

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2010**A. NOTES TO THE INTERIM FINANCIAL REPORT****A1. Accounting Policies and Methods of Computation**

The interim financial report has been prepared in accordance with Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the Annual Financial Statements for the financial year ended 31 July 2010 except for the adoption of the following new and revised FRSs, Issues Committee Interpretations ("IC Int.") and amendments to FRSs that are effective for the current financial year ending 31 July 2011:-

-FRS 1	First-time Adoption of Financial Reporting Standards (Revised 2010)
-FRS 3	Business Combinations (Revised 2010)
-FRS 4	Insurance Contracts
-FRS 7	Financial Instruments : Disclosures
-FRS 101	Presentation of Financial Statements (Revised 2009)
-FRS 123	Borrowing Costs
-FRS 127	Consolidated and Separate Financial Statements (Revised 2010)
-FRS 139	Financial Instruments : Recognition and Measurement

-IC Int. 9	Reassessment of Embedded Derivatives
-IC Int. 10	Interim Financial Reporting and Impairment
-IC Int. 11	FRS 2 - Group and Treasury Share Transactions
-IC Int. 12	Service Concession Arrangements
-IC Int. 13	Customer Loyalty Programmes
-IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
-IC Int. 15	Agreements for the Construction of Real Estate
-IC Int. 16	Hedges of a Net Investment in a Foreign Operation
-IC Int. 17	Distributions of Non-cash Assets to Owners

-Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements : Cost of an Investment In a Subsidiary, Jointly Controlled Entity or Associate

-Amendments to FRS 2 Share based Payment - Vesting Conditions and Cancellations

-Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

-Amendments to FRS 132 Financial Instruments : Presentation

-Amendments to FRS 138 Intangible Assets

-Amendments to FRS 139 Financial Instruments : Recognition and Measurement, FRS 7 Financial Instruments : Disclosures and IC Int. 9 Reassessment of Embedded Derivatives

-Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"

-Amendments to IC Int. 9 Reassessment of Embedded Derivatives

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The adoption of the above new and revised FRSs, IC Int. and amendments to FRSs will have no significant financial impact on the financial statements of the Group except for additional disclosure requirements.

FRS 101: Presentation of Financial Statements (Revised 2009)

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of Balance Sheet, Income Statement, Statement Of Changes In Equity, Cash Flow Statement and Notes To The Financial Statements. The adoption of the revised FRS 101, the components of the financial statements presented will replace by "Statement Of Financial Position", "Statement Of Comprehensive Income", "Statement Of Changes In Equity", "Statement Of Cash Flows" and "Notes To The Financial Statements" respectively.

The total comprehensive income is presented as one line item in the Statement Of Changes In Equity and the comparative information has been presented in order to confirm with the revised standard. This standard only affects the presentation aspects and will have no significant financial impact to the Group.

A2. Audit Report

The audit report of the preceding Audited Financial Statements of the Company was reported without any qualification.

A3. Seasonality or Cyclicity of Operations

It was a traditional peak trading period for the quarter under review.

A4. Unusual Items

There were no unusual and extraordinary items in the current quarter under review.

A5. Changes in Estimates

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

A6. Issuance, Cancellation or Repayments of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to-date.

A7. Dividend paid

No dividend was paid in the quarter under review.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2010**A8. Segmental Information**

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

Business segments:

Manufacturing: Manufacturer and dealer of jewellerys, precious stones and gold ornaments

Trading: Suppliers and retailers of gold ornaments, jewellerys and precious stones

Others: Investment holding

	Cumulative Quarter				
	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue	215	169,098	138	-	169,451
Inter-segment Revenue	72,028	54,550	2,732	(129,310)	-
Total Revenue	72,243	223,648	2,870	(129,310)	169,451
Profit before taxation	4,782	11,822	(1,014)	(399)	15,191
Profit after taxation	3,491	8,818	(1,025)	(399)	10,885

A9. Valuations of Property, Plant and Equipment

The Group did not carry out any valuations on property, plant and equipment in the quarter under review.

The valuation of property, plant and equipment and investment property have been brought forward without amendment from previous Audited Financial Statements.

A10. Material Events Subsequent To The Financial Period

There was no subsequent material event as at the date of this quarterly report.

A11. Changes in the Composition of the Company

There was no change in the composition of the Group for the current quarter and financial year to date including business combination, acquisition or disposal of subsidiaries and long term investment, restructuring or discontinuing of operations.

A12. Contingent Liabilities

There was no additional corporate guarantee granted for the current quarter and financial year to date. As at 31 October 2010, a total of RM115,851,253 corporate guarantee has been given in support of banking facilities granted to subsidiary companies and a total of RM8,578,400 corporate guarantee has been given to third party in respect of leasing and hire purchase facilities.

Save as disclosed above, there were no changes in contingent liabilities since the last annual balance sheet date.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2010**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS****B1. Review of Performance**

The Group's revenue for the first quarter under review was higher at RM169.451 million as compared to the revenue in the corresponding quarter last year of RM152.392 million; an increase of RM17.059 million. The increase in revenue was due to the existing stores registering higher sales. The Group's profit before tax in the current quarter at RM15.191 million was higher as compared to the profit before tax of RM13.737 million in the corresponding quarter last year; an increase of RM1.454 million. The increase in profit before tax was mainly due to the higher sales registered for the current quarter under review.

B2. Comparison with Preceding Quarter's Results (1st Quarter FYE 2011 vs 4th Quarter FYE 2010)

Financial Indicators:	Q1FYE2011	Q4FYE2010	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	169,451	131,906 #	37,545	28%
Profit before taxation	15,191	9,609 #	5,582	58%
Profit after taxation	10,885	7,789 #	3,096	40%

B3. Current Year Prospects

For the current financial year, the Group will continue its drive to build market share by enhancing and differentiating its product offerings to its targeted market segments. Towards this purpose, the Group is actively evaluating various initiatives and opportunities to attract new customers through the introduction of new product designs and enhanced customer service.

The Board of Directors remains positive on the performance of the Group for the financial year ending 31 July 2011.

B4. Profit Forecast

Not applicable as the Group did not publish any profit forecast.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 31.10.2010	Quarter Ended 31.10.2009	Period Ended 31.10.2010	Period Ended 31.10.2009
	RM'000	RM'000	RM'000	RM'000
Income taxation	4,306	3,877	4,306	3,877
Deferred taxation	-	-	-	-
	<u>4,306</u>	<u>3,877</u>	<u>4,306</u>	<u>3,877</u>

The effective tax rate for the current quarter was higher than the statutory tax rate due principally to certain expenses disallowed for tax purposes.

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B6. Disposal of Unquoted Investments and/or Properties

There was no disposal of unquoted investments or properties for the current quarter and financial year to date.

B7. Quoted Securities

a. There were no purchases or disposals of quoted securities for the current quarter and financial year to date.

b. There were no investments in quoted securities for the current quarter and financial year to date.

B8. Status of Corporate Proposals Announced

There were no corporate proposals announced for the current quarter and financial year to date.

B9. Borrowings and Debt Securities

The Group's borrowings as at 31 October 2010 are as follows:-

	RM'000
<i>Short-term Borrowings</i>	
<i>- Secured</i>	
Bank overdraft	17,668
Hire purchase and lease creditors	5,143
Other bank borrowings	51,917
	<u>74,728</u>
<i>- Unsecured</i>	
Murabahah Medium Term Notes ("MTN")	10,000
	<u>84,728</u>
<i>Long-term Borrowings</i>	
<i>- Secured</i>	
Hire purchase and lease creditors	2,954
Term loans	24,157
	<u>27,111</u>
<i>- Unsecured</i>	
Advance from Ultimate Holding Company	15,000
Murabahah Medium Term Notes ("MTN")	20,000
	<u>62,111</u>
Total	<u>146,839</u>

B10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this quarterly report and financial year to date.

B11. Material Litigation

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

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B12. Dividend

No dividend was declared in the quarter under review.

B13. Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 31.10.2010	Quarter Ended 31.10.2009	Period Ended 31.10.2010	Period Ended 31.10.2009
Net profit after taxation for basic earnings per share (RM'000)	10,885	9,860	10,885	9,860
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
Basic earnings per share (sen)	<u>2.65</u>	<u>2.40</u>	<u>2.65</u>	<u>2.40</u>

BY ORDER OF THE BOARD**DATO' CHOON YEE SEIONG**

Executive Chairman / Group Managing Director

6 December 2010

Petaling Jaya

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2010**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.10.2010	QUARTER ENDED 31.10.2009	PERIOD ENDED 31.10.2010	PERIOD ENDED 31.10.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	169,451	152,392	169,451	152,392
Other operating income	214	65	214	65
Operating expenses	(151,913)	(136,074)	(151,913)	(136,074)
Profit from operations	17,752	16,383	17,752	16,383
Finance costs	(2,561)	(2,646)	(2,561)	(2,646)
Profit before taxation	15,191	13,737	15,191	13,737
Taxation	(4,306)	(3,877)	(4,306)	(3,877)
Profit after taxation	10,885	9,860	10,885	9,860
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	10,885	9,860	10,885	9,860
Attributable to:--				
Equity Holders of the Company	10,885	9,860	10,885	9,860
Minority Interests	-	-	-	-
	10,885	9,860	10,885	9,860
Earnings per share attributable to equity holders of the Company				
- basic (sen)	2.65	2.40	2.65	2.40

(The Condensed Unaudited Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2010**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT 31.10.2010 (Unaudited) RM'000	AS AT 31.7.2010 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	78,836	79,401
Prepaid land lease payments	8,443	8,473
Investment property	240	240
Other investments	533	533
Intangible assets	1,485	1,485
Deferred tax assets	122	122
	89,659	90,254
CURRENT ASSETS		
Inventories	397,967	383,614
Trade receivables	1,196	1,136
Non-trade receivables	10,911	10,389
Tax recoverable	4,156	4,615
Fixed deposits with licensed banks	5,000	5,000
Cash and bank balances	16,085	14,633
	435,315	419,387
TOTAL ASSETS	524,974	509,641
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	205,176	205,176
Reserves	116,246	105,361
TOTAL EQUITY	321,422	310,537
NON-CURRENT LIABILITIES		
Advance from Ultimate Holding Company	15,000	15,000
Long-term borrowings	47,111	58,025
Deferred tax liabilities	5,963	5,963
	68,074	78,988
CURRENT LIABILITIES		
Trade payables	25,937	19,996
Non-trade payables	16,648	16,420
Amount due to directors (Note 1)	2,622	2,034
Short-term borrowings	84,728	77,601
Provision for taxation	5,543	4,065
	135,478	120,116
TOTAL LIABILITIES	203,552	199,104
TOTAL EQUITY AND LIABILITIES	524,974	509,641

Net assets per share attributable to
ordinary equity holders of the Company (RM)

0.78

0.76

Note 1: Amount due to directors consists of directors' fee and directors' other emoluments.

(The Condensed Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2010

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER	
	PERIOD	PERIOD
	ENDED	ENDED
	31.10.2010	31.10.2009
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	15,191	13,737
Adjustments for:		
Depreciation of property, plant and equipment	2,101	2,074
Amortisation of prepaid land lease payments	30	23
Gain on disposal of property, plant and equipment	(60)	(3)
Property, plant and equipment written off	10	4
Loss on disposal of subsidiary company	-	313
Short-term accumulating compensated absences	(44)	(23)
Inventory loss	19	-
Allowance for doubtful debts	(21)	(201)
Interest income	(1)	(20)
Interest expense	2,210	2,814
Operating profit before working capital changes	19,435#	18,718
Inventories	(14,372)	(4,960)
Trade receivables	(39)	60
Non-trade receivables	(522)	(1,483)
Trade payables	5,941	5,563
Non-trade payables	272	4,841
Amount due to directors	588	459
Net cash generated from operations	11,303 #	23,198
Tax paid	(2,370)	(1,711)
Net cash generated from operating activities	8,933	21,487
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	1	20
Minority Interests on disposal of a subsidiary company	-	(3,775)
Proceeds from disposal of property, plant and equipment	198	32
Purchase of property, plant and equipment	(1,684)	(818)
Net cash used in investing activities	(1,485)#	(4,541)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(2,210)	(2,814)
Loan repaid	(4,831)	(13,686)
Repayment to lease creditors	(1,146)	(642)
Repayment of term loans	(970)	(1,992)
Repayment to hire purchase creditors	(220)	(564)
Net cash used in financing activities	(9,377)#	(19,698)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,929)#	(2,752)
OPENING CASH AND CASH EQUIVALENTS	347	15,284
CLOSING CASH AND CASH EQUIVALENTS	(1,582)#	12,532
Cash and cash equivalents comprise the following:		
Fixed deposit	1	1
Cash and bank balances	16,085	17,636
Bank overdraft	(17,668)	(5,105)
	(1,582)#	12,532

(The Condensed Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2010**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital	Capital Reserve	Retained Earnings	Total to Holders of the Company	Minority Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 2009	205,176	4,221	74,368	283,765	3,490	287,255
Profit for the period	-	-	9,860	9,860	-	9,860
Disposal of interest in a subsidiary company	-	-	-	-	(3,490)	(3,490)
At 31 October 2009	205,176	4,221	84,228	293,625	-	293,625
At 1 August 2010	205,176	4,221	101,140	310,537	-	310,537
Profit for the period	-	-	10,885	10,885	-	10,885
At 31 October 2010	205,176	4,221	112,025	321,422	-	321,422

(The Condensed Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)