



TOMEI CONSOLIDATED BERHAD (692959-W)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2012

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Revenue	141,456	137,117	583,157	505,387
Cost of sales	(105,437)	(98,916)	(440,184)	(354,874)
Gross profit	36,019	38,201	142,973	150,513
Other income	1,213	1,060	3,318	4,070
Selling and distribution expenses	(24,604)	(20,097)	(88,999)	(76,069)
Administrative expenses	(6,699)	(6,092)	(22,403)	(21,844)
Other expenses	(447)	40	(1,568)	(2,620)
Profit from operations	5,482	13,112	33,321	54,050
Finance costs	(3,156)	(2,395)	(11,652)	(8,345)
Profit before tax	2,326	10,717	21,669	45,705
Tax expense	(2,194)	(4,365)	(6,942)	(13,240)
Profit for the period/year	132	6,352	14,727	32,465
Profit attributable to:-				
Owners of the parent	34	6,201	14,242	31,198
Non-controlling interest	98	151	485	1,267
	132	6,352	14,727	32,465
Earnings per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings per share	0.02	4.47	10.28	22.51
Diluted earnings per share *	N/A	N/A	N/A	N/A

* Not applicable

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QUARTER ENDED 31 DECEMBER 2012**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
QUARTER ENDED 31 DECEMBER 2012 (Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year	132	6,352	14,727	32,465
Foreign currency translations	194	318	(540)	678
Total comprehensive income for the period/year	<u>326</u>	<u>6,670</u>	<u>14,187</u>	<u>33,143</u>
Total comprehensive income attributable to:-				
Owners of the parent	228	6,519	13,702	31,876
Non-controlling interest	98	151	485	1,267
	<u>326</u>	<u>6,670</u>	<u>14,187</u>	<u>33,143</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	As At 31/12/2012 RM'000	As At 31/12/2011 RM'000 (Restated)	As At 1/1/2011 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	19,840	17,596	15,035
Investment property	-	324	324
Prepaid lease payments for land	579	597	-
Deferred tax assets	212	-	408
	<u>20,631</u>	<u>18,517</u>	<u>15,767</u>
Current assets			
Inventories	351,105	326,097	253,713
Derivative assets	-	-	11
Trade and other receivables	27,574	25,701	22,267
Current tax recoverable	2,419	2,950	2,179
Cash and cash equivalents	6,434	13,712	9,009
	<u>387,532</u>	<u>368,460</u>	<u>287,179</u>
Non-current assets classified as held for sale	550	-	-
TOTAL ASSETS	<u>408,713</u>	<u>386,977</u>	<u>302,946</u>
EQUITY AND LIABILITIES			
Share capital	69,300	69,300	69,300
Share premium	4,036	4,036	4,036
Reserves	112,638	103,787	76,485
Equity attributable to owners of the parent	<u>185,974</u>	<u>177,123</u>	<u>149,821</u>
Non-controlling interest	6,423	6,008	2,491
TOTAL EQUITY	<u>192,397</u>	<u>183,131</u>	<u>152,312</u>
LIABILITIES			
Non-current liabilities			
Borrowings	43,145	27,523	22,428
Deferred income	397	428	6
Deferred tax liabilities	502	743	615
	<u>44,044</u>	<u>28,694</u>	<u>23,049</u>
Current Liabilities			
Trade and other payables	30,635	31,946	30,658
Borrowings	140,522	138,718	94,474
Current tax payable	1,115	4,488	2,453
	<u>172,272</u>	<u>175,152</u>	<u>127,585</u>
TOTAL LIABILITIES	<u>216,316</u>	<u>203,846</u>	<u>150,634</u>
TOTAL EQUITY AND LIABILITIES	<u>408,713</u>	<u>386,977</u>	<u>302,946</u>
Net assets per share (RM)	1.39	1.32	1.10

Upon the adoption of the MFRS framework, the Condensed Consolidated Statement of Financial Position as at 31 December 2011 and 1 January 2011 have been restated.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2012

	-----Attributable To Owners Of The Parent-----						
	--Non Distributable----			Distributable			
	Share Capital RM'000	Share Premium RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2012	69,300	4,036	(51)	103,838	177,123	6,008	183,131
Reclassification arising from adoption of MFRS	-	-	729	(729)	-	-	-
Restated	69,300	4,036	678	103,109	177,123	6,008	183,131
Total comprehensive income for the financial year	-	-	(540)	14,242	13,702	485	14,187
Transaction with owners:-							
-Dividends paid	-	-	-	(4,851)	(4,851)	(70)	(4,921)
Balance as at 31 December 2012	69,300	4,036	138	112,500	185,974	6,423	192,397

	----Attributable To Owners Of The Parent-----						
	---Non Distributable---			Distributable			
	Share Capital RM'000	Share Premium RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2011	69,300	4,036	(729)	77,214	149,821	2,491	152,312
Reclassification arising from adoption of MFRS	-	-	729	(729)	-	-	-
Restated	69,300	4,036	-	76,485	149,821	2,491	152,312
Total comprehensive income for the financial year	-	-	678	31,198	31,876	1,267	33,143
Transaction with owners:-							
-Ordinary shares contributed by a minority shareholder of a subsidiary	-	-	-	-	-	2,250	2,250
-Dividends paid	-	-	-	(4,574)	(4,574)	-	(4,574)
Balance as at 31 December 2011	69,300	4,036	678	103,109	177,123	6,008	183,131

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH
QUARTER ENDED 31 DECEMBER 2012****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 31 DECEMBER 2012**

	12 months ended 31/12/2012 RM'000	12 months ended 31/12/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	21,669	45,705
Adjustments for:-		
Amortisation of deferred income	(3)	(3)
Amortisation of prepaid lease payments for land	18	13
Depreciation of property, plant and equipment	5,940	5,506
Gain from fair value adjustment on investment properties	(226)	-
Impairment loss on trade and other receivables	6	13
Inventories written off	-	81
Property, plant and equipment written off	666	588
Reversal of impairment loss on trade and other receivables	-	(193)
Gain on disposal of property, plant and equipment	(316)	(61)
Unrealised (gain)/loss on gold price fluctuation and foreign exchange	(92)	15
Finance costs	11,652	8,345
Interest income	(53)	(97)
	<hr/>	<hr/>
Profit before working capital changes	39,261	59,912
Increase in inventories	(25,498)	(71,787)
Increase in receivables	(1,981)	(3,442)
(Decrease)/Increase in payables	(1,677)	1,712
	<hr/>	<hr/>
Cash from/(used in) operations	10,105	(13,605)
Interest paid	(8,681)	(6,016)
Tax paid	(11,990)	(11,447)
Tax refunded	1,752	7
	<hr/>	<hr/>
Net cash used in operating activities	(8,814)	(31,061)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	53	97
Ordinary share capital contributed by a minority shareholder of a subsidiary	-	2,250
Payments of prepaid lease	-	(610)
Purchase of property, plant and equipment	(3,445)	(5,659)
Proceeds from disposal of property, plant and equipment	333	73
(Increase)/Decrease in pledged deposits with licensed banks	(1,700)	5,189
	<hr/>	<hr/>
Net cash (used in)/from investing activities	(4,759)	1,340
	<hr/>	<hr/>

TOMEI CONSOLIDATED BERHAD (692959-W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH
QUARTER ENDED 31 DECEMBER 2012**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 31 DECEMBER 2012 (Cont'd)**

	12 months ended 31/12/2012 RM'000	12 months ended 31/12/2011 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(4,851)	(4,574)
Net finance costs paid	(2,834)	(2,144)
Net drawdown of term loans	22,997	10,161
Net (repayments)/drawdown of short term borrowings	(15,124)	48,841
Repayments of hire-purchase liabilities	(2,600)	(1,641)
Net cash (used in)/from financing activities	<u>(2,412)</u>	<u>50,643</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15,985)	20,922
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(1,891)	(22,814)
EFFECT OF EXCHANGE RATES CHANGES	(4)	1
CASH & CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>(17,880)</u>	<u>(1,891)</u>

Represented by:-

CASH AND CASH EQUIVALENTS

Cash and bank balances	4,734	13,712
Fixed deposits with a licensed bank	1,700	-
Bank overdrafts	<u>(22,614)</u>	<u>(15,603)</u>
	(16,180)	(1,891)
Less: Fixed deposits pledged to a licenced bank	<u>(1,700)</u>	<u>-</u>
	<u>(17,880)</u>	<u>(1,891)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011. The accompanying notes form an integral part of this statement.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH
QUARTER ENDED 31 DECEMBER 2012**

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

This interim financial report is unaudited and is prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") No 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read together with the Group's Audited Financial Statement for the year ended 31 December 2011. The Group has prepared its financial statements for both the financial year ended 31 December 2012 and 31 December 2011 in accordance with the Financial Reporting Standards ("FRS").

The Group has adopted the MFRS framework issued by Malaysian Accounting Standards Board ("MASB") with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge the Malaysian's existing FRS framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board.

The Group has applied MFRS 1 First Time Adoption of MFRS in the preparation of this interim financial report. In preparing the opening MFRS Statement of Financial Positions as at 1 January 2011, the Group has adjusted the amounts previously reported in its financial statements prepared in accordance with FRS.

There has been no material impact to the Group's financial statements upon the adoption of the MFRS.

2. SIGNIFICANT ACCOUNTING POLICIES

The Group has adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2012. The adoption of these new and revised MFRSs and IC Interpretations did not result in any changes to the significant accounting policies adopted by the Group except for the foreign currency translation reserve.

Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be nil as at the date of transition to MFRS. Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences as at 1 January 2011 amounting to RM 729,000 was adjusted to retained earnings as at that date as well as 31 December 2011.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

At the date of authorisation of these interim financial statements, the following MFRSs, Amendment to MFRSs and IC Interpretation were issued but not yet effective and have yet to be applied by the Group.

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual period beginning on or after
Amendments to MFRS 1	First-Time Adoption of Malaysian Financial Reporting Standards	1 January 2013
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair value Measurement	1 January 2013
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)	1 January 2013
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)	1 January 2013
MFRS 128	Investment in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)	1 January 2013
Amendments to MFRS 7	Disclosures-Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS	Annual Improvements 2009 – 2011 Cycle	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH
QUARTER ENDED 31 DECEMBER 2012**

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (cont’d)

3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report for the preceding financial year ended 31 December 2011 was issued without any qualification.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group’s business traditionally picks up during the major festive seasons in Malaysia.

5. UNSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no extraordinary or exceptional items for the financial year ended 31 December 2012.

6. CHANGES IN ESTIMATES

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

7. CAPITAL MANAGEMENT, ISSUANCES, REPURCHASES AND REPAYMENTS OF DEBTS AND EQUITY INSTRUMENTS

The Group’s objectives of managing capital are to safeguard the Group’s ability to continue in operations as a going concern in order to provide fair 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 the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders’ equity, non-controlling interests and total debt to be the key components in the Group’s capital structure. The Group monitors capital on the basis of the net gearing ratio. The ratio is calculated as the total debt net of cash and cash equivalents to total equity. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The net gearing ratios as at 31 December 2012 and 31 December 2011, which are within the Group’s objectives for capital management, are as follows:-

	31/12/2012 RM’000	31/12/2011 RM’000 (Restated)
Total debt net of cash and cash equivalents	177,233	152,529
Total equity	192,397	183,131
Net gearing ratio	0.92	0.83

The Group reported net gearing ratio of 0.92 as at 31 December 2012, increased by 0.09 compared to 31 December 2011. The increase in gearing is due to higher requirement for working capital arising from business expansion.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH
 QUARTER ENDED 31 DECEMBER 2012**

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont’d)
8. DIVIDEND PAID

On 31 May 2012, the Company paid a first and final single tier dividend of 3.5 sen per ordinary share amounting to RM 4.851 million in respect of the financial year ended 31 December 2011.

9. OPERATING SEGMENTAL INFORMATION

The Group has arrived at two reportable segments that are based on information reported internally to the Group Managing Director. The reportable segments are summarised as follows:-

- Manufacturing & Wholesales
- Retail

The segment information for the current financial year is as follows:-

Results for financial year ended 31 December 2012	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	145,191	444,619	589,810
Inter-segment sales	(6,276)	(377)	(6,653)
External sales	138,915	444,242	583,157
Results			
Profit before tax	4,564	17,105	21,669
Tax expense	(1,148)	(5,794)	(6,942)
Profit for the year	3,416	11,311	14,727
Non-controlling interest			(485)
Profit attributable to owners of the parent			14,242
Assets and liabilities as at 31 December 2012			
Assets			
Segment assets	68,046	338,036	406,082
Unallocated assets	-	-	2,631
Total assets	-	-	408,713
Liabilities			
Segment liabilities	27,107	187,592	214,699
Unallocated liabilities	-	-	1,617
Total liabilities	-	-	216,316

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012****(The figures have not been audited)****PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)****9. OPERATING SEGMENTAL INFORMATION (Cont'd)**

Results for financial year ended 31 December 2011	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	122,212	392,538	514,750
Inter-segment sales	(8,667)	(696)	(9,363)
External sales	113,545	391,842	505,387
Results			
Profit before tax	11,287	34,418	45,705
Tax expense	(3,009)	(10,231)	(13,240)
Profit for the year	8,278	24,187	32,465
Non-controlling interest			(1,267)
Profit attributable to owners of the parent			31,198
Assets and Liabilities as at 31 December 2011 (Restated)			
Assets			
Segment assets	69,265	314,762	384,027
Unallocated assets	-	-	2,950
Total assets	-	-	386,977
Liabilities			
Segment liabilities	27,342	171,273	198,615
Unallocated liabilities	-	-	5,231
Total liabilities	-	-	203,846

10. CARRYING AMOUNT OF REVALUED ASSETS

The valuation of property, plant and equipment has been brought forward without any amendments from the previous Audited Financial statements of the Group. An investment property which has been reclassified to non current assets held for sale was revalued to its expected realizable value as at the date of this report.

TOMEI CONSOLIDATED BERHAD (692959-W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH
QUARTER ENDED 31 DECEMBER 2012**

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont’d)

11. SIGNIFICANT EVENTS DURING THE CURRENT QUARTER

On 5 October 2012, the Company has announced that the following indirect subsidiary companies would be wound-up by way of member’s voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965 :-

1. Tomei Gold & Jewellery (SK) Sdn Bhd
2. Tomei Gold & Jewellery (B.U.) Sdn Bhd
3. Tomei Gold & Jewellery (MK) Sdn Bhd
4. Tomei Gold & Jewellery (TS) Sdn Bhd
5. Tomei Gold & Jewellery Corp. (KLCC) Sdn Bhd
6. Tomei Gold & Jewellery Corp. (Sunway) Sdn Bhd

On 9 October 2012, the Company as part of its internal restructuring plan has acquired 500,000 ordinary shares of RM 1.00 each in its indirect subsidiary company, Emas Assayer Sdn Bhd (f.k.a. Tomei Gold & Jewellery (IOI) Sdn Bhd) for a total cash consideration of RM 500,000.00 from its subsidiary company, Tomei Gold & Jewellery (MJ) Sdn Bhd.

On 7 November 2012, an application was made to strike off Tomei Gold & Jewellery (PT) Sdn Bhd and Tomei Gold & Jewellery (JB) Sdn Bhd, both being indirect subsidiary companies of the Company.

On 11 December 2012, the Company, via its wholly owned subsidiary company, Tomei Retail Sdn. Bhd., has acquired 2 ordinary shares of RM 2.00 each representing 100% equity interest in De Beers Diamond Jewellers Sdn. Bhd. (“DBSB”), a company incorporated in Malaysia for a total cash consideration RM 2.00. The Company is dormant as at the date of acquisition.

On 21 December 2012, DBSB has entered into a Franchise Agreement with De Beers Diamond Jewellers Limited for an exclusive right to retail De Beers jewellery under the brand “De Beers” in one (1) retail store in Malaysia for a period of seven (7) years. The Franchise Agreement also provides DBSB with the first right of refusal to operate on exclusive basis additional De Beers retail stores in Malaysia, Indonesia, Thailand, Singapore and Vietnam.

12. CHANGES IN COMPOSITION OF THE GROUP

Except for the events as stated in Notes 11 above, there were no other changes to the composition of the Group for the current financial year.

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets which have arisen since the last annual reporting date as at 31 December 2011.

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012****(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****14. COMMITMENTS**

Except as disclosed below, there were no other material commitments as at 31 December 2012:-

i) Rental commitments

The Group had entered into several tenancy agreements for the rental of retail space, office blocks and staff housing, resulting in future rental commitments which may, subject to certain terms in the agreements, be revised accordingly or upon its maturity based on prevailing market rates.

	RM'000
Future rental commitments	<u>26,197</u>

ii) Capital commitments

Capital expenditure in respect of purchase of property, plant and equipment:-

	RM'000
Contracted but not provided for	940
Approved but not contracted for	3,070
	<u>4,010</u>

15. PERFORMANCE REVIEW

	Individual quarter		Year to-date	
	3 months ended		12 months ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Sales				
Retail	107,198	102,127	444,242	391,842
Manufacturing & wholesales	34,258	34,990	138,915	113,545
Total	<u>141,456</u>	<u>137,117</u>	<u>583,157</u>	<u>505,387</u>
Profit before tax				
Retail	1,489	7,617	17,105	34,418
Manufacturing & wholesales	837	3,100	4,564	11,287
Total	<u>2,326</u>	<u>10,717</u>	<u>21,669</u>	<u>45,705</u>

The retail segment which made up of 75.78% of total revenue and 64.02% of total profit before tax remained the larger contributor to the Group's performance during the quarter.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

(The figures have not been audited)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

15. PERFORMANCE REVIEW (Cont'd)

Comparison with previous year corresponding quarter

The Group's revenue for the current quarter ended 31 December 2012 was RM 141.456 million as compared to RM 137.117 million achieved in the preceding year's corresponding quarter.

However, the Group's profit before tax ("PBT") decreased to RM 2.326 million from RM 10.717 million recorded in the preceding year's corresponding quarter mainly due to fluctuation in gold prices resulting in lower gross profit margin earned and higher operating cost.

The retail segment's revenue increased slightly by 4.97% to RM 107.198 million compared to the corresponding quarter last year. Due to the fluctuation in gold prices which has resulted in lower gross profit margin earned and higher operating cost, PBT during the quarter decreased to RM 1.489 million from RM 7.617 million reported in the preceding year corresponding quarter.

The manufacturing and wholesales segment's revenue for the current quarter approximates the revenue for the corresponding quarter last year. However, due to the fluctuation in gold prices which has resulted in lower gross profit margin earned, its PBT decreased to RM 0.837 million from RM 3.100 million reported in the preceding year corresponding quarter.

Comparison with previous year corresponding financial year to date

The Group's revenue for the current financial year to date increased by 15.39% to RM 583.157 million as compared to RM 505.387 million recorded in the last financial year. The increase was mainly due to higher sales volume achieved.

However, the Group's PBT decreased by 52.59% to RM 21.669 million mainly due to fluctuation in gold prices and higher operating cost.

The retail segment's recorded a growth of 13.37% in revenue to RM 444.242 million during the year, largely due to the increase in number of retail outlets and higher sales volume. However, due to the fluctuation in gold prices which has resulted in lower gross profit margin earned and higher operating cost, PBT decreased 50.30% to RM 17.105 million.

The manufacturing and wholesales segment's recorded a 22.34% increase in revenue to RM 138.915 million for the year compared to RM 113.545 million recorded in the last financial year. The improvement was mainly due to better sales volume to third party jewellery retailers during the year. The incorporation of O M Design Sdn. Bhd. which is involved in wholesales of jewellery in the year 2011 also contributed positively to the increase in this segment's revenue. However, due to fluctuation in gold prices, PBT decreased by 59.56% to RM 4.564 million.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**

15. PERFORMANCE REVIEW (Cont'd)

Comparison with preceding quarter

	Revenue		Profit before tax	
	3 months ended		3 months ended	
	31/12/2012	30/9/2012	31/12/2012	30/9/2012
	RM'000	RM'000	RM'000	RM'000
Retail	107,198	104,653	1,489	1,746
Manufacturing & wholesales	34,258	31,497	837	1,646
Total	141,456	136,150	2,326	3,392

The Group's revenue for the current quarter under review increased by 3.90% to RM 141.456 million as compared to the preceding quarter.

However, the Group's PBT decreased to RM 2.326 million from RM 3.392 million recorded in the preceding quarter mainly due to higher operating cost.

The retail segment's revenue recorded a marginal increase to RM 107.198 million for the current quarter as compared to the preceding quarter. However, PBT decreased from RM 1.746 million to RM 1.489 million due to higher operating cost.

The manufacturing and wholesales segment's revenue for the current quarter increased by 8.76% to RM 34.258 million as compared to the preceding quarter. However, its PBT decreased to RM 0.837 million from RM 1.646 million reported in the preceding quarter mainly due to higher operating cost.

16. COMMENTARY ON PROSPECTS

With the gradual recovery of the US economy and the bottoming out of the economy of UK and EU countries, and coupled with positive development in the global capital markets, the outlook for the financial year 2013 looks encouraging. In the light of this scenario and with the De Beers franchise, and barring any adverse surprises, the Group is cautiously optimistic of sustaining its profitability for the financial year ending 31 December 2013.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

17. PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not provided any profit forecast or profit guarantee in any public document during the current financial year.

18. TAX EXPENSE

	Individual Quarter		Year to-date	
	3 months ended		12 months ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Current taxation	2,646	3,823	7,067	12,473
Under provision in prior years	1	6	328	231
Deferred taxation				
-Current	(227)	154	(227)	154
-(over)/under provision in prior years	(226)	382	(226)	382
	<u>2,194</u>	<u>4,365</u>	<u>6,942</u>	<u>13,240</u>

The effective tax rate of the Group for the current financial year is higher than its statutory tax rate of 25% mainly due to certain expenses not deductible for taxation purpose and losses reported in certain subsidiary companies.

19. CORPORATE PROPOSALS

There were no corporate proposals undertaken by the Group during the current financial year.

20. BORROWINGS AND DEBT SECURITIES

As at 31 December 2012, the Group has total borrowings of RM 183.667 million, all of which are denominated in Ringgit Malaysia.

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Current	3,359	137,163	140,522
Non-current	4,234	38,911	43,145
	<u>7,593</u>	<u>176,074</u>	<u>183,667</u>

21. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2011.

22. DIVIDEND PAYABLE

The Directors do not recommend any interim dividend payment for the current quarter.

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23. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the net profit for the period/year by the weighted average number of ordinary shares in issue during the year.

	Individual quarter		Year to-date	
	3 months ended		12 months ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Consolidated profit for the financial period/year attributable to equity holders of the parent	34	6,201	14,241	31,198
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic earnings per share (sen)	0.02	4.47	10.28	22.51
Diluted earnings per share	N/A	N/A	N/A	N/A

There is no diluted earning per share as the Company does not have any convertible financial instruments in issue.

24. PROFIT BEFORE TAX

	Individual quarter		Year to-date	
	3 months ended		12 months ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,495	1,408	5,955	5,516
Impairment loss on trade and other receivables	6	1	6	13
Interest expense	3,156	2,395	11,652	8,345
Inventories written off	-	81	-	81
Property, plant and equipment written off	232	233	666	588
Reversal of impairment loss on trade and other receivables	-	(83)	-	(193)
Gain from fair value adjustment of investment properties	(226)	-	(226)	-
Gain on gold price fluctuation and foreign exchange	(862)	(847)	(1,679)	(1,500)
Gain on disposal of property, plant and equipment	-	(10)	(316)	(61)
Interest income	(52)	-	(53)	(97)

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25. REALISED AND UNREALISED RETAINED EARNINGS

	As at	
	31/12/2012	31/12/2011
	RM'000	RM'000
Total retained earnings:-		(Restated)
- realised	131,784	119,915
- unrealised	1,276	(552)
	<u>133,060</u>	<u>119,363</u>
Less: Consolidation adjustments	<u>(20,560)</u>	<u>(16,254)</u>
Total Group retained earnings	<u>112,500</u>	<u>103,109</u>

The retained earnings as at 31 December 2011 has been restated upon the adoption of MFRS.

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719)

Dated : 26 February 2013