

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31.12.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.12.2015 RM'000	CURRENT YEAR TO DATE ENDED 31.12.2016 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE ENDED 31.12.2015 RM'000
Revenue	55,961	51,889	185,402	191,407
Cost of sales	(30,303)	(29,565)	(100,865)	(109,177)
Gross Profit	25,658	22,324	84,537	82,230
Other Income	570	3,957	1,928	5,655
Administrative expenses	(9,545)	(10,481)	(33,269)	(32,600)
Other operating expenses	(11,726)	(9,460)	(37,792)	(36,665)
Finance costs	(534)	(509)	(1,818)	(1,536)
Profit before tax	4,423	5,831	13,586	17,084
Tax expense <i>(Note B5)</i>	(1,359)	(2,235)	(3,927)	(5,844)
Profit for the period	3,064	3,596	9,659	11,240
Profit attributable to:				
Owners of the Company	3,115	3,590	9,505	10,748
Non-controlling interests	(51)	6	154	492
Profit for the period	3,064	3,596	9,659	11,240
Basic earnings per ordinary share (sen) <i>(Note B11)</i>	2.38	2.74	7.26	8.21

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31.12.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.12.2015 RM'000	CURRENT YEAR TO DATE ENDED 31.12.2016 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE ENDED 31.12.2015 RM'000
Profit for the period	3,064	308	9,659	11,240
<i>Other comprehensive income, net of tax:</i>				
Foreign currency translation differences for foreign operations	7,724	5,748	2,003	4,775
Total comprehensive income for the period	10,788	6,056	11,662	16,015
Total comprehensive income attributable to:				
Owners of the Company	9,986	4,248	10,998	13,145
Non-controlling interests	802	1,808	664	2,870
Total comprehensive income for the period	10,788	6,056	11,662	16,015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	As at 31.12.2016 RM'000 <i>(Unaudited)</i>	As at 31.12.2015 RM'000 <i>(Audited)</i>
ASSETS		
Non-current assets		
Property, plant and equipment	34,321	35,067
Investment properties	25,703	25,867
Goodwill	87	-
Deferred tax assets	864	847
	<u>60,975</u>	<u>61,781</u>
Current assets		
Inventories	210,362	199,666
Trade and other receivables	22,373	21,800
Prepayments and other assets	2,165	1,182
Current tax assets	2,156	2,362
Cash and cash equivalents	46,793	40,255
	<u>283,849</u>	<u>265,265</u>
TOTAL ASSETS	<u>344,824</u>	<u>327,046</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	67,000	67,000
Share premium	10,435	10,435
Reserves	167,194	160,780
	<u>244,629</u>	<u>238,215</u>
Non-controlling interests	<u>14,180</u>	<u>13,516</u>
Total equity	<u>258,809</u>	<u>251,731</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	40,856	36,987
Deferred tax liabilities	555	375
	<u>41,411</u>	<u>37,362</u>
Current liabilities		
Loans and borrowings	5,672	7,397
Trade and other payables	37,059	27,786
Deferred revenue	1,192	1,222
Current tax liabilities	681	1,548
	<u>44,604</u>	<u>37,953</u>
Total liabilities	<u>86,015</u>	<u>75,315</u>
TOTAL EQUITY AND LIABILITIES	<u>344,824</u>	<u>327,046</u>
Net assets per share (RM)	1.98	1.92

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2016

	<----- Attributable to owners of the Company ----->							
	< ----- Non-distributable ----- >				Distributable		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Other reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000		
At 1 January 2016	67,000	10,435	14,143	(3,189)	149,826	238,215		
Total comprehensive income for the period	-	-	1,493	-	9,505	10,998	664	11,662
Shares repurchased	-	-	-	(5)	-	(5)	-	(5)
Dividends to shareholders	-	-	-	-	(4,579)	(4,579)	-	(4,579)
At 31 December 2016	67,000	10,435	15,636	(3,194)	154,752	244,629	14,180	258,809
At 1 January 2015	67,000	10,435	4,575	(3,166)	141,041	219,885	10,926	230,811
Total comprehensive income for the period	-	-	9,568	-	10,748	20,316	2,590	22,906
Shares repurchased	-	-	-	(23)	-	(5)	-	(23)
Dividends to shareholders	-	-	-	-	(1,963)	(1,963)	-	(1,963)
At 31 December 2015	67,000	10,435	14,143	(3,189)	149,826	238,233	13,516	251,731

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

DeGem Berhad (415726-T)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2016

These figures have not been audited

	31.12.2016 RM'000	31.12.2015 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	13,586	17,084
Adjustments for:		
Depreciation	3,800	3,691
Gain on derivative financial instruments	-	-
Interest expense	1,818	1,472
Provision for slow moving inventory	151	(314)
Property, plant and equipment written off	865	141
Gain on disposal of property, plant and equipment	(254)	-
Interest income	(118)	(94)
Unrealised foreign exchange loss / (gain)	855	80
Operating profit before working capital changes	<u>20,703</u>	<u>22,060</u>
Inventories	(10,847)	(2,997)
Receivables	(95)	(1,455)
Payables	7,082	(3,485)
Cash generated from operations	<u>16,843</u>	<u>14,123</u>
Interest paid	(1,818)	(1,472)
Income tax paid	(4,307)	(7,096)
Interest received	118	94
Net cash (used in) / generated from operating activities	<u>10,836</u>	<u>5,649</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(3,636)	(11,908)
Proceeds from disposal of property, plant and equipment	320	12
Proceeds from disposal of subsidiary company	-	-
Purchase of investment in a subsidiary company	(243)	-
Capital repayment to minority interests	-	-
Net cash used in investing activities	<u>(3,559)</u>	<u>(11,896)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(4,580)	(1,963)
Net proceeds from borrowings	2,548	2,482
Payment of finance lease liabilities	(171)	(478)
Share repurchased	(5)	(23)
Net cash (used in)/ generated from financing activities	<u>(2,208)</u>	<u>18</u>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	5,069	(6,229)
Effects of foreign exchange rate changes	1,469	11,070
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>40,255</u>	<u>31,815</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	<u>46,793</u>	<u>36,656</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

A. EXPLATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2015.

The accounting policies applied by the Group in these interim financial statements are consistent with those applied by the Group in its annual audited financial statements for the year ended 31 December 2015 except for the adoption of the following Amendments to Standards during the current financial period:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 7	Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 10	Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure Initiative
Amendments to MFRS 116	Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116	Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants
Amendments to MFRS 119	Employee Benefits (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 127	Separate Financial Statements – Equity Method in Separate Financial Statements
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

Amendments to MFRS 107	Statement of Cash Flows – Disclosure Initiative
Amendments to MFRS 112	Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (2014)
MFRS 15	Revenue from Contracts with Customers

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

MFRS 16	Leases
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The adoption of the above standards and amendments are not expected to have any material financial impact to the Group upon their first adoption other than MFRS 9, Financial Instruments, MFRS 15, Revenue from Contracts with Customers

A2. Seasonality or Cyclicity of Operations

Festive seasons do have an effect on the operations of the Group.

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the financial period.

A4. Changes in Estimates

There were no material changes in the estimates used for the preparation of interim financial report.

A5. Issuance, Cancellation or Repayments of Debt and Equity Securities

Saved as disclosed below, there were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities by the Company for the current financial period-to-date:

During the current quarter, the Company repurchased 4,000 of its issued ordinary shares from the open market at an average price of RM0.90 per share. The total consideration paid for the repurchase including transaction costs was RM3,647.54 and this was financed by internally generated funds. As at 31 December 2016, a total of 3,159,900 shares repurchased were held at a total cost of RM3,194,371.03. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965. None of the treasury shares held were resold or cancelled during the quarter under review and up to the date of this report.

A6. Dividend Paid

A first and final single tier dividend of 5% totalling RM3,271,103 in respect of the financial year ended 31 December 2015 and was paid to the shareholders on 1 July 2016.

An interim single tier dividend of 2% totalling RM1,308,401 in respect of the financial year ended 31 December 2016 and was paid to the shareholders on 28 December 2016.

A7. Segmental Information

Business Segment

Results for Year to Date Ended 31 December 2016

	Segment revenue		Segment profit before tax RM '000
	External RM '000	Intersegment RM '000	
Retail	172,176	66,477	13,020
Manufacturing	8,831	29,754	2,884
Others	4,396	2,354	(2,319)
Total	185,402	98,586	13,586
Consolidation adjustments:			
Intersegment transactions	-	(98,586)	-
Consolidated Total	185,402	-	13,586

Business Segment

Results for Year to Date Ended 31 December 2015

	Segment revenue		Segment profit before tax RM '000
	External RM '000	Intersegment RM '000	
Retail	178,836	36,350	15,883
Manufacturing	9,918	29,530	3,282
Others	2,653	3,229	(2,081)
Total	191,407	69,110	17,084
Consolidation adjustments:			
Intersegment transactions	-	(69,110)	-
Consolidated Total	191,407	-	17,084

A8. Material Events Subsequent To The Financial Period

There were no subsequent material events as at the date of this report.

A9. Changes in the Composition of the Company

Save as disclosed below, there were no changes in the composition of the Company during the quarter under review.

Bestline International Corporation Ltd. ("BICL"), a 70% owned subsidiary of Jewelmart International Sdn. Bhd., which in turn is a wholly owned subsidiary of the Company, had on 6 June 2016 acquired 100% equity interest in Bestline Design Sdn. Bhd. ("BD") and Bestline Ltd. ("BL") for a cash consideration of RM2.00 and HK\$300,000 respectively. The principal activities of BD is trading of jewelry and other related product, whereas the principal activities of BL are trading of jewelry and provision of marketing research for customers.

DeGem Berhad (415726-T)

A10. Contingent Liabilities

There were no contingent liabilities as at the date of this report.

A11. Capital Commitments

The Group did not have any capital commitments which were contracted but not provided for as at 31 December 2016.

A12. Significant Related Party Transactions

There were no significant related party transactions during the current quarter under review.

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES

BERHAD LISTING REQUIREMENTS

B1. Review of Performance

Quarter results

For the current quarter under review, the Group registered a revenue of RM56.0 million and a profit before tax ("PBT") of RM4.4 million as compared with a revenue of RM51.9 million and a PBT of RM5.8 million recorded in the corresponding quarter of the preceding year. Despite the higher revenue contributed from retail segment, the Group registered a lower PBT as compared to the corresponding quarter of the preceding year mainly due to increase in operating expenses.

Year-to-date results

For the current year-to-date, the Group registered a revenue of RM185.4 million and a PBT of RM13.6 million as compared with a revenue of RM191.4 million and a PBT of RM17.1 million recorded in the preceding year-to-date. The decrease in both revenue and PBT of the Group was mainly due to continued weak consumer sentiments as well as increase in operating expenses.

B2. Material Changes in Current Quarter Results compared to Immediate Preceding Quarter

For the current quarter, the Group registered a revenue of RM56.0 million and a PBT of RM4.4 million versus a revenue of RM46.9 million and a PBT of RM3.5 million recorded in the immediate preceding quarter. The improved result was mainly from retail segment.

B3. Prospects For Financial Year 2017

Despite uncertainties in the global and domestic economies and weakening of the ringgit, the Group will continue its efforts to adopt a more aggressive marketing strategies and increase its advertising as well as promotional activities.

With the Company's reputable branding and barring any unforeseen & adverse circumstances, the Board believes that the Group will continue to remain profitable for the financial year ending 2017.

B4. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2016 RM'000	Preceding Year Quarter 31.12.2015 RM'000	Current Year To date 31.12.2016 RM'000	Preceding Year Corresponding 31.12.2015 RM'000
Income Tax				
- Current period	1,484	1,683	4,007	5,467
- (Over)/Under provision in prior period	(15)	(187)	30	(89)
Deferred Taxation				
- Current period		222		222
- Prior period	(110)	517	(110)	244
	1,359	2,235	3,927	5,844

B6. Status of Corporate Proposals

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There were no corporate proposals announced but not completed at the date of this report.

B7. Borrowings and Debt Securities

The Group's borrowings as at 31 December 2016 are as follows:-

	Unsecured RM'000	Secured RM'000	Total RM'000
Current			
Finance lease liabilities	-	313	313
Bank overdraft	-	-	-
Term loans (in RM)	3,000	2,291	5,291
Term loans (in SGD)	-	68	68
	<u>3,000</u>	<u>2,672</u>	<u>5,672</u>
Non-current			
Finance lease liabilities	-	380	380
Term loans (in RM)	-	36,988	36,988
Term loans (in SGD)	-	3,488	3,488
	<u>-</u>	<u>40,856</u>	<u>40,856</u>
Total	<u>3,000</u>	<u>43,528</u>	<u>46,528</u>

B8. Material Litigation

There was no material litigation as at the date of this quarterly report and the financial year to date.

B9. Dividend

Apart from that disclosed in Note A6, there was no dividend proposed in the current quarter under review.

B10. Qualification of Audit Report of the Preceding Annual Financial Statements

There was no qualification on audit report of the preceding annual financial statements.

B11. Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2016	Preceding Year Corresponding Quarter 31.12.2015	Current Year To date 31.12.2016	Preceding Year Corresponding Year To Date 31.12.2015
Profit attributable to the owners (RM'000)	3,115	3,590	9,505	10,748
Weighted average number of ordinary shares in issue ('000)	130,772	130,788	130,845	130,866
Basic earnings per share (sen)	2.38	2.74	7.26	8.21

DeGem Berhad (415726-T)

Diluted earnings per share is not applicable for the Group.

B12. Notes To Condensed Consolidated Income Statements For The Quarter And Year-To-Date

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2016 RM'000	Preceding Year Corresponding Quarter 31.12.2015 RM'000	Current Year To date 31.12.2016 RM'000	Preceding Year Corresponding Year To Date 31.12.2015 RM'000
<i>After crediting :-</i>				
Interest Income	63	44	118	94
Foreign exchange gain - realised	-	-	-	-
Foreign exchange gain - unrealised	-	249	-	243
Gain on disposal of property, plant and equipment	119	-	254	78
Allowance on slow moving inventories-reversal	-	659	-	314
<i>After charging :-</i>				
Interest Expense	534	445	1,818	1,472
Depreciation	850	1022	3,800	3,691
Foreign exchange loss - realised	456	283	107	1,537
Allowance on slow moving inventories	(32)	-	151	-
Property, plant and equipment written off	531	141	865	141
Foreign exchange loss - unrealised	468	-	855	-

B13. Realised and Unrealised Profits and Losses

The breakdown of the retained earnings of the Group as at the reporting date, into realised and unrealised profits pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Securities Berhad ("Bursa Malaysia"), are as follows:

	31.12.2016 RM'000	31.12.2015 RM'000
Total Retained earnings of the Group		
- Realised	160,410	196,566
- Unrealised	(399)	(336)
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	160,011	196,230
Consolidation Adjustment	(2,759)	(46,404)
Total retained earnings of the Group	157,251	149,826

The determination of realised and unrealised profits or losses is based on Guidance of Special Matter No. 1, "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements" as issued by the Malaysian Institute of Accountants on 20 December 2010.

BY ORDER OF THE BOARD

ANDREA HUONG JIA MEI

Company Secretary
MIA 36347

Dated: 27 February 2017