

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30.09.17 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.09.16 RM'000	CURRENT YEAR TO DATE ENDED 30.09.17 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE ENDED 30.09.16 RM'000
Revenue	43,810	46,926	139,156	129,441
Cost of sales	(25,355)	(25,319)	(79,119)	(70,562)
Gross Profit	18,455	21,607	60,037	58,879
Other Income	1,379	544	4,156	1,358
Administrative expenses	(6,820)	(8,742)	(24,960)	(23,724)
Other operating expenses	(9,153)	(9,406)	(26,553)	(26,066)
Finance costs	(261)	(472)	(665)	(1,284)
Profit before tax	3,600	3,531	12,015	9,163
Tax expense <i>(Note B5)</i>	(1,841)	(992)	(3,293)	(2,568)
Profit for the period	1,759	2,539	8,722	6,595
Profit attributable to:				
Owners of the Company	1,549	2,384	9,021	6,390
Non-controlling interests	210	155	(299)	205
Profit for the period	1,759	2,539	8,722	6,595
Basic earnings per ordinary share (sen) <i>(Note B11)</i>	1.19	1.82	6.89	4.88

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30.09.17 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.09.16 RM'000	CURRENT YEAR TO DATE ENDED 30.09.17 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE ENDED 30.09.16 RM'000
Profit for the period	1,759	2,539	8,722	6,595
<i>Other comprehensive income, net of tax:</i>				
Foreign currency translation differences for foreign operations	(288)	1,339	(1,454)	(5,721)
Total comprehensive income for the period	1,471	3,878	7,268	874
Total comprehensive income attributable to:				
Owners of the Company	1,592	3,439	8,032	1,012
Non-controlling interests	(121)	439	(764)	(138)
Total comprehensive income for the period	1,471	3,878	7,268	874

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	As at 30.09.17 RM'000 <i>(Unaudited)</i>	As at 31.12.2016 RM'000 <i>(Audited)</i>
ASSETS		
Non-current assets		
Property, plant and equipment	29,752	30,073
Investment properties	29,714	29,951
Goodwill	-	87
Deferred tax assets	1,605	822
	<u>61,071</u>	<u>60,933</u>
Current assets		
Inventories	226,266	210,324
Trade and other receivables	23,721	23,348
Prepayments and other assets	2,106	1,091
Current tax assets	965	1,712
Cash and cash equivalents	26,059	47,324
	<u>279,117</u>	<u>283,799</u>
TOTAL ASSETS	<u>340,188</u>	<u>344,732</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	67,000	67,000
Share premium	10,435	10,435
Reserves	174,375	168,311
	<u>251,810</u>	<u>245,746</u>
Non-controlling interests	<u>3,838</u>	<u>13,906</u>
Total equity	<u>255,648</u>	<u>259,652</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	39,625	40,514
Deferred tax liabilities	398	401
	<u>40,023</u>	<u>40,915</u>
Current liabilities		
Loans and borrowings	6,911	6,014
Trade and other payables	34,360	35,833
Deferred revenue	1,397	1,192
Current tax liabilities	1,849	1,126
	<u>44,517</u>	<u>44,165</u>
Total liabilities	<u>84,540</u>	<u>85,080</u>
TOTAL EQUITY AND LIABILITIES	<u>340,188</u>	<u>344,732</u>
Net assets per share (RM)	1.95	1.98

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

	<----- Attributable to owners of the Company ----->							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	Distributable Retained earnings RM'000	Total RM'000	<----- Non-distributable ----->		
At 1 January 2017	67,000	10,435	16,048	(3,194)	155,457	245,746	13,906	259,652	
Total comprehensive income for the period	-	-	(989)	-	9,021	8,032	(764)	7,268	
Shares repurchased	-	-	-	(5)	-	(5)	-	(5)	
Dividend paid to non controlling interest	-	-	-	-	-	-	(7,194)	(7,194)	
Changes in non controlling interest transactions	-	-	-	-	-	-	(2,110)	(2,110)	
Dividends to shareholders	-	-	-	-	(1,963)	(1,963)	-	(1,963)	
At 30 September 2017	67,000	10,435	15,059	(3,199)	162,515	251,810	3,838	255,648	
At 1 January 2016	67,000	10,435	14,143	(3,189)	149,826	238,215	13,516	251,731	
Total comprehensive income for the period	-	-	(5,378)	-	6,390	1,012	(138)	874	
Shares repurchased	-	-	-	(2)	-	(2)	-	(2)	
Dividends to shareholders	-	-	-	-	(3,271)	(3,271)	-	(3,271)	
At 30 September 2016	67,000	10,435	8,765	(3,191)	152,945	235,954	13,378	249,332	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2017

These figures have not been audited

	30.09.2017 RM'000	30.09.2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	12,015	9,163
Adjustments for:		
Depreciation	2,580	2,950
Loss on disposal of a subsidiary	87	-
Interest expense	665	1,284
Provision for slow moving inventory	293	183
Property, plant and equipment written off	1,169	334
Gain on disposal of property, plant and equipment	(186)	(135)
Interest income	(197)	(55)
Unrealised foreign exchange loss / (gain)	(1,804)	387
Operating profit before working capital changes	<u>14,622</u>	<u>14,111</u>
Inventories	(16,235)	(11,520)
Receivables	(1,411)	(1,685)
Payables	(2,821)	10,406
Cash (used in)/ generated from operations	<u>(5,845)</u>	<u>11,312</u>
Interest paid	(665)	(1,284)
Income tax paid	(2,580)	(3,318)
Interest received	197	55
Net cash (used in) / generated from operating activities	<u>(8,893)</u>	<u>6,765</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(3,184)	(3,097)
Proceeds from disposal of property, plant and equipment	186	191
Proceeds from disposal of subsidiary company	3,379	-
Purchase of investment in a subsidiary company	-	(184)
Net cash used in investing activities	<u>381</u>	<u>(3,090)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(1,963)	(3,271)
Dividends paid to non controlling interest	(7,194)	-
Changes in non controlling interest transactions	(2,110)	-
Net repayment from borrowings	(4,337)	3,077
Payment of finance lease liabilities	144	(274)
Share repurchased	(5)	(2)
Net cash (used in)/ generated from financing activities	<u>(15,465)</u>	<u>(470)</u>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(23,977)	3,205
Effects of foreign exchange rate changes	(1,069)	(6,000)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>47,325</u>	<u>40,255</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u>22,279</u>	<u>37,460</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2017**A. EXPLANATORY 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 2016. 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 2016.

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 2016 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 2017

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- 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*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysia Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

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

- MFRS 16, *Leases*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2017 for those amendments that are effective for annual periods beginning on or after 1 January 2017.
- from the annual period beginning on 1 January 2018 for those accounting standards, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2018, except for Amendments to MFRS 1, Amendments to MFRS 2, Amendments to MFRS 4, and Amendments to MFRS 128 which are not applicable to the Group.
- from the annual period beginning on 1 January 2019 for the accounting standard that is effective for annual periods beginning on or after 1 January 2019.

A2. Seasonality or Cyclicity of Operations

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

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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

Save 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, there was no share repurchased. As at 30 September 2017, a total of 3,164,900 shares repurchased were held at a total cost of RM3,199,019.89. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. 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 final single tier dividend of 1.5sen totalling RM1,962,527 in respect of the financial year ended 31 December 2016 and was paid to the shareholders on 13 July 2017.

A7. Segmental Information

Segmental information is presented in respect of the Group's business segments.

Business Segments:

Retail: Suppliers and retailers of jewellery, diamonds, precious gemstone and gold bullion

Manufacturing: Manufacturer and trading in gold and jewellery

Others: Investment holding and property investment

Business Segment

Results for Year to Date Ended 30 September 2017

	Segment revenue		Segment profit
	External RM '000	Intersegment RM '000	before tax RM '000
Retail	127,887	65,114	6,115
Manufacturing	6,992	26,470	3,078
Others	4,276	18,530	2,822
Total	139,156	110,115	12,015
Consolidation adjustments:			
Intersegment transactions	-	(110,115)	-
Consolidated Total	139,156	-	12,015

Business Segment

Results for Year to Date Ended 30 September 2016

	Segment revenue		Segment profit
	External RM '000	Intersegment RM '000	before tax RM '000
Retail	120,884	43,638	6,855
Manufacturing	4,907	21,377	2,016
Others	3,650	1,755	291
Total	129,441	66,770	9,163
Consolidation adjustments:			
Intersegment transactions	-	(66,770)	-
Consolidated Total	129,441	-	9,163

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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.

Jewelmart International Sdn. Bhd., which is a wholly owned subsidiary of the Company, had on 10 August 2017 enter into Share Sales Agreement to disposed 70% equity interest in Bestline International Corporation Limited ("BICL") and its wholly owned subsidiary companies for a cash consideration of HKD6.15 million.

After the completion of the disposal, BICL and its wholly owned subsidiary companies ceased to be the subsidiary of the Company.

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 30 September 2017.

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 recorded a revenue of RM43.8 million as compared with a revenue of RM46.9 million for the preceding year corresponding quarter. The decrease in revenue of 7% was mainly contributed from decrease in sales volume from the retail segment.

The Group registered a higher profit before tax ("PBT") of RM3.6 million for the current quarter under review, representing an increase of 3.0% compared to a PBT of RM3.5 million recorded in the preceding year corresponding quarter. The improvement in PBT mainly due to lower operating expenses from retail segment and higher foreign exchange gain.

Year-to-date results

For the current year-to-date, the Group registered a revenue of RM139.2 million and a PBT of RM12.0 million as compared with a revenue of RM129.4 million and a PBT of RM9.2 million recorded in the preceding year-to-date. The increase in both revenue and PBT of 7.6% and 30.4% were attributed to higher revenue achieved from retail segment and higher foreign exchange gain.

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

For the current quarter, the Group registered a revenue of RM43.8 million and PBT of RM3.6 million as compared with a revenue of RM52.1 million and PBT of RM4.9 million recorded in the immediate preceding quarter. The decrease in PBT was mainly due to lower gross profit margin from retail segment.

B3. Prospects For Financial Year 2017

The jewellery market will continue to be challenging. The Group will continue to be more vigilant in monitoring the changes in the external environment and will take necessary step such as reviewing cost structure and marketing strategies in order to maintain sustainable growth.

Barring any unforeseen circumstances, the Board is optimistic of the Group performance for the remaining quarter of financial year.

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 30.09.2017 RM'000	Preceding Year Quarter 30.09.2016 RM'000	Current Year To date 30.09.2017 RM'000	Preceding Year Corresponding 30.09.2016 RM'000
Income Tax				
- Current period	1,811	1,117	4,042	2,648
- (Over)/Under provision in prior period	30	(15)	30	30
Deferred Taxation				
- Current period	-	-	-	-
- Prior period	-	(110)	(779)	(110)
	1,841	992	3,293	2,568

B6. Status of Corporate Proposals

Save as disclosed below, there were no corporate proposals being announced during the current quarter under review.

Jewelmart International Sdn. Bhd. ("JISB"), which is a wholly owned subsidiary of the Company had on 10 August 2017 enter into Sales and Purchase Agreement to dispose Seven Million (7,000,000) ordinary shares of HKD1.00 each representing 70% of the equity in Bestline International Corporation Ltd. ("BICL") and its wholly owned subsidiary companies for cash consideration of HKD6,150,000. After the completion of the disposal, BICL and its wholly owned subsidiary companies ceased to be the subsidiary of the Company.

B7. Borrowings and Debt Securities

The Group's borrowings as at 30 September 2017 are as follows:-

	Unsecured RM'000	Secured RM'000	Total RM'000
Current			
Finance lease liabilities	-	241	241
Bank overdraft	-	3,780	3,780
Term loans (in RM)	1,600	1,234	2,834
Term loans (in SGD)	-	56	56
	1,600	5,311	6,911
Non-current			
Finance lease liabilities	-	596	596
Term loans (in RM)	-	35,630	35,630
Term loans (in SGD)	-	3,399	3,399
	-	39,625	39,625
Total	1,600	44,936	46,536

B8. Material Litigation

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

B9. Dividend

As of the date of this announcement, there was no dividend declared for the current financial period ended 30 September 2017.

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 30.09.2017	Preceding Year Corresponding Quarter 30.09.2016	Current Year To date 30.09.2017	Preceding Year Corresponding Year To Date 30.09.2016
Profit attributable to the owners (RM'000)	1,549	2,384	9,021	6,390
Weighted average number of ordinary shares in issue ('000)	129,710	130,801	130,835	130,825
Basic earnings per share (sen)	1.19	1.82	6.89	4.88

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 30.09.2017 RM'000	Preceding Year Corresponding Quarter 30.09.2016 RM'000	Current Year To date 30.09.2017 RM'000	Preceding Year Corresponding Year To Date 30.09.2016 RM'000
<i>After crediting :-</i>				
Interest Income	39	12	197	55
Foreign exchange gain - realised	569	349	1,017	349
Foreign exchange gain - unrealised	543	-	1,804	-
Gain on disposal of property, plant and equipment	111	36	186	135
Allowance on slow moving inventories-reversal	-	-	-	-
<i>After charging :-</i>				
Interest Expense	261	472	665	1,284
Depreciation	933	1,030	2,580	2,950
Foreign exchange loss - realised	-	-	-	-
Allowance on slow moving inventories	198	(35)	293	183
Property, plant and equipment written off	1,150	139	1,169	334
Foreign exchange loss - unrealised	-	311	-	387

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:

	30.09.2017 RM'000	30.09.2016 RM'000
Total Retained earnings of the Group		
- Realised	162,875	156,156
- Unrealised	2,407	(555)
	<u>165,282</u>	<u>155,601</u>
Consolidation Adjustment	(2,767)	(2,656)
Total retained earnings of the Group	<u>162,515</u>	<u>152,945</u>

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: 22 November 2017