordinary course of business as disclosed in Note 29 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than the issue of warrants.

Indemnity and Insurance Costs

During the financial year, the total amount of insurance premium paid for the Directors and certain officers of the Company were RM5,310. No indemnity was given to or insurance effected for auditors of the Company.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

  (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

  (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

  (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

  (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Other Statutory Information (cont'd)

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Subsequent Events

The details of subsequent events are disclosed in Note 33 to the financial statements.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

The details of auditors' remuneration are disclosed in Note 22 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 September 2020.

JULIAN FOO KUAN LIN **MAH WENG KEE**

KUALA LUMPUR

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 44 to 106 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 September 2020.

JULIAN FOO KUAN LIN **MAH WENG KEE**

KUALA LUMPUR

Statutory Declaration

Pursuant to Section 251(1) of the Companies Act 2016

I, JULIAN FOO KUAN LIN, being the Director primarily responsible for the financial management of Niche Capital Emas Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 44 to 106 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the Federal)
Territory on 28 September 2020)

JULIAN FOO KUAN LIN

Before me,

MOHAN A.S. MANIAM
NO. W710
Commissioner for Oaths

Independent Auditors' Report to the Members of Niche Capital Emas Holdings Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Niche Capital Emas Holdings Berhad, which comprise the statements of financial position as at 30 June 2020 of the Group and of the Company, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 44 to 106.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How we addressed the key audit matters
<u>**Inventory Valuation**</u> As at 30 June 2020, the Group held a significant inventory amounted to RM27 million as disclosed in Note 9 to the financial statements and it constituted approximately 75% of the Group's total current assets. As described in the Accounting Policies in Note 3(i) to the financial statements, inventories are carried at the lower of cost and net realisable value. The valuation of inventories is identified as a key audit matter because of the judgement made by the Directors in determining an appropriate inventory valuation involves predicting the amount of future demand from customers as the sales in the Group is subject to customer's preference which is based on trends and there is a risk that the net realisable value lower than the cost. Besides that, judgements are also required to identify slow moving and obsolete inventories which need to be written down to their net realisable value.	We reviewed the Group's policy on inventory valuation that are in accordance with MFRS 102 *Inventories*. We evaluated the operating effectiveness of key controls over the inventory system in recording the cost of inventory on first-in-first-out basis. We reviewed and verified the value of a sample of inventory item by comparing the unit price used in the final inventory listing summary to current price lists, recent sales invoices, or recent vendor invoices to ensure inventories are stated at the lower of cost and net realisable value. We assessed the adequacy of the disclosures made in the financial statements.

Independent Auditors' Report to the Members of Niche Capital Emas Holdings Berhad (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report to the Members of Niche Capital Emas Holdings Berhad (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purposes. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM GE RU
Approved Number: 03360/03/2022 J
Chartered Accountant

KUALA LUMPUR
28 September 2020

Statements of Financial Position
as at 30 June 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	767,504	1,156,456	1,444	3,316
Right-of-use assets	5	435,028	-	37,085	-
Goodwill on consolidation	6	10,010	-	-	-
Investments in subsidiary companies	7	-	-	260,383	250,383
Amount due from subsidiary companies	8	-	-	15,545,293	5,930,681
		1,212,542	1,156,456	15,844,205	6,184,380
Current assets					
Inventories	9	27,003,178	17,389,950	-	-
Trade receivables	10	6,107,000	8,970,600	-	-
Other receivables	11	1,692,738	4,775,520	1,604,240	4,671,828
Amount due from subsidiary companies	8	-	-	4,375,931	9,593,670
Tax recoverable		50,048	39,732	-	-
Deposits, cash and bank balances	12	1,278,025	5,979,167	1,080,152	5,851,545
		36,130,989	37,154,969	7,060,323	20,117,043
Total assets		37,343,531	38,311,425	22,904,528	26,301,423
EQUITY					
Share capital	13	52,504,832	52,504,832	52,504,832	52,504,832
Reserves	14	(21,148,158)	(18,197,972)	(31,159,574)	(27,939,664)
Total equity		31,356,674	34,306,860	21,345,258	24,565,168
LIABILITIES					
Non-current liabilities					
Finance lease liabilities	15	-	225,867	-	-
Lease liabilities	16	209,176	-	7,653	-
Deferred tax liabilities	17	7,940	-	-	-
		217,116	225,867	7,653	-
Current liabilities					
Finance lease liabilities	15	-	21,572	-	-
Lease liabilities	16	179,130	-	29,931	-
Trade payables	18	480,342	12,825	-	-
Other payables	19	4,472,765	3,220,779	1,521,686	1,608,432
Amount due to subsidiary companies	8	-	-	-	127,823
Provision for taxation		637,504	523,522	-	-
		5,769,741	3,778,698	1,551,617	1,736,255
Total liabilities		5,986,857	4,004,565	1,559,270	1,736,255
Total equity and liabilities		37,343,531	38,311,425	22,904,528	26,301,423

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income
for the financial year ended 30 June 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Revenue	20	10,246,402	8,900,600	240,000	-
Cost of sales		(10,214,603)	(6,903,662)	-	-
Gross profit		31,799	1,996,938	240,000	-
Other income		152,090	155,429	120,424	155,144
Administrative expenses		(2,985,921)	(3,343,956)	(3,356,308)	(3,060,273)
Other expenses		-	(3,683)	-	-
Loss from operation		(2,802,032)	(1,195,272)	(2,995,884)	(2,905,129)
Finance costs	21	(29,931)	(3,445)	(223,797)	-
Loss before tax	22	(2,831,963)	(1,198,717)	(3,219,681)	(2,905,129)
Taxation	23	(131,210)	-	-	-
Loss for the financial year		(2,963,173)	(1,198,717)	(3,219,681)	(2,905,129)
Other comprehensive loss					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		16,113	79,409	-	-
Total comprehensive loss for the financial year		(2,947,060)	(1,119,308)	(3,219,681)	(2,905,129)
Loss per share					
Basic loss per share (sen)	24(a)	(0.42)	(0.24)		
Diluted loss per share (sen)	24(b)	(0.42)	(0.24)		

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity
for the financial year ended 30 June 2020

		Attributable to owners of the parent				
		Non-distributable				
Group	**Note**	**Share capital RM**	**Warrant reserve RM**	**Foreign currency translation reserve RM**	**Accumulated losses RM**	**Total equity RM**
At 1 July 2019, as previously reported		52,504,832	4,432,753	(397,479)	(22,233,246)	34,306,860
Effect of adopting MFRS 16	2(a)	-	-	-	(3,126)	(3,126)
At 1 July 2019, as restated		52,504,832	4,432,753	(397,479)	(22,236,372)	34,303,734
Loss for the financial year		-	-	-	(2,963,173)	(2,963,173)
Other comprehensive income for the financial year		-	-	16,113	-	16,113
Total comprehensive income/(loss) for the financial year		-	-	16,113	(2,963,173)	(2,947,060)
At 30 June 2020		52,504,832	4,432,753	(381,366)	(25,199,545)	31,356,674

Statements of Changes in Equity

for the financial year ended 30 June 2020 (cont'd)

Group	Note	Share capital RM	Share premium RM	Warrant reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total equity RM
		Attributable to owners of the parent					
		Non-distributable					
At 1 July 2018		32,849,664	8,254,170	-	(476,888)	(21,034,529)	19,592,417
Loss for the financial year		-	-	-	-	(1,198,717)	(1,198,717)
Other comprehensive income for the financial year		-	-	-	79,409	-	79,409
Total comprehensive income/(loss) for the financial year		-	-	-	79,409	(1,198,717)	(1,119,308)
Transactions with owners:							
Issuance of ordinary shares	13	12,190,070	-	-	-	-	12,190,070
Issuance of warrants	14	-	-	4,432,753	-	-	4,432,753
Share issue expenses	14	-	(789,072)	-	-	-	(789,072)
Transfer in accordance with Section 618(2) of the Companies Act 2016	13, 14	7,465,098	(7,465,098)	-	-	-	-
Total transactions with owners		19,655,168	(8,254,170)	4,432,753	-	-	15,833,751
At 30 June 2019		52,504,832	-	4,432,753	(397,479)	(22,233,246)	34,306,860

Statements of Changes in Equity
for the financial year ended 30 June 2020 (cont'd)

Company	Note	Non-distributable Share capital RM	Warrant reserve RM	Accumulated losses RM	Total equity RM
At 1 July 2019, as previously reported		52,504,832	4,432,753	(32,372,417)	24,565,168
Effect of adopting MFRS 16	2(a)	-	-	(229)	(229)
At 1 July 2019, as restated		52,504,832	4,432,753	(32,372,646)	24,564,939
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(3,219,681)	(3,219,681)
At 30 June 2020		52,504,832	4,432,753	(35,592,327)	21,345,258

Company	Note	Non-distributable Share capital RM	Share premium RM	Warrant reserve RM	Accumulated losses RM	Total equity RM
At 1 July 2018		32,849,664	8,254,170	-	(29,467,288)	11,636,546
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(2,905,129)	(2,905,129)
Transactions with owners:						
Issuance of ordinary shares	13	12,190,070	-	-	-	12,190,070
Issuance of warrants	14	-	-	4,432,753	-	4,432,753
Share issue expenses	14	-	(789,072)	-	-	(789,072)
Transfer in accordance with Section 618(2) of the Companies Act 2016	13, 14	7,465,098	(7,465,098)	-	-	-
Total transactions with owners		19,655,168	(8,254,170)	4,432,753	-	15,833,751
At 30 June 2019		52,504,832	-	4,432,753	(32,372,417)	24,565,168

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows
for the financial year ended 30 June 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Cash flows from operating activities					
Loss before tax		(2,831,963)	(1,198,717)	(3,219,681)	(2,905,129)
Adjustments for:					
Depreciation of property, plant and equipment		95,352	62,631	1,872	1,873
Depreciation of right-of-use assets		240,894	-	29,381	-
Deposits written off		-	143,000	-	-
Finance costs		29,931	3,445	223,797	-
Fair value adjustment on amount due from subsidiary companies		-	-	482,349	1,403,966
Reversal of fair value adjustment on amount due from subsidiary companies		-	-	(259,940)	-
Impairment losses on amount due from subsidiary company		-	-	2,081,611	-
Finance income		(83,303)	(87,395)	(83,082)	(87,219)
Gain on disposals of property, plant and equipment		-	(66,000)	-	(66,000)
Reversal of impairment losses on investments in associates		-	(1,728)	-	(1,728)
Unrealised (gain)/loss on foreign exchange		(2,647)	94,860	27	(71)
Operating loss before working capital changes		(2,551,736)	(1,049,904)	(743,666)	(1,654,308)
Changes in working capital:					
Inventories		(9,569,311)	(715,192)	-	-
Receivables		5,974,975	(2,575,464)	3,067,588	283,076
Payables		1,689,481	(5,768,943)	(86,773)	(1,515,105)
Cash (used in)/generated from operations		(4,456,591)	(10,109,503)	2,237,149	(2,886,337)
Interest paid		(29,931)	(3,445)	(223,797)	-
Tax (paid)/refund		(43,356)	11,268	-	-
Net cash (used in)/from operating activities		(4,529,878)	(10,101,680)	2,013,352	(2,886,337)
Cash flows from investing activities					
Acquisition of property, plant and equipment	4(b)	(18,000)	(668,889)	-	-
Acquisition of subsidiary company	7(a)	(10,010)	-	(10,000)	-
Additional investments in subsidiary company	7(b)	-	-	-	(249,998)
Interest received		83,303	87,395	83,082	87,219
Proceeds from disposals of:					
- investments in associates		-	1,728	-	1,728
- property, plant and equipment		-	66,000	-	66,000
Net cash from/(used in) investing activities		55,293	(513,766)	73,082	(95,051)

Statements of Cash Flows
for the financial year ended 30 June 2020 (cont'd)

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Cash flows from financing activities					
Advances to subsidiary companies		-	-	(6,828,716)	(7,159,281)
Proceeds from right issue	13, 14	-	16,622,823	-	16,622,823
Share issuance expenses		-	(789,072)	-	(789,072)
Payment of finance lease liabilities		-	(34,932)	-	(20,371)
Payment of lease liabilities		(226,581)	-	(29,111)	-
Net cash (used in)/from financing activities		(226,581)	15,798,819	(6,857,827)	8,654,099
Net (decrease)/increase in cash and cash equivalents		(4,701,166)	5,183,373	(4,771,393)	5,672,711
Cash and cash equivalents at the beginning of the financial year		5,979,167	799,836	5,851,545	178,834
Effect of exchange translation differences on cash and cash equivalents		24	(4,042)	-	-
Cash and cash equivalents at the end of the financial year		1,278,025	5,979,167	1,080,152	5,851,545
Cash and cash equivalents at the end of the financial year comprises:					
Deposits, cash and bank balances	12	1,278,025	5,979,167	1,080,152	5,851,545

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements
30 June 2020

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at Unit 3.1, 3rd Floor, Wisma Leader, No. 8 Jalan Larut, 10050 George Town, Penang.

The registered office of the Company was located at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Penang.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

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

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRSs 2015 - 2017 Cycle:
- Amendments to MFRS 3
- Amendments to MFRS 11
- Amendments to MFRS 112
- Amendments to MFRS 123

The adoption of the new MFRSs, new interpretations and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for:

MFRS 16 *Leases*

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases - Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

2. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

Adoption of new and amended standards (cont'd)

MFRS 16 *Leases* (cont'd)

As a result of the adoption of MFRS 16, the existing requirements for a lessee to distinguish between finance leases and operating leases under the MFRS 117 *Leases* are no longer required. MFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use ("ROU") asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the ROU asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statements of cash flows.

The ROU asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As permitted by the transitional provision of MFRS 16, the Group has elected to adopt a simplified transition approach where cumulative effects of initial application are recognised on 1 July 2019 as an adjustment to the opening balance of retained earnings.

For leases that were classified as finance lease under MFRS 117, the carrying amounts of the ROU asset and the lease liability at 1 July 2019 are determined to be the same as the carrying amount of the lease asset and lease liability under MFRS 117 immediately before that date.

The Group has also applied the following practical expedients when applying MFRS 16 to lease previously classified as operating lease under MFRS 117:

- Applied a single discount rate to portfolio of leases with reasonably similar characteristics.
- The Group does not apply the standard to leases which lease terms end within 12 months from 1 July 2019.
- No adjustments are made on transition for leases for which the underlying assets are of low value.
- Excluded initial direct costs form measuring the ROU assets at the date of initial application.
- The Group uses hindsight in determining lease terms for contracts that contain options for extension or termination.

2. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

Adoption of new and amended standards (cont'd)

MFRS 16 *Leases* (cont'd)

Impact arising from the adoption of MFRS 16 on the financial statements:

Statements of Financial Position

	As previously reported RM	MFRS 16 adjustments RM	As restated RM
Group			
Assets			
Property, plant and equipment	1,156,456	(311,600)	844,856
Right-of-use assets	-	616,585	616,585
Liabilities			
Finance lease liabilities (non-current)	225,867	(225,867)	-
Finance lease liabilities (current)	21,572	(21,572)	-
Lease liabilities (non-current)	-	357,095	357,095
Lease liabilities (current)	-	198,455	198,455
Equity			
Accumulated losses	22,233,246	3,126	22,236,372
Company			
Assets			
Right-of-use assets	-	7,129	7,129
Liabilities			
Lease liabilities (current)	-	7,358	7,358
Equity			
Accumulated losses	32,372,417	229	32,372,646

The following table explains the difference between operating lease commitments disclosed applying MFRS 117 at 30 June 2019, and lease liabilities recognised in the statements of financial position at 1 July 2019.

	Group RM	Company RM
Discounted using the incremental borrowings rate at 1 July 2019	(15,891)	(45)
Add: Transfer from finance lease obligations upon initial application of MFRS 16	247,439	-
Lease liabilities recognised upon initial adoption of lease definition under MFRS 16	324,002	7,403
Lease liabilities recognised as at 1 July 2019	555,550	7,358

The weighted average incremental borrowing rate applied to lease liabilities on 1 July 2019 was 3.64% - 5.93%.

There is no financial impact on the Company's financial statements.

2. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

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 for the Company:

		Effective dates for financial periods beginning on or after
Amendments to References to the Conceptual Framework in MFRS Standards		1 January 2020
Amendment to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
Amendments to MFRS 16	Covid-19 - Related Rent Concessions	1 June 2020
Amendments to MFRS 4	Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRSs Standards 2018 - 2020 • Amendments to MFRS 1 • Amendments to MFRS 9 • Amendments to MFRS 16 • Amendments to MFRS 141		1 January 2022
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new MFRSs and amendments to MFRSs when they become effective.

The initial applications of the abovementioned 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.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

2. Basis of Preparation (cont'd)

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
(b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
(c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of office building and shoplot with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available.

2. Basis of Preparation (cont'd)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed on Notes 4 and 5 respectively.

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use is disclosed in Note 6.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 17.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 9.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods are based on invoiced values. Discounts are not considered as they are not only given in rare circumstances.

2. Basis of Preparation (cont'd)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The details of construction contracts are disclosed in Note 25.

Provision for expected credit loss of financial assets at amortised cost

The Group reviews the recoverability of its receivables, include trade and other receivables and amount due from subsidiary companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 8, 10 and 11 respectively.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 30 June 2020, the Group has tax recoverable and payable of RM50,048 (2019: RM39,732) and RM637,504 (2019: RM523,522) respectively.

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instruments and within the scope of MFRS 9 Financial Instruments is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

3. Significant Accounting Policies (cont'd)

(a) Basis of consolidation (cont'd)

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

(b) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

3. Significant Accounting Policies (cont'd)

(b) Foreign currency translation (cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investments in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) to the financial statements on impairment of non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

3. Significant Accounting Policies (cont'd)

(c) Property, plant and equipment (cont'd)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Furniture and fittings	10%
Office equipment	10% - 25%
Renovation	10%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(d) Leases

Policy applicable from 1 July 2019

(a) As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses on non-financial assets is in accordance with Note 3(k)(i) to the financial statements.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Office building	Over the remaining lease period
Motor vehicles	10%
Shoplot	Over the remaining lease period

The ROU assets are subject to impairment.

3. Significant Accounting Policies (cont'd)

(d) Leases (cont'd)

Policy applicable from 1 July 2019 *(cont'd)*

(a) As lessee (cont'd)

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

(b) As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Policy applicable before 1 July 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

3. Significant Accounting Policies (cont'd)

(d) Leases (cont'd)

Policy applicable before 1 July 2019 *(cont'd)*

As lessee

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statements of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

As lessor

Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(e) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables, amount due from subsidiary companies and deposits, cash and bank balances.

3. Significant Accounting Policies (cont'd)

(e) Financial assets (cont'd)

(a) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(b) Financial assets at fair value through other comprehensive income

Debt instruments

A debt security is measured at fair value through other comprehensive income ("FVTOCI") if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

Financial assets categorised as FVTOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in other comprehensive income and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

The Group and the Company have not designated any financial assets at FVTOCI.

(c) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment.

3. Significant Accounting Policies (cont'd)

(e) Financial assets (cont'd)

(c) Financial assets at fair value through profit or loss (cont'd)

The Group and the Company have not designated any financial assets at FVTPL.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

(f) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(h) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

3. Significant Accounting Policies (cont'd)

(h) Construction contracts (cont'd)

The Group presents as an asset the gross amount due from customers for contract work in progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed costs exceed costs incurred plus recognised profits (less recognised losses).

(i) Inventories

Work-in-progress and trading inventories are stated at the lower of cost and net realisable value.

Cost of trading inventories comprises cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis. Cost of work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each reporting period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

3. Significant Accounting Policies (cont'd)

(k) Impairment of assets (cont'd)

(i) Non-financial assets (cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(l) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(m) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

3. Significant Accounting Policies (cont'd)

(m) Provisions (cont'd)

Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(n) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(o) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

3. Significant Accounting Policies (cont'd)

(o) Revenue recognition (cont'd)

(i) Revenue from contracts with customers (cont'd)

The Group recognises revenue from the following major sources: (cont'd)

(b) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the output method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e. based on the level of completion of the physical proportion of contract work to date, certified by professional consultants.

The Group becomes entitled to invoice customers for construction of promised asset based on achieving a series of performance-related milestones (i.e. progress billing). The Group previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

(c) Rendering of services

Revenue from management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(ii) Interest income

Interest income is recognised on accrual basis using the effective interest method.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3. Significant Accounting Policies (cont'd)

(q) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(s) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

4. Property, Plant and Equipment

Group	Furniture, fittings, and office equipment RM	Renovation RM	Motor vehicles RM	Total RM
2020				
Cost				
At 1 July 2019	132,156	811,966	328,000	1,272,122
Effect of adopting MFRS 16	-	-	(328,000)	(328,000)
At 1 July 2019, restated	132,156	811,966	-	944,122
Additions	-	18,000	-	18,000
At 30 June 2020	132,156	829,966	-	962,122
Accumulated depreciation				
At 1 July 2019	57,145	42,121	16,400	115,666
Effect of adopting MFRS 16	-	-	(16,400)	(16,400)
At 1 July 2019, restated	57,145	42,121	-	99,266
Charge for the financial year	12,505	82,847	-	95,352
At 30 June 2020	69,650	124,968	-	194,618
Carrying amount				
At 30 June 2020	62,506	704,998	-	767,504
2019				
Cost				
At 1 July 2018	132,156	209,077	581,084	922,317
Additions	-	602,889	328,000	930,889
Disposals	-	-	(581,084)	(581,084)
At 30 June 2019	132,156	811,966	328,000	1,272,122
Accumulated depreciation				
At 1 July 2018	44,641	8,394	581,084	634,119
Charge for the financial year	12,504	33,727	16,400	62,631
Disposals	-	-	(581,084)	(581,084)
At 30 June 2019	57,145	42,121	16,400	115,666
Carrying amount				
At 30 June 2019	75,011	769,845	311,600	1,156,456

4. Property, Plant and Equipment (cont'd)

Company	Furniture and fittings RM	Office equipment RM	Renovation RM	Motor vehicles RM	Total RM
2020					
Cost					
At 1 July 2019/ At 30 June 2020	2,550	5,953	7,905	-	16,408
Accumulated depreciation					
At 1 July 2019	1,977	4,989	6,126	-	13,092
Charge for the financial year	255	827	790	-	1,872
At 30 June 2020	2,232	5,816	6,916	-	14,964
Carrying amount					
At 30 June 2020	318	137	989	-	1,444
2019					
Cost					
At 1 July 2018	2,550	5,953	7,905	581,084	597,492
Disposals	-	-	-	(581,084)	(581,084)
At 30 June 2019	2,550	5,953	7,905	-	16,408
Accumulated depreciation					
At 1 July 2018	1,722	4,163	5,334	581,084	592,303
Charge for the financial year	255	826	792	-	1,873
Disposals	-	-	-	(581,084)	(581,084)
At 30 June 2019	1,977	4,989	6,126	-	13,092
Carrying amount					
At 30 June 2019	573	964	1,779	-	3,316

(a) Assets held under finance leases

As at 30 June 2019, the carrying amount of leased motor vehicles of the Group was RM311,600.

Leased assets are pledged as security for the related finance lease liabilities.

Following the adoption of MFRS 16 on 1 July 2019, the Group had reclassified the carrying amount of leased assets to ROU assets as disclosed in Note 5.

(b) Purchase of property, plant and equipment

The aggregate additional costs for the property, plant and equipment of the Group during the financial year acquired under finance lease financing and cash payments are as follows:

	Group 2020 RM	2019 RM
Aggregate costs	18,000	930,889
Less: Finance lease financing	-	(262,000)
Cash payments	18,000	668,889

5. Right-of-use Assets

Group	Office building RM	Motor vehicles RM	Shoplot RM	Total RM
2020				
Cost				
At 1 July 2019	-	-	-	-
Effect of adopting MFRS 16	181,893	328,000	232,565	742,458
At 1 July 2019, restated	181,893	328,000	232,565	742,458
Additions	59,337	-	-	59,337
Expiring of lease contract	(57,031)	-	-	(57,031)
At 30 June 2020	184,199	328,000	232,565	744,764
Accumulated depreciation				
At 1 July 2019	-	-	-	-
Effect of adopting MFRS 16	70,712	16,400	38,761	125,873
At 1 July 2019, restated	70,712	16,400	38,761	125,873
Charge for the financial year	91,811	32,800	116,283	240,894
Expiring of lease contract	(57,031)	-	-	(57,031)
At 30 June 2020	105,492	49,200	155,044	309,736
Carrying amount				
At 30 June 2020	78,707	278,800	77,521	435,028

Company	Office building RM
2020	
Cost	
At 1 July 2019	-
Effect of adopting MFRS 16	57,031
At 1 July 2019, restated	57,031
Additions	59,337
Expiring of lease contract	(57,031)
At 30 June 2020	59,337
Accumulated depreciation	
At 1 July 2019	-
Effect of adopting MFRS 16	49,902
At 1 July 2019, restated	49,902
Charge for the financial year	29,381
Expiring of lease contract	(57,031)
At 30 June 2020	22,252
Carrying amount	
At 30 June 2020	37,085

Assets acquired under lease arrangement

As at 30 June 2020, the carrying amount of leased motor vehicles of the Group was RM278,800.

Leased assets are pledged as security for the related lease liabilities.

6. Goodwill on Consolidation

	Group	
	2020	2019
	RM	RM
Cost		
At 1 July 2019/Addition through business combination	10,010	-
Carrying amount		
At 30 June 2020	10,010	-

The goodwill is in respect of the Group's acquisition of subsidiary companies and is stated at cost.

The aggregate carrying amounts of goodwill is derived from construction contracts segment.

(a) Key sources of estimation uncertainty

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units ("CGU") to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest CGU level within the Group at which the goodwill is monitored for internal management purposes.

(b) Impairment testing for cash-generating units containing goodwill

The recoverable amount for these CGUs is determined based on their value in use by discounting future cash flows expected to be generated from the continuing use of these CGUs and were based on the following key assumptions:

(i) Cash flows for 3 years are projected based on the financial estimates made by the Directors.

(ii) Discount rate used for cash flows discounting purposes are the management's estimate of average cost of capital required in the respective CGU. The discount rate applied for cash flow projections is 10%.

(iii) The financial estimates are projected based on the historical average earnings before interest, taxation, depreciation and amortisation ("EBITDA") rate of 10%.

(iv) Revenue is projected to increase by 10% annually via new contracts from new and existing customers.

With regard to the assessment of value in use and fair value less costs to sell, management believes that no reasonably possible change in any of the above key assumptions that would cause the recoverable amount of CGU to be materially below it carrying amount.

7. Investments in Subsidiary Companies

	Company 2020 RM	Company 2019 RM
In Malaysia:		
At cost		
Unquoted shares	260,006	250,006
Less: Accumulated impairment losses	(4)	(4)
	260,002	250,002
Outside Malaysia:		
At cost		
Unquoted shares	381	381
Carrying amount	260,383	250,383

Details of the subsidiary companies are as follows:

Name of Company	Place of Business/ Country of Incorporation	Effective Interest (%) 2020	Effective Interest (%) 2019	Principal Activities
Direct holding:				
Niche Express Gold Sdn. Bhd.	Malaysia	100	100	Processing and wholesale of jewellery, precious stones and precious metals
Niche Diamond Sdn. Bhd.	Malaysia	100	100	Retail of jewellery products
Niche Capital (HK) Limited *	Hong Kong	100	100	Trading of jewellery and precious stones and precious metals
Wawasan Pasifika Sdn. Bhd.	Malaysia	100	100	Project management
Jadekey Bridge Sdn. Bhd.	Malaysia	100	100	Dormant
Pembangunan Maju Setia Sdn. Bhd.	Malaysia	100	-	Construction and property related business

** Subsidiary companies not audited by UHY*

(a) Acquisition of subsidiary companies

Pembangunan Maju Setia Sdn. Bhd.

On 16 December 2019, the Company has completed its acquisition of 100% issued and paid up capital in Pembangunan Maju Setia Sdn. Bhd. ("PMS") for a cash consideration of RM10,000. The principal activities of the Company consist of construction and property related business. The acquisition of PMS would enable the Group to diversify its earning base so as to strengthen the financial position of the Group without relying solely on its existing business.

7. Investments in Subsidiary Companies (cont'd)

(a) Acquisition of subsidiary companies (cont'd)

Pembangunan Maju Setia Sdn. Bhd. (cont'd)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Fair value of consideration transferred

	PMS RM
Cash consideration/Total consideration transferred	10,000

Fair value of identifiable assets acquired and liabilities assumed

	PMS RM
Cash and cash equivalents/Total identifiable assets and liabilities	(10)

Net cash outflows arising from acquisition of subsidiary companies

	PMS RM
Purchase consideration settled in cash	10,000
Cash and cash equivalents acquired	10
	10,010

Goodwill arising from business combination

Goodwill was recognised as a result of the acquisition as follows:

	PMS RM
Total consideration transferred	10,000
Fair value of identifiable assets acquired and liabilities assumed	10
Goodwill	10,010

The goodwill recognised on the acquisition is attributable mainly to the skills and technical talent of the acquired business's work force and the synergies expected to be achieved from integrating the subsidiary companies into the Group's existing business.

7. Investments in Subsidiary Companies (cont'd)

(a) Acquisition of subsidiary companies (cont'd)

Pembangunan Maju Setia Sdn. Bhd. (cont'd)

Impact of the acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiary companies has contributed RM2,962,001 and RM2,441,712 to the Group's revenue and loss for the financial year respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and profit for the financial year from its continuing operations would have been RM3,001,921 and RM2,439,736 respectively.

(b) Additional investments in subsidiary company

In the previous financial year on 17 May 2019, Wawasan Pasifika Sdn. Bhd., a wholly-owned subsidiary company of the Group had increased its paid up capital from 2 to 250,000 ordinary shares. The Company had subscribed for an additional of 249,998 new ordinary shares in Wawasan Pasifika Sdn. Bhd., a wholly-owned subsidiary of the Company, at an issue price of RM1.00 each for a total cash consideration of RM249,998.

8. Amount Due From/(To) Subsidiary Companies

	Company	
	2020 RM	**2019 RM**
Amount due from subsidiary companies		
Non-current		
Non-trade related		
Non-interest bearing	17,823,996	6,335,977
Less: Accumulated impairment losses	(2,278,703)	(405,296)
	15,545,293	5,930,681
Current		
Non-trade related		
Non-interest bearing	10,981,687	15,991,222
Less: Accumulated impairment losses	(6,605,756)	(6,397,552)
	4,375,931	9,593,670
Amount due to subsidiary companies		
Current		
Non-trade related		
Non-interest bearing	-	127,823

8. Amount Due From/(To) Subsidiary Companies (cont'd)

Movements in the allowance for impairment losses of amount due from subsidiary companies are as follows:

	Company	
	2020	**2019**
	RM	**RM**
At 1 July	6,802,848	6,802,848
Impairment loss recognised	2,081,611	-
At 30 June	8,884,459	6,802,848

Non-current

Amount due from subsidiary companies with non-interest bearing are unsecured and not repayable within the next 12 months.

Current

Amount due from/(to) subsidiary companies with non-interest bearing are unsecured and repayable on demand.

9. Inventories

	Group	
	2020	**2019**
	RM	**RM**
At cost:		
Work-in-progress	26,000	26,000
Trading inventories	26,977,178	17,363,950
	27,003,178	17,389,950
Recognised in profit or loss:		
Inventories recognised as cost of sales	3,917,525	6,903,662

10. Trade Receivables

	Group	
	2020	**2019**
	RM	**RM**
Third parties	4,275,613	8,970,600
Related party	1,500,187	-
Retention sum	331,200	-
	6,107,000	8,970,600

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2019: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

10. Trade Receivables (cont'd)

The aged analysis of trade receivables as at the end of the reporting period:

	Group	
	2020	**2019**
	RM	**RM**
Not past due	4,730,000	3,950,400
Past due:		
Less than 30 days	981,387	735,000
61 to 90 days	120,000	-
More than 90 days	275,613	4,285,200
	6,107,000	8,970,600

Trade receivables that are not past due are creditworthy receivables with good payment records with the Group.

As at 30 June 2020, trade receivables of RM1,377,000 (2019: RM5,020,200) were past due. These relate to a number of independent customers from whom there is no recent history of default.

11. Other Receivables

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Other receivables	3,645,286	6,722,701	3,623,978	6,701,899
Less: Accumulated impairment losses	(2,052,509)	(2,052,509)	(2,052,509)	(2,052,509)
	1,592,777	4,670,192	1,571,469	4,649,390
Deposits	49,529	59,133	9,499	9,203
Prepayments	50,432	46,195	23,272	13,235
	1,692,738	4,775,520	1,604,240	4,671,828

Movements in the allowance for impairment losses of other receivables are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
At 1 July/At 30 June	2,052,509	2,052,509	2,052,509	2,052,509

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

12. Deposits, Cash and Bank Balances

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Short-term investment in cash funds with financial institutions	4,056	3,946	4,056	3,946
Cash and bank balances	233,969	504,529	36,096	376,907
Short-term deposits	1,040,000	5,470,692	1,040,000	5,470,692
	1,278,025	5,979,167	1,080,152	5,851,545

The effective interest rates and maturities of short-term investment in cash funds and short-term deposits of the Group and of the Company as at the end of the reporting period are as follows:

	Group		Company	
	2020	2019	2020	2019
Interest rate (%)	1.47 to 2.49	2.50 to 3.21	1.47 to 2.49	2.50 to 3.21
Maturities (days)	1 to 30	1 to 30	1 to 30	1 to 30

13. Share Capital

	Group and Company			
	Number of Ordinary Shares		Amount	
	2020 Units	2019 Units	2020 RM	2019 RM
Issued and fully paid:				
At 1 July	702,433,900	333,037,850	52,504,832	32,849,664
Transition to no-par value regime on 31 January 2019				
- Share premium	-	-	-	7,465,098
Issuance of new shares	-	369,396,050	-	12,190,070
At 30 June	702,433,900	702,433,900	52,504,832	52,504,832

In previous financial year, the Company issued Renounceable Rights Issue of 369,396,050 Right Shares with 221,637,630 Warrants on the basis of Right Shares for every one (1) existing share held together with three (3) Warrants for every five (5) Right Shares subscribed for at an issued price of RM0.045 per Right Shares.

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

14. Reserves

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Non-Distributable					
Share premium	(a)	-	-	-	-
Warrant reserve	(b)	4,432,753	4,432,753	4,432,753	4,432,753
Foreign currency translation reserve	(c)	(381,366)	(397,479)	-	-
Accumulated losses		(25,199,545)	(22,233,246)	(35,592,327)	(32,372,417)
		(21,148,158)	(18,197,972)	(31,159,574)	(27,939,664)

The nature of reserves of the Group and of the Company are as follows:

(a) Share premium

	Group and Company 2020 RM	Group and Company 2019 RM
At 1 July	-	8,254,170
Share issuance expenses	-	(789,072)
Transition to share capital in accordance with Section 618(2) of the Companies Act 2016 (Note 13)	-	(7,465,098)
At 30 June	-	-

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

(b) Warrant reserve

Movements in the Warrants are as follows:

	Group and Company 2020 RM	Group and Company 2019 RM
Warrants 2019/2024		
At 1 July	4,432,753	-
Issued during the financial year	-	4,432,753
At 30 June	4,432,753	4,432,753

Proceed from the issuance of warrants, net of issuance costs, are credited to warrant reserve which is non-distributable. Warrant reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings/accumulated losses.

Warrants reserve represent reserve allocate to free detachable warrants issued with rights issue.

14. Reserves (cont'd)

(b) Warrant reserve (cont'd)

The salient features of the warrants are as follows:

Warrants 2019/2024

(i) Each warrant entitles the holder to subscribe for one (1) new Niche Capital Emas Holdings Berhad ("NICE") share at any time during the exercise period, subject to adjustments in accordance with the provisions of the Deed Poll.

(ii) The warrants are exercisable any time during the tenure of 5 years commencing the date of issue, 23 January 2019 to 22 January 2024 ("Exercise Period") at an exercise price of RM0.06 per Warrant.

(iii) The registered holder of the warrants shall pay bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia to the exercise price for each warrant held when subscribing for the new NICE shares.

(iv) The new NICE shares to be issued upon exercise of the warrants, when issued and allotted, will in all respect rank pari-passu with the NICE shares on the relevant date of issue the new NICE shares, except for any dividend, right, allotment and/or other distribution that may be declared, made or paid, the record date for which precedes the relevant date of issue of the new NICE shares.

As at 30 June 2020, the total number of Warrants that remained unexercised were 221,637,630 (2019: 221,637,630).

(c) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

15. Finance Lease Liabilities

	Group	
	2020	**2019**
	RM	**RM**
Secured		
Non-Current		
Finance lease liabilities	-	225,867
Current		
Finance lease liabilities	-	21,572
	-	247,439

15. Finance Lease Liabilities (cont'd)

	Group 2020 RM	Group 2019 RM
Minimum lease payments:		
Within one year	-	36,012
Later than one year and not later than two years	-	36,012
Later than two years and not later than five years	-	108,036
Later than five years	-	125,949
	-	306,009
Less: Future finance charges	-	(58,570)
Present value of minimum lease payments	-	247,439
Present value of minimum lease payments:		
Within one year	-	21,572
Later than one year and not later than two years	-	25,592
Later than two years and not later than five years	-	84,670
Later than five years	-	115,605
	-	247,439

In the previous financial year, the Group leases motor vehicles under finance lease (Note 4). There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payment.

The average effective interest rate as at the end of the reporting period is 4.86% per annum.

16. Lease Liabilities

	Group 2020 RM	Company 2020 RM
At 1 July	-	-
- Effect of adopting MFRS 16	555,550	7,358
At 1 Jul 2019, restated	555,550	7,358
Addition	59,337	59,337
Interest expense recognised in profit or loss	29,931	1,388
Payments	(256,470)	(30,499)
Exchange differences	(42)	-
	388,306	37,584
Presented as:		
Non-Current	209,176	7,653
Current	179,130	29,931
	388,306	37,584

16. Lease Liabilities (cont'd)

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period:

	Group 2020 RM	Company 2020 RM
Minimum lease payments:		
Within one year	193,446	30,794
Later than one year and not later than two years	43,711	7,699
Later than two years and not later than five years	108,036	-
Later than five years	89,937	-
	435,130	38,493
Less: Future finance charges	(46,824)	(909)
Present value of minimum lease payments	388,306	37,584
Present value of minimum lease payments:		
Within one year	179,130	29,931
Later than one year and not later than two years	34,498	7,653
Later than two years and not later than five years	89,640	-
Later than five years	85,038	-
	388,306	37,584

The Group leases various motor vehicles, office and shop lot. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The average effective interest rate per annum for lease liabilities ranged from 3.60% to 5.93%.

17. Deferred Tax Liabilities

	Group 2020 RM	Group 2019 RM
At 1 July/Recognised in profit or loss		
At 30 June	7,940	-

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group 2020 RM	Group 2019 RM
Deferred tax assets	(3,621)	(10,681)
Deferred tax liabilities	11,561	10,681
	7,940	-

17. Deferred Tax Liabilities (cont'd)

The components and movements of deferred tax assets and liabilities are as follows:

	Unutilised capital allowances RM	Unutilised tax losses RM	Others RM	Total RM
Group				
Deferred tax assets				
At 1 July 2018	(620)	(7,249)	-	(7,869)
Recognised in profit or loss	872	(4,751)	-	(3,879)
Over provision in prior years	(252)	1,319	-	1,067
At 30 June 2019	-	(10,681)	-	(10,681)
Recognised in profit or loss	-	7,179	(119)	7,060
Over provision in prior years	-	3,502	(3,502)	-
At 30 June 2020	-	-	(3,621)	(3,621)

	Accelerated capital allowances RM
Group	
Deferred tax liabilities	
At 1 July 2018	7,869
Recognised in profit or loss	3,879
Over provision in prior years	(1,067)
At 30 June 2019	10,681
Recognised in profit or loss	880
At 30 June 2020	11,561

Deferred tax assets have not been recognised in respect of the following items:

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Unutilised capital allowances	300	-	300	-
Unutilised tax losses	2,810,696	729,147	453,737	453,737
Others	136,019	77,105	1,061	535
	2,947,015	806,252	455,098	454,272

With effect from year of assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of seven consecutive years of assessment under the current tax legislation. The other temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

18. Trade Payables

	Group 2020 RM	Group 2019 RM
Trade payables	480,342	12,825

Credit terms of trade payables of the Group is 30 days (2019: 30 days) depending on the terms of the contracts.

19. Other Payables

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Other payables	643,125	749,014	300,765	341,301
Amount due to Directors	827,142	1,119,674	5,521	10,521
Deposit received	1,680,000	-	-	-
Accruals	1,322,498	1,352,091	1,215,400	1,256,610
	4,472,765	3,220,779	1,521,686	1,608,432

Included in other payables is RM6,903 (2019: RM6,903) due to a Director of a subsidiary company. The amount is unsecured, non-interest bearing and repayable on demand.

The amount due to Directors is unsecured, non-interest bearing and repayable on demand.

Deposit received represent deposits amount received from third parties for purchase of products.

20. Revenue

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Revenue from contracts with customers:				
- Sale of goods	6,934,401	8,900,600	-	-
- Consultation services	350,000	-	-	-
- Construction contract	2,962,001	-	-	-
- Management fees	-	-	240,000	-
	10,246,402	8,900,600	240,000	-
Timing of revenue recognition:				
At a point in time	7,134,401	8,900,600	-	-
Over time	3,112,001	-	240,000	-
Total revenue from contracts with customers	10,246,402	8,900,600	240,000	-

20. Revenue (cont'd)

Breakdown of the Group's revenue from contracts with customers:

	Trading RM	Construction and services RM	Total RM
Group			
2020			
Major goods and services:			
Sale of goods	6,934,401	-	6,934,401
Consultation services	-	350,000	350,000
Construction contract	-	2,962,001	2,962,001
	6,934,401	3,312,001	10,246,402
Geographical market:			
Malaysia	6,934,401	3,312,001	10,246,402
2019			
Major goods and services:			
Sale of goods	8,900,600	-	8,900,600
Geographical market:			
Malaysia	8,900,600	-	8,900,600

21. Finance Costs

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Interest expenses on:				
Finance lease liabilities	-	3,445	-	-
Lease liabilities	29,931	-	1,388	-
Fair value adjustment on amount due from subsidiary companies	-	-	222,409	-
	29,931	3,445	223,797	-

22. Loss before Tax

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Auditors' remuneration				
- statutory audit	92,670	85,260	46,000	46,000
- under/(over) provision in prior years	266	(18,217)	-	(18,750)
- non-audit services	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment	95,352	62,631	1,872	1,873
Depreciation of right-of-use assets	240,894	-	29,381	-
Deposits written off	-	143,000	-	-
Fair value adjustment on amount due from subsidiary companies	-	-	482,349	1,403,966
Foreign exchange (gain)/loss				
- Realised	-	(234)	-	(126)
- Unrealised	(2,647)	94,860	27	(71)
Gain on disposals of property, plant and equipment	-	(66,000)	-	(66,000)
Impairment losses on amount due from subsidiary company	-	-	2,081,611	-
Interest income	(83,303)	(87,395)	(83,082)	(87,219)
Lease expenses relating to short-term leases:				
- office	5,800	-	-	-
Non-executive Directors' remuneration				
- Fee	160,116	167,000	160,116	167,000
- Other emoluments	13,500	12,000	13,500	12,000
Rental of premises	-	407,717	-	30,750
Reversal of fair value adjustment on amount due from subsidiary companies	-	-	(259,940)	-
Reversal of impairment losses on investments in associates	-	(1,728)	-	(1,728)

23. Taxation

	Group 2020 RM	Group 2019 RM
Tax expenses recognised in profit or loss		
Current tax		
- Current year	123,230	-
- Under provision in prior years	40	-
	123,270	-
Deferred tax		
- Origination and reversal of temporary differences	7,940	-
	131,210	-

23. Taxation (cont'd)

Malaysian income tax is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expenses applicable to loss before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Loss before tax	(2,831,963)	(1,198,717)	(3,219,681)	(2,905,129)
At Malaysian statutory tax rate of 24%	(679,671)	(287,692)	(772,723)	(697,231)
Effect of difference tax rate in other jurisdictions	9,524	32,401	-	-
Expenses not deductible for tax purposes	296,496	214,879	781,487	449,123
Income not subject to tax	(8,962)	-	(8,962)	-
Utilisation of previously unrecognised deferred tax assets	(52,085)	-	-	-
Deferred tax assets not recognised	565,868	40,412	198	248,108
	131,170	-	-	-
Under provision of income tax in prior years	40	-	-	-
	131,210	-	-	-

The unutilised capital allowances and unutilised tax losses which are available to be carried forward to offset against future chargeable income are as follows:

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Unutilised capital llowances	300	-	300	-
Unutilised tax losses	2,810,696	759,059	453,737	453,737
	2,810,996	759,059	454,037	453,737

24. Loss per Share

(a) Basic loss per share

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

	Group 2020 RM	Group 2019 RM
Loss attributable to owners of the parent	(2,963,173)	(1,198,717)
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 July	702,433,900	333,037,850
Effect of ordinary shares issued during the financial year	-	160,914,992
Weighted average number of ordinary shares at 30 June	702,433,900	493,952,842
Basic loss per ordinary share (in sen)	(0.42)	(0.24)

(b) Diluted loss per share

The Group and the Company have no dilution in their loss per ordinary share as the exercise price of the warrants has exceeded the average market price of ordinary shares during the financial year, the options do not have any dilutive effect on the weighted average number of ordinary shares.

25. Construction Contracts

	Group 2020 RM
Contract costs incurred to date	5,288,339
Attributable loss	(2,326,338)
	2,962,001
Less: Progress billings	(2,962,001)
	-

26. Staff Costs

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Salaries, wages and other emoluments	921,254	1,038,942	474,078	722,332
Social security contributions	6,010	6,726	3,025	3,130
Defined contribution plans	94,860	115,174	59,669	76,235
	1,022,124	1,160,842	536,772	801,697

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Executive Directors				
Existing Directors of the Company				
Salaries, bonus and other emoluments	371,432	360,000	371,432	360,000
Social security contributions	1,423	923	1,423	923
Defined contribution plans	47,101	43,200	47,101	43,200
	419,956	404,123	419,956	404,123

27. Reconciliation of Liabilities Arising from Financing Activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 July 2019 RM	Effect of adopting MFRS 16 RM	Financing cash flow (i) RM	New lease (Note 16) RM	At 30 June 2020 RM
Group					
Finance lease liabilities	247,439	(247,439)	-	-	-
Lease liabilities	-	555,550	(226,581)	59,337	388,306
	247,439	308,111	(226,581)	59,337	388,306

	At 1 July 2018 RM	Financing cash flow (i) RM	New finance lease (Note 4(b)) RM	Other changes (ii) RM	At 30 June 2019 RM
Finance lease liabilities	20,371	(34,932)	262,000	-	247,439

27. Reconciliation of Liabilities Arising from Financing Activities (cont'd)

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (cont'd)

	At 1 July 2019 RM	Effect of adopting MFRS 16 RM	Financing cash flow (i) RM	New lease (Note 16) RM	Other changes (ii) RM	At 30 June 2020 RM
Company						
Lease liabilities	-	7,358	(29,111)	59,337	-	37,584
Amount due (from)/to subsidiary company	(15,396,528)	-	(6,828,716)	-	2,304,020	(19,921,224)
	(15,396,528)	7,358	(6,857,827)	59,337	2,304,020	(19,883,640)

	At 1 July 2018 RM	Financing cash flow (i) RM	New finance lease (Note 4(b)) RM	Other changes (ii) RM	At 30 June 2019 RM
Finance lease liabilities	20,371	(20,371)	-	-	-
Amount due (from)/to subsidiary company	(9,641,213)	(7,159,281)	-	1,403,966	(15,396,528)
	(9,620,842)	(7,179,652)	-	1,403,966	(15,396,528)

(i) The cash flows from lease liabilities make up the net amounts of proceeds from or repayments of lease liabilities in the statements of cash flows.

(ii) Other changes derived from fair value adjustment and impairment loss on amount due from subsidiary companies.

28. Contingencies

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.

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. As of September 2020, BNM is in the midst of finalising the procedures to call for an open tender to appoint suitable and qualified vendor to carry out open public tender of the Stocks. As at 30 June 2020, the Company estimated the contingent asset expected to be received from the former subsidiary company is approximately RM6,505,668.

29. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Transactions with subsidiary company				
- Management fee	-	-	240,000	-
Transactions with Directors of the Company				
- (Repayment)/Advances to group/company	(292,532)	(3,314,439)	(5,000)	(1,343,822)
Transactions with Companies in which certain Directors of the Company have substantial financial interest				
- Construction contract receivable	2,962,001	-	-	-
- Consultation services receivable	350,000	-	-	-

(c) Compensation of key management personnel

The remuneration of key management personnel is same as the Directors' remuneration as disclosed in Notes 22 and 26.

30. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

Trading	Sales of jewellery products, precious stones and precious metals
Construction and services	Construction contracts services and property related business and project management.
Others	Investment holding and dormant company.

In the previous financial year, the Group's activities are principally confined to the manufacture and sales of gold jewellery and ornaments. Accordingly, the business segment of the Group is not presented.

No disclosure on geographical segment information in current financial year as the Group operates predominating in Malaysia.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

30. Segment Information (cont'd)

2020	Trading RM	Construction and services RM	Others RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
Revenue						
External sales	6,934,401	3,312,001	-	10,246,402	-	10,246,402
Inter-segment sales	973,489	-	240,000	1,213,489	(1,213,489)	-
Total revenue	7,907,890	3,312,001	240,000	11,459,891	(1,213,489)	10,246,402
Results						
(Loss)/Profit from operations before interest income	866,025	(2,380,725)	(3,083,494)	(4,598,194)	1,712,859	(2,885,335)
Interest income	221	-	83,082	83,303	-	83,303
(Loss)/Profit from operations	866,246	(2,380,725)	(3,000,412)	(4,514,891)	1,712,859	(2,802,032)
Finance costs	(28,543)	-	(223,797)	(252,340)	222,409	(29,931)
(Loss)/Profit before tax	837,703	(2,380,725)	(3,224,209)	(4,767,231)	1,935,268	(2,831,963)
Taxation	(114,080)	(17,130)	-	(131,210)	-	(131,210)
(Loss)/Profit for the financial year	723,623	(2,397,855)	(3,224,209)	(4,898,441)	1,935,268	(2,963,173)
Assets and liabilities						
Segment assets	45,521,804	3,886,544	22,904,530	72,312,878	(34,969,347)	37,343,531
Segment liabilities	42,051,631	6,159,424	1,691,118	49,902,173	(43,915,316)	5,986,857
Other information						
Capital expenditure	18,000	-	59,337	77,337	-	77,337
Depreciation of property, plant and equipment	93,480	-	1,872	95,352	-	95,352
Depreciation of right-of-use assets	211,514	-	29,380	240,894	-	240,894
Other material non-cash items	(371,426)	-	2,304,047	1,932,621	(1,935,268)	(2,647)

30. Segment Information (cont'd)

	Malaysia RM	Other Asian countries RM	Adjustments and eliminations RM	Consolidated RM
2019				
Revenue				
External customers/Total revenue	8,900,600	826,819	(826,819)	8,900,600
Results				
(Loss)/Profit from operations before interest income	(1,410,124)	(135,003)	262,460	(1,282,667)
Interest income	87,395	-	-	87,395
(Loss)/Profit from operations	(1,322,729)	(135,003)	262,460	(1,195,272)
Finance costs	(3,445)	-	-	(3,445)
(Loss)/Profit before tax	(1,326,174)	(135,003)	262,460	(1,198,717)
Taxation	-	-	-	-
(Loss)/Profit for the financial year	(1,326,174)	(135,003)	262,460	(1,198,717)
Assets and liabilities				
Segment assets	53,075,077	6,406,531	(21,170,183)	38,311,425
Segment liabilities	29,187,817	3,129,337	(28,312,589)	4,004,565
Other information				
Capital expenditure	930,889	-	-	930,889
Depreciation of property, plant and equipment	62,631	-	-	62,631
Other material non-cash items	426,389	(255,289)	(968)	170,132

Capital expenditure consists of additions of property, plant and equipment and right-of-use assets.

Other material non-cash items consist of the following items as presented in the respective notes to the financial statements:

	Group 2020 RM	2019 RM
Deposits written off	-	143,000
Reversal of impairment losses on investments in associates	-	(1,728)
Unrealised (gain)/loss on foreign exchange	(2,647)	94,860
Gain on disposals of property, plant and equipment	-	(66,000)
	(2,647)	170,132

30. Segment Information (cont'd)

Geographic information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follow:

Group	Revenue 2020 RM	Revenue 2019 RM	Non-current assets 2020 RM	Non-current assets 2019 RM
Malaysia	10,246,402	8,900,600	1,202,532	1,156,456

Non-current assets for this purpose consist of property, plant and equipment and right-of-use assets.

Major customers

Revenue from three major customers amount to RM10,138,979 (2019: RM8,733,400), arising from sales in Malaysia (2019: Malaysia).

31. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group	At amortised cost RM
2020	
Financial assets	
Trade receivables	6,107,000
Other receivables	1,642,306
Deposits, cash and bank balances	1,278,025
	9,027,331
Financial liabilities	
Lease liabilities	388,306
Trade payables	480,342
Other payables	4,472,765
	5,341,413
2019	
Financial assets	
Trade receivables	8,970,600
Other receivables	4,729,325
Deposits, cash and bank balances	5,979,167
	19,679,092
Financial liabilities	
Finance lease liabilities	247,439
Trade payables	12,825
Other payables	3,220,779
	3,481,043

31. Financial Instruments (cont'd)

(a) Classification of financial instruments (cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (cont'd)

Company	**At amortised cost RM**
2020	
Financial assets	
Other receivables	1,580,968
Amount due from subsidiary companies	19,921,224
Deposit, cash and bank balances	1,080,152
	22,582,344
Financial liabilities	
Lease liabilities	37,584
Other payables	1,521,686
	1,559,270
2019	
Financial assets	
Other receivables	4,658,593
Amount due from subsidiary companies	15,524,351
Deposit, cash and bank balances	5,851,545
	26,034,489
Financial liabilities	
Other payables	1,608,432
Amount due to subsidiary company	127,823
	1,736,255

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from advances to subsidiary companies. There are no significant changes as compared to previous financial year.

31. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any if the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that is written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk.

There are no significant changes as compared to previous financial year.

Credit risk concentration

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profiles of the Group's trade receivables at the end of reporting period are as follows:

Group

	2020 RM	**2019 RM**
Hong Kong	-	937,200
Renminbi	45,613	-
Malaysia	6,061,387	8,033,400
	6,107,000	8,970,600

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

31. **Financial Instruments** (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2020						
Non-derivative financial liabilities						
Lease liabilities	193,446	43,711	108,036	89,937	435,130	388,306
Trade payables	480,342	-	-	-	480,342	480,342
Other payables	4,472,765	-	-	-	4,472,765	4,472,765
	5,146,553	43,711	108,036	89,937	5,388,237	5,341,413
2019						
Non-derivative financial liabilities						
Finance lease liabilities	36,012	36,012	108,036	125,949	306,009	247,439
Trade payables	12,825	-	-	-	12,825	12,825
Other payables	3,220,779	-	-	-	3,220,779	3,220,779
	3,269,616	36,012	108,036	125,949	3,539,613	3,481,043

31. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. (cont'd)

	On demand or within 1 year RM	**1 to 2 years RM**	**Total contractual cash flows RM**	**Total carrying amount RM**
Company				
2020				
Non-derivative financial liabilities				
Lease liabilities	30,794	7,699	38,493	37,584
Other payables	1,521,686	-	1,521,686	1,521,686
	1,552,480	7,699	1,560,179	1,559,270
2019				
Non-derivative financial liabilities				
Other payables	1,608,432	-	1,608,432	1,608,432
Amount due to subsidiary company	127,823	-	127,823	127,823
	1,736,255	-	1,736,255	1,736,255

(iii) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Chinese Renminbi (RMB) and Hong Kong Dollar (HKD).

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

31. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(a) Foreign currency risk (cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

		Denominated in	
	RMB	**HKD**	**Total**
Group	**RM**	**RM**	**RM**
2020			
Trade receivables	45,613	-	45,613
Other receivables	-	11,648	11,648
Cash and bank balances	-	5,258	5,258
Trade payables	(45,293)	-	(45,293)
Other payables	(5,364)	(75,456)	(80,820)
	(5,044)	(58,550)	(63,594)
2019			
Trade receivables	937,200	-	937,200
Other receivables	-	4,616,942	4,616,942
Cash and bank balances	-	529	529
Other payables	(5,337)	(135,397)	(140,734)
	931,863	4,482,074	5,413,937

Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's (loss)/profit before tax to a reasonably possible change in the RMB and HKD exchange rates against RM, with all other variables held constant.

Group	**Change in currency rate**	**2020 Effect on loss before tax RM**	**Change in currency rate**	**2019 Effect on loss before tax RM**
RMB	Strengthened 5%	(252)	Strengthened 5%	46,593
	Weakened 5%	252	Weakened 5%	(46,593)
HKD	Strengthened 5%	(2,928)	Strengthened 5%	224,104
	Weakened 5%	2,928	Weakened 5%	(224,104)

31. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and financial institutions and borrowings are exposed to a risk of change in their fair value due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks and financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2020 RM	**2019 RM**
Group		
Fixed rate instruments		
Financial assets	1,044,056	5,474,638
Financial liabilities	(388,306)	(247,439)
Company		
Fixed rate instruments		
Financial assets	1,044,056	5,474,638
Financial liabilities	(37,584)	-

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

31. Financial Instruments (cont'd)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value financial instruments not carried at fair value				
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total fair value RM**	**Carrying amount RM**
Group					
2019					
Financial liability					
Finance lease liabilities	-	239,100	-	239,100	225,867

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

32. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Finance lease liabilities (Note 15)	-	247,439	-	-
Lease liabilities (Note 16)	388,306	-	37,584	-
Less: Deposits, cash and bank balances	(1,278,025)	(5,979,167)	(1,080,152)	(5,851,545)
Net debt	(889,719)	(5,731,728)	(1,042,568)	(5,851,545)
Total equity	31,356,674	34,306,860	21,345,258	24,565,168
Gearing ratio	-*	-*	-*	-*

* The gearing ratio is not applicable as the Group and the Company have sufficient cash and bank balances to settle the liabilities as at year end.

There were no changes in the Group's approach to capital management during the financial year.

33. Subsequent Events

On 8 September 2020, the Company announced to Bursa Malaysia Securities Berhad that the Private Placement has been completed following the listing of 29,080,000 NICE shares at RM0.26 per placement share ("Issue Price") on the Main Market of Bursa Securities.

34. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 September 2020.

Analysis of Shareholdings

as at 25 September 2020

TOTAL NUMBER OF ISSUED SHARES : 731,513,900
CLASS OF SHARE : Ordinary Shares
VOTING RIGHTS : One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Shares
Less than 100	6	0.06	322	0.00
100 - 1,000	1354	14.28	703,850	0.10
1,001 - 10,000	4201	44.32	25,491,001	3.48
10,001 - 100,000	3456	36.46	122,620,727	16.76
100,001 to less than 5% of issued shares	460	4.85	246,168,000	33.65
5% and above of issued shares	2	0.02	336,530,000	46.00
TOTAL	9,479	100.00	731,513,900	100.00

DIRECTORS' SHAREHOLDINGS

The Directors' interests in the Company based on the Register of Directors' Shareholdings of the Company are as follows:

		Direct Interest		Indirect Interest	
No.	Name	No. of Shares	% of Shares	No. of Shares	% of Shares
1	Datuk Khairul Idham Bin Ismail	-	-	-	-
2	Julian Foo Kuan Lin	215,930,000	29.52	-	-
3	Mah Weng Kee	-	-	-	-
4	Dato' Tan Sek Yin	390,000	0.05	-	-
5	Tong Siut Moi	-	-	-	-
6	Loh Siew Jiann	4,000,000	0.55	-	-
7	Lee Kien Fatt	-	-	-	-
8	Yeong Chee Jong Nicky	-	-	-	-
9	Dr Edward Leung	-	-	-	-

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of the Company based on the Register of Substantial Shareholders of the Company are as follows:

		Direct Interest		Indirect Interest	
No.	Name	No. of Shares	% of total issued capital	No. of Shares	% of total issued capital
1	Julian Foo Kuan Lin	215,930,000	29.52	-	-
2	Pang Ling	120,600,000	16.49	-	-

Analysis of Shareholdings
as at 25 September 2020 (cont'd)

THIRTY LARGEST SHAREHOLDERS AS AT 25 SEPTEMBER 2020

No.	Name	No. of Shares	% of Shares
1	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR JULIAN FOO KUAN LIN	215,930,000	29.52
2	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG LING	120,600,000	16.49
3	YEE SHIA MING	21,417,000	2.93
4	LGB ENGINEERING SDN. BHD.	17,300,000	2.37
5	FOONG CHEE HOE	14,140,900	1.93
6	NGANG CHING TANG	10,606,000	1.45
7	LIEW SIEW CHIN	7,576,000	1.04
8	FONG KOK CHIN	5,000,000	0.68
9	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOK HOCK BING	5,000,000	0.68
10	FOONG KAYE YING	4,781,200	0.65
11	HEAH KWAI KENG	4,515,000	0.62
12	LOH SIEW JIANN	4,000,000	0.55
13	CHIN KOK ON	3,091,500	0.42
14	CHIN POH ON	3,091,500	0.42
15	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YAP KON HING (AY0036)	3,000,000	0.41
16	JAMES KON YEW LIANG	2,800,000	0.38
17	LEAN WON KONG	2,340,700	0.32
18	CHEW CHUNG SEAN	2,230,000	0.30
19	SOO KEE LEE	1,981,100	0.27
20	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AI LING	1,700,000	0.23
21	NADIA LOK BINTI ABDULLAH	1,630,300	0.22
22	ABDUL RAHMAN BIN HASHIM	1,500,000	0.21
23	NGANG HUEY LANG	1,460,000	0.20
24	LIM BENG HEAN	1,450,000	0.20
25	LAU CHIN AN	1,420,000	0.19
26	LIM CHOE KHANG	1,418,100	0.19
27	KEE KU HUAK	1,400,000	0.19
28	KHAIRUL AZHAR BIN MOHD RADZI	1,400,000	0.19
29	YEOW JIN JIE	1,400,000	0.19
30	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,297,500	0.18
		465,476,800	63.64

Analysis of Warrant Holdings

as at 25 September 2020

NO. OF WARRANT ORIGINAL ISSUED	:	221,637,630
EXERCISE PRICE	:	RM0.06
EXERCISE RATIO	:	1 WARRANT FOR 1 ORDINARY SHARE
EXERCISE PERIOD	:	5 YEARS
MATURITY DATE	:	22 JANUARY 2024

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	% of Holders	No. of Warrant Held	% of Warrant Held
Less than 100	4	0.19	140	0.00
100 - 1,000	120	5.58	82,200	0.04
1,001 - 10,000	884	41.14	5,730,090	2.59
10,001 - 100,000	978	45.51	35,942,900	16.22
100,001 to less than 5% of warrant	160	7.45	64,982,300	29.32
5% and above of issued warrant	3	0.14	114,900,000	51.84
TOTAL	2,149	100.00	221,637,630	100.00

THIRTY LARGEST WARRANT HOLDERS AS AT 25 SEPTEMBER 2020

No.	Name	No. of Warrant	% of Warrant
1	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG LING	60,000,000	27.07
2	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR JULIAN FOO KUAN LIN	43,600,000	19.67
3	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOK HOCK BING	11,300,000	5.10
4	KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RA WHA HYUN (009)	8,390,000	3.79
5	FOONG KAYE YING	7,761,000	3.50
6	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW YOON PECK	3,680,000	1.66
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABDUL RAZAK FAIZ BIN SULAIMAN	1,450,000	0.65
8	NGOR KIAN YOU	1,351,100	0.61
9	YEOH CHIN HOI	1,223,300	0.55
10	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AI LING	1,180,200	0.53
11	CHIANG SIONG CHIEW @ CHIONG SIONG CHIEW	1,100,000	0.50
12	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW YOON PECK	1,000,000	0.45
13	NADIA LOK BINTI ABDULLAH	1,000,000	0.45
14	PANG SIEW LAN	800,000	0.36
15	MARZUKI BIN ABIDIN	700,000	0.32
16	BADROL HISYAM BIN HARON	636,700	0.29
17	HEAH KWAI KENG	620,000	0.28

Analysis of Warrant Holdings
as at 25 September 2020 (cont'd)

THIRTY LARGEST WARRANT HOLDERS AS AT 25 SEPTEMBER 2020 (cont'd)

No.	Name	No. of Warrant	% of Warrant
18	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BERNARD NAH KOK HENG	600,000	0.27
19	LEONG MUN LAI	600,000	0.27
20	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SYED MUDZAFFAR BIN SYED ZAINUL ABIDIN (MARGIN)	600,000	0.27
21	FOONG CHEE KONG	537,700	0.24
22	CITIGROUP NOMINEES (ASING) SDN BHD CBHK FOR CHINA EVERBRIGHT SECURITIES (HK) LIMITED	535,000	0.24
23	YAP BOON KIT	529,000	0.24
24	NG SING HUAT	522,000	0.24
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW (E-KLG/BTG)	520,800	0.24
26	YAP YOK FOO	500,200	0.23
27	WONG MING CHOO	500,000	0.23
28	YEE KENG CHOY	500,000	0.23
29	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	450,000	0.20
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD LIONG KOH KING	435,000	0.20
		152,622,000	68.86

Niche Capital Emas

NICHE CAPITAL EMAS HOLDINGS BERHAD
Registration No.: 200001024664 (527272-V)
(Incorporated in Malaysia)

Notice of Nineteenth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Nineteenth (19th) Annual General Meeting ("AGM") of the Company will be held at Mersawa & Rengas, Level 2, MÙ Hotel, No. 18, Jalan Chung On Siew, 30250 Ipoh, Perak, Malaysia on Wednesday, 9 December 2020 at 11.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2020 and Reports of the Directors and Auditors thereon.

2. To re-elect Datuk Khairul Idham Bin Ismail the Director retiring in accordance with Clause 103 of the Company's Constitution. — Ordinary Resolution 1

   Dato' Tan Sek Yin, will retire from office in accordance with Clause 103 of the Company's Constitution at the conclusion of this 19th AGM. [refer Note 1 of Ordinary Business]

3. To re-elect the following Directors retiring in accordance with Clause 110 of the Company's Constitution:

   (a) Mr Loh Siew Jiann — Ordinary Resolution 2
   (b) Mr Lee Kien Fatt — Ordinary Resolution 3
   (c) Mr Yeong Chee Jong Nicky — Ordinary Resolution 4
   (d) Dr Edward Leung — Ordinary Resolution 5

4. To approve the Directors' fees and benefits payable of up to an aggregate amount of approximately RM250,000 from 9 December 2020 until the next AGM of the Company. — Ordinary Resolution 6

5. To re-appoint Messrs. UHY as Auditors of the Company and to authorise Directors to determine their remuneration. — Ordinary Resolution 7

AS SPECIAL BUSINESS:
To consider and if thought fit, to pass the following resolutions with or without modifications:

6. **AUTHORITY TO ALLOT AND ISSUE SHARES BY DIRECTORS PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** — Ordinary Resolution 8
   "THAT, subject to the passing of the Special Resolution, pursuant to Sections 75 and 76 of the Companies Act 2016, the Constitution of the Company and subject to the approval of all the relevant government and/or regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares issued pursuant to this resolution does not exceed 20% of the total number of issued share of the Company for the time being AND THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier."

7. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY ("PROPOSED AMENDMENTS TO THE CONSTITUTION")** — Special Resolution
   "THAT the proposed alteration or amendments to the existing Constitution of the Company, as annexed herewith as Appendix I of the Annual Report 2020, be and are hereby approved and adopted, with immediate effect. AND THAT the Directors of the Company be and are hereby authorised to assent to any conditions, modification, variation and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

8. To transact any other business of which due notice shall have been given.

By Order of the Board

Ong Tze-En (MAICSA 7026537) (SSM PC NO. 202008003397)
Company Secretary
Penang, 30 October 2020

Notes:

Appointment of Proxy

1. A proxy may but need not be a member.
2. For a proxy to be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).
3. A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5 If the appointor is a corporation, the Form of Proxy must be executed under the corporation's Common Seal or under the hand of an officer or attorney duly authorised.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 2 December 2020 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote in his/her behalf.

Explanatory Notes on Ordinary Business:

1. Dato' Tan Sek Yin will retire in accordance with Clause 103 of the Company's Constitution. He has notified the Company of his decision not to seek re-election as Director of the Company. Hence he will retain office until the close of 19th AGM.
2. The **Ordinary Resolution 6**, is to seek shareholders' approval on the Directors' fee and benefits payable to the Directors which have been reviewed by the Nominating and Remuneration Committee and the Board of Directors of the Company, which recognises that the Directors' fees and benefits payable is in the best interest of the Company. The benefits comprised of meeting allowance and Board Committee allowances. In determining the estimated total amount of benefits payable, the Board considered various factors including the number of scheduled meetings as well as the number of Directors involved in these meetings.

Explanatory Notes on Special Business:

1. The proposed **Ordinary Resolution 8**, is for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will give authority to the Board of Directors to issue and allot new ordinary shares in the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

   As at the date of this Notice, the Company had issue 29,080,000 ordinary shares pursuant to the mandate granted to the Directors at the last AGM held on 28 November 2019 and which will lapse at the conclusion of the 19th AGM.

   The renewal of this General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.
2. The proposed **Special Resolution**, if passed, will enhance administrative efficiency and provide greater clarity to the Constitution. The Proposed Amendments to the Constitution are set out under Appendix I of the Annual Report 2020.

Statement Accompanying Notice of Annual General Meeting
(Pursuant to Paragraph 8.27(2) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements)

No individual is standing for election as a Director at the forthcoming 19th AGM of the Company.

Appendix I: Proposed Amendments To The Constitution

No.	Existing clause	Proposed amendment/New Clause
11(d)	without limiting the generality of Section 76 of the Act, the Company must not issue any ordinary shares or other securities with rights of conversion to ordinary shares if those shares or securities, when aggregated with any such shares or securities which the Company has issued during the preceding twelve (12) months, exceeds ten per centum (10%) of the issued shares (excluding treasury shares, if any) of the Company, except where the shares or securities are issued with the prior shareholders' approval in a general meeting of the precise terms and conditions of the issue; and	**subject to Listing Requirements and without limiting the generality of Sections 75 and 76 of the Act, the Company must not issue any ordinary shares or other securities with rights of conversion to ordinary shares** except where the shares or securities are issued with the prior shareholders' approval in a general meeting of the precise terms and conditions of the issue; and
71	A general meeting shall be held once in every year at such time and place as may be appointed by the Directors, but so that not more than fifteen (15) months shall elapse between the holding of any two (2) successive meetings.	**The Company shall hold an annual general meeting in every calendar year in accordance with the Act to transact matters prescribed by the Act.**
72	The abovementioned general meetings shall be called annual general meetings. All other general meetings shall be called extraordinary general meetings.	**All general meetings other than annual general meetings shall be called extraordinary general meetings.**
86	Subject to the Listing Requirements, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting shall be voted by poll. Notwithstanding the above, a poll may be demanded in writing:- (a) by the Chairman of the meeting; (b) by at least three (3) members present in person or by proxy or by attorney or in the case of a corporation by a representative; (c) by any member or members present in person or by proxy or by attorney or in the case of a corporation by a representative and representing not less than one-tenth (1/10) of the total voting rights of all the members having the right to vote at the meeting, excluding any voting rights attached to shares in the Company held as treasury shares; or (d) by a member or members present in person or by proxy or by attorney or in the case of a corporation by a representative holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid-up equal to not less than one-tenth (1/10) of the total paid-up on all the shares conferring that right, excluding any voting rights attached to shares in the Company held as treasury shares.	Subject to the Listing Requirements, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting shall be voted by poll. Notwithstanding the above, a poll may be demanded **~~in writing~~**:- (a) by the Chairman of the meeting; (b) by at least three (3) members present in person or by proxy or by attorney or in the case of a corporation by a representative; (c) by any member or members present in person or by proxy or by attorney or in the case of a corporation by a representative and representing not less than one-tenth (1/10) of the total voting rights of all the members having the right to vote at the meeting, excluding any voting rights attached to shares in the Company held as treasury shares; or (d) by a member or members present in person or by proxy or by attorney or in the case of a corporation by a representative holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid-up equal to not less than one-tenth (1/10) of the total paid-up on all the shares conferring that right, excluding any voting rights attached to shares in the Company held as treasury shares.

No.	Existing clause	Proposed amendment/New Clause
148A (NEW)	NIL	**Validity of electronic/digital signature** For the avoidance of doubt, any document or instrument transmitted by any technology purporting to include a signature and/or electronic or digital signature, including but not limited to signing with a platform such as DocuSign, of any of the following persons: (a) a holder of shares; (b) a Director; (c) an alternate Director; (d) in the case of a corporation, which is a holder of shares, its Director or Secretary or a duly appointed attorney or duly authorised representative; shall in the absence of express evidence to the contrary available to the person relying on such document or instrument at the relevant time, be deemed to be a document or instrument signed by such person in the terms in which it is received.

Niche Capital Emas

NICHE CAPITAL EMAS HOLDINGS BERHAD
Registration No.: 200001024664 (527272-V)
(Incorporated in Malaysia)

Form of Proxy

CDS Account No.	No. of Shares held

I/We ____
(Full Name in Block Letters and NRIC No./Passport No./Registration No.)

of ____
(Full Address)

and *telephone no./email address ______________________________

being a member/members of Niche Capital Emas Holdings Berhad ("the Company"), hereby appoint

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

*and/or

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies, to vote for *me/us on *my/our behalf at the Nineteenth Annual General Meeting ("19th AGM") of the Company, to be held at Mersawa & Rengas, Level 2, MÙ Hotel, No. 18, Jalan Chung On Siew, 30250 Ipoh, Perak, Malaysia on Wednesday, 9 December 2020 at 11.00 a.m., or at any adjournment thereof.

Please indicate with an "x" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

ORDINARY RESOLUTION ("OR")/ SPECIAL RESOLUTION ("SR")	OR1	OR2	OR3	OR4	OR5	OR6	OR7	OR8	SR
FOR									
AGAINST									

* Strike out whichever is not desired.

Signed this day of , 2020.

....
Signature of Shareholder(s)/Common Seal

Notes:

1. A proxy may but need not be a member.
2. For a proxy to be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).
3. A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. If the appointor is a corporation, the Form of Proxy must be executed under the corporation's Common Seal or under the hand of an officer or attorney duly authorised.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 2 December 2020 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote in his/her behalf.

Personal Data Privacy:
By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 19th AGM of the Company and any adjournment thereof.

PLEASE FOLD HERE

Stamp
Here

To

THE COMPANY SECRETARY

Niche Capital Emas Holdings Berhad

Registration No.: 200001024664 (527272-V)

170-09-01, Livingston Tower

Jalan Argyll, 10050 George Town

Pulau Pinang, Malaysia

PLEASE FOLD HERE

Niche Capital Emas

Niche Capital Emas Holdings Berhad

Registration No.: 200001024664 (527272-V)

Unit 3.1, 3rd Floor, Wisma Leader

No. 8 Jalan Larut, 10050 George Town, Penang, Malaysia.

Tel: 604 - 2298108 • Fax: 604 - 2297108

Email: info@nichecapital.com.my

website: www.nichecapital.com.my