

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30.09.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.09.2017 RM'000	CURRENT YEAR YEAR TO DATE ENDED 30.09.2018 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE ENDED 30.09.2017 RM'000
Revenue	41,806	43,810	117,671	139,156
Cost of sales	(25,409)	(25,355)	(70,976)	(79,119)
Gross Profit	16,397	18,455	46,695	60,037
Other Income	2,642	1,379	4,276	4,156
Administrative expenses	(9,635)	(6,820)	(23,375)	(24,960)
Other operating expenses	(7,995)	(9,153)	(24,698)	(26,553)
Finance costs	(372)	(261)	(1,152)	(665)
Profit before tax	1,037	3,600	1,746	12,015
Tax expense (Note B5)	(427)	(1,841)	(1,909)	(3,293)
Profit/(Loss) for the period	610	1,759	(163)	8,722
Profit/(Loss) attributable to:				
Owners of the Company	592	1,549	(186)	9,021
Non-controlling interests	18	210	23	(299)
Profit/(Loss) for the period	610	1,759	(163)	8,722
Basic earnings/(loss) per ordinary share (sen) (Note B11)	0.45	1.19	(0.14)	6.89

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017.)

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30.09.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.09.2017 RM'000	CURRENT YEAR TO DATE ENDED 30.09.2018 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE ENDED 30.09.2017 RM'000
Profit/(Loss) for the period	610	1,759	(163)	8,722
<i>Other comprehensive income, net of tax:</i>				
Foreign currency translation differences for foreign operations	(131)	(288)	(837)	(1,454)
Total comprehensive income/(loss) for the period	<u>479</u>	<u>1,471</u>	<u>(1,000)</u>	<u>7,268</u>
Total comprehensive income attributable to:				
Owners of the Company	461	1,592	(1,023)	8,032
Non-controlling interests	18	(121)	23	(764)
Total comprehensive income/(loss) for the period	<u>479</u>	<u>1,471</u>	<u>(1,000)</u>	<u>7,268</u>

(The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017.)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018**

	As at 30.09.2018 RM'000 (Unaudited)	As at 31.12.2017 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	29,648	29,562
Investment properties	29,275	29,493
Deferred tax assets	885	1,798
	<u>59,808</u>	<u>60,853</u>
Current assets		
Inventories	209,203	215,296
Trade and other receivables	12,242	35,477
Current tax assets	3,637	1,898
Other investments	2,565	2,501
Fixed deposits placed with licensed banks	386	571
Cash and cash equivalents	33,247	32,692
	<u>261,280</u>	<u>288,435</u>
TOTAL ASSETS	<u>321,088</u>	<u>349,288</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	77,435	77,435
Reserves	169,526	171,858
	<u>246,962</u>	<u>249,293</u>
Non-controlling interests	<u>1,236</u>	<u>1,213</u>
Total equity	<u>248,198</u>	<u>250,506</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	37,612	37,131
Deferred tax liabilities	601	667
	<u>38,213</u>	<u>37,798</u>
Current liabilities		
Loans and borrowings	2,552	6,689
Trade and other payables	30,454	52,354
Deferred revenue	1,589	1,440
Current tax liabilities	82	501
	<u>34,677</u>	<u>60,984</u>
Total liabilities	<u>72,890</u>	<u>98,782</u>
TOTAL EQUITY AND LIABILITIES	<u>321,088</u>	<u>349,288</u>
Net assets per share (RM)	1.90	1.91

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Attributable to owners of the Company						Total equity RM'000		
	Non-distributable			Distributable					
	Share capital RM'000	Share premium RM'000	Other reserve RM'000	Exchange reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2018	77,435	-	2,500	1,711	(3,202)	170,849	249,293	1,213	250,506
Total comprehensive income for the period	-	-	-	(837)	-	(186)	(1,023)	23	(1,000)
Dividends to shareholders	-	-	-	-	-	(1,308)	(1,308)	-	(1,308)
At 30 September 2018	77,435	-	2,500	874	(3,202)	169,355	246,962	1,236	248,198
At 1 January 2017	67,000	10,435	2,500	13,548	(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	2,500	12,559	(3,199)	162,515	251,810	3,838	255,648

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2018***These figures have not been audited*

	30.09.2018	30.09.2017
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,746	12,015
Adjustments for:		
Depreciation	2,443	2,580
Loss on disposal of a subsidiary	-	87
Interest expense	1,152	665
Provision for slow moving inventories	348	293
Property, plant and equipment written off	238	1,169
Gain on disposal of property, plant and equipment	(334)	(186)
Interest income	(141)	(197)
Unrealised foreign exchange gain	(139)	(1,804)
Operating profit before working capital changes	<u>5,313</u>	<u>14,622</u>
Inventories	5,746	(16,235)
Receivables	24,423	(1,411)
Payables	<u>(22,640)</u>	<u>(2,821)</u>
Cash generated from/(used in) operations	<u>12,842</u>	<u>(5,845)</u>
Interest paid	(129)	(665)
Income tax paid	(3,239)	(2,580)
Interest received	141	197
Net cash generated from/(used in) operating activities	<u>9,615</u>	<u>(8,893)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,769)	(3,184)
Proceeds from disposal of property, plant and equipment	417	186
Proceeds from disposal of subsidiary company	-	3,379
Withdrawal/(Placement) of fixed deposits	185	(511)
Placement of other investments	(64)	-
Net cash used in investing activities	<u>(1,231)</u>	<u>(130)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(1,308)	(1,963)
Dividends paid to non controlling interest	-	(7,194)
Changes in non controlling interest transactions	-	(2,110)
Net repayment from borrowings	(1,369)	(4,337)
Net repayment of finance lease liabilities	(183)	144
Shares repurchased	-	(5)
Interest paid	(1,023)	-
Net cash used in financing activities	<u>(3,883)</u>	<u>(15,465)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,501	(24,488)
Effects of foreign exchange rate changes	(871)	(1,069)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>28,865</u>	<u>47,325</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u>32,495</u>	<u>21,768</u>
Represented by:		
Fixed deposits with licensed banks	386	511
Cash and bank	<u>33,247</u>	<u>25,548</u>
	33,633	26,059
Less: Fixed deposits pledged with licensed banks	(386)	(511)
Less: Bank overdrafts	<u>(752)</u>	<u>(3,780)</u>
	<u>32,495</u>	<u>21,768</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017.)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2018

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 2017. 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 2017.

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 2017 except for the adoption of the following Amendments to Standards during the current financial period.

A2. Changes in Accounting Policies

The significant accounting policies adopted by the Group are consistent with those of the audited financial statements for the year ended 31 December 2017, except for the new Malaysian Financial Reporting Standards (“MFRSs”), amendments/improvements to MFRSs, new IC Interpretation (“IC Int”) and amendments to IC Int with effect from 1 January 2018.

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021*
MFRS 2	Share-based Payment	1 January 2020*
MFRS 3	Business Combinations	1 January 2019/ 1 January 2020*
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021*
MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020*
MFRS 7	Financial Instruments: Disclosures	1 January 2021*
MFRS 9	Financial Instruments	1 January 2019
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangements	1 January 2019
MFRS 14	Regulatory Deferral Accounts	1 January 2020*
MFRS 15	Revenue from Contracts with Customers	1 January 2021*
MFRS 101	Presentation of Financial Statements	1 January 2020*
MFRS 107	Statements of Cash Flows	1 January 2021*
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020*
MFRS 112	Income Taxes	1 January 2019
MFRS 116	Property, Plant and Equipment	1 January 2021*
MFRS 119	Employee Benefits	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2019/ Deferred
MFRS 132	Financial Instruments: Presentation	1 January 2021*
MFRS 134	Interim Financial Reporting	1 January 2020*
MFRS 136	Impairment of Assets	1 January 2021*
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*
MFRS 138	Intangible Assets	1 January 2020*
MFRS 140	Investment Property	1 January 2021*
<u>New IC Int</u>		
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019
<u>Amendments to IC Int</u>		
IC Int 12	Service Concession Arrangements	1 January 2020*
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020*
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020*
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020*
IC Int 132	Intangible Assets - Web Site Costs	1 January 2020*

* Amendments to References to the Conceptual Framework in MFRS Standards

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

A3. Audit Qualification

There was no audit qualification in the auditors' report of the Company's previous financial statements for the financial year ended 31 December 2017.

A4. Seasonality or Cyclicity of Operations

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

A5. 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.

A6. Changes in Estimates

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

A7. 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 2018, a total of 3,167,900 shares repurchased were held at a total cost of RM3,201,991.22. 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.

A8. Dividend Paid

An interim single tier dividend of 1.0 sen per share in respect of the financial year ending 31 December 2018 was paid on 5 September 2018.

A9. Segmental Information

	Retail RM'000	Manufacturing RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
9 months period ended 30 September 2018					
Revenue					
External	110,353	4,596	2,723	-	117,671
Inter-segment revenue	37,374	27,854	10,609	(75,837)	-
Total revenue	147,727	32,449	13,332	(75,837)	117,671
Segment results					
Profit before tax	(547)	812	1,480	-	1,746
Tax expense					(1,909)
Loss for the period					(163)
Loss attributable to:					
- Owners of the Company					(186)
- Non-controlling interests					23
Loss for the period					(163)
9 months period ended 30 September 2017					
Revenue					
External	127,887	6,992	4,277	-	139,156
Inter-segment revenue	65,114	26,470	18,530	(110,114)	-
Total revenue	193,001	33,462	22,807	(110,114)	139,156
Segment results					
Profit before tax	6,115	3,078	2,822	-	12,015
Tax expense					(3,293)
Profit for the period					8,722
Profit attributable to:					
- Owners of the Company					9,021
- Non-controlling interests					(299)
Profit for the period					8,722

A10. Valuations of property, plant and equipment

The values of property, plant and equipment have been brought forward without amendments from the previous financial statements for the year ended 31 December 2017.

A11. Material Events Subsequent To The Financial Period

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

A12. Changes in the Composition of the Company

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

A13. Contingent Liabilities

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

A14. Capital Commitments

The Group did not have any capital commitments which were contracted but not provided for as at 30 September 2018.

A15. 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**

	Current Year Quarter 30/09/2018 RM'000	Preceding Year Corresponding Quarter 30/09/2017 RM'000	Current Year To date 30/09/2018 RM'000	Preceding Year Corresponding Year To Date 30/09/2017 RM'000
Revenue	41,806	43,810	117,671	139,156
Profit before tax	1,037	3,600	1,746	12,015
Profit / (Loss) after tax	610	1,759	(163)	8,722

Quarter results

For the quarter under review, the Group recorded a revenue of RM41.8 million and a profit before tax ("PBT") of RM1.0 million as compared with a revenue of RM43.8 million and PBT of RM3.6 million for the preceding year corresponding quarter. The decrease in profit was mainly due to the lower revenue and expenses incurred for early termination of rental agreement of a retail outlet for a foreign subsidiary.

Performance for the respective operating business segments for the current quarter as at 30 September 2018 as compared to the previous year's corresponding quarter is analysed as follows:

- 1) Retail operations – Segmental revenue increased to RM40.3 million in current quarter compared to RM38.0 million in previous year corresponding quarter due to higher sales volume. However it reported a loss before tax of RM0.3 million in current quarter as compared to profit before tax of RM0.4 million in the previous year's corresponding quarter due to expenses incurred for early termination of a retail outlet for a foreign subsidiary of approximately RM1.5m offset by lower expenses from disposal of foreign subsidiaries in preceding year corresponding quarter.
- 2) Manufacturing operations – Segmental revenue decreased to RM0.6 million in current quarter compared to RM3.3 million in previous year corresponding quarter due to lower sales volume. As a result, it reported a profit before tax of RM0.4 million during the current quarter as compared to profit before tax of RM0.7 million in previous year's corresponding quarter. Segmental profit comprised mainly by rental income, interest income and foreign exchange gain classified in other income.
- 3) Others – Segmental revenue decreased to RM0.9 million in current quarter compared to RM2.5 million in previous year corresponding quarter. Segmental profit decreased to RM1.0 million as compared to RM2.5 million resulted from lower sales. Segmental profit comprised mainly by rental income and interest income classified in other income.

Year to Date results

For the current year to date, the Group recorded a revenue of RM117.7 million and a profit before tax ("PBT") of RM1.7 million as compared with a revenue of RM139.2 million and PBT of RM12.0 million for the corresponding previous year to date. The decrease in profit was mainly due to the lower sales, lower gross profit margin and expenses incurred for early termination of rental agreement of a retail outlet for a foreign subsidiary. This was offset by lower expenses for current year to date resulted from disposal of foreign subsidiaries in previous year.

Performance for the respective operating business segments for the current year to date as at 30 June 2018 as compared to the previous year to date is analysed as follows:

- 1) Retail operations – Segmental revenue decreased by 13.7% to RM110.4 million in current year to date compared to RM127.9 million in previous year to date due to lower sales volume. As a result, it reported a loss before tax of RM0.5 million in current year to date as compared to PBT of RM6.1 million in the previous year to date.
- 2) Manufacturing operations – Segmental revenue decreased by 34.3% to RM4.6 million was lower than previous year to date of RM7.0 million. As a result, it reported a lower profit before tax of RM0.8 million in the current year to date compared to profit before tax of RM3.1 million in previous year to date. During the current year to date, segmental profit also contributed by rental income, interest income and foreign exchange gain classified in other income.
- 3) Others – Segmental revenue decreased by 36.3% to RM2.7 million as compared to previous year's corresponding period of RM4.3 million. As a result, segmental profit decreased to RM1.5 million in current year to date as compared to RM2.8 million in previous year to date. During the current year to date, segmental profit contributed mainly by rental income, interest income and foreign exchange gain classified in other income.

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

	Current Quarter Ended	Preceding Quarter Ended
	30/09/2018	30/06/2018
	RM'000	RM'000
Revenue	41,806	38,061
Profit before tax	1,037	569

For the current quarter under review, the Group recorded revenue and profit before tax of RM41.8 million and RM1.0 million respectively as compared to revenue of RM38.1 million and profit before tax of RM0.6 million, reported in the immediate preceding quarter. The higher profit before tax was mainly due to higher revenue in the current quarter.

B3. Prospects For Financial Year 2018

The Group expect market sentiment will gradually improve, given the sales tax exemption for jewellery industry. The Group will continue to be vigilant and actively undertake to streamline its operations, enhance product innovation, develop talent and implement new marketing strategies to boost sales and ensure sustainable growth.

B4. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee

B5. Taxation

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Year To Date
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	RM'000	RM'000	RM'000	RM'000
Income Tax				
- Current period	526	1,811	1,271	4,042
- (Over) / Under provision in prior period	(171)	30	(171)	30
Deferred Taxation				
- Prior period	72	-	808	(779)
	427	1,841	1,909	3,293

B6. Status of Corporate Proposals

There were no corporate proposals being announced during the current quarter under review.

B7. Borrowings and Debt Securities

The Group's borrowings as at 30 September 2018 are as follows:-

	Secured RM'000	Total RM'000
<i>Current</i>		
Finance lease liabilities	837	837
Bank overdraft	752	752
Term loans (in RM)	925	925
Term loans (in SGD)	38	38
	2,552	2,552
<i>Non-current</i>		
Finance lease liabilities	733	733
Term loans (in RM)	33,699	33,699
Term loans (in SGD)	3,180	3,180
	37,612	37,612
Total	40,164	40,164

B8. Material Litigation

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

B9. Dividend

The Board do not recommend any dividend during the current quarter.

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.

	Current Year Quarter 30.09.2018	Preceding Year Corresponding Quarter 30.09.2017	Current Year To date 30.09.2018	Preceding Year Corresponding Year To Date 30.09.2017
Profit attributable to the owners (RM'000)	592	1,549	(186)	9,021
Weighted average number of ordinary shares in issue ('000)	130,832	130,835	130,832	130,835
Basic earnings/(loss) per share (sen)	0.45	1.19	(0.14)	6.89

Diluted earnings per share is not applicable for the Group.

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

	Current Year Quarter 30.09.2018 RM'000	Preceding Year Corresponding Quarter 30.09.2017 RM'000	Current Year To date 30.09.2018 RM'000	Preceding Year Corresponding Year To Date 30.09.2017 RM'000
<i>After crediting :-</i>				
Interest income	51	39	141	197
Foreign exchange gain - unrealised	139	543	139	1,804
Gain on disposal of property, plant and equipment	-	111	334	186
<i>After charging :-</i>				
Interest expense	372	261	1,152	665
Depreciation	757	933	2,443	2,580
Provision for slow moving inventories	1	198	348	293
Property, plant and equipment written off	7	1,150	238	1,169

BY ORDER OF THE BOARD

ANDREA HUONG JIA MEI
Company Secretary
MIA 36347

Dated: 21 November 2018