

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2011****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 SECOND QUARTER ENDED 31 JANUARY 2011****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

	<b>Cumulative Quarter</b>				
	<b>Manufacturing Division RM'000</b>	<b>Trading Division RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
Revenue	424	339,310	201	-	339,935
Inter-segment Revenue	148,220	119,254	5,640	(273,114)	-
Total Revenue	148,644	458,564	5,841	(273,114)	339,935
Profit before taxation	9,559	25,493	(4,274)	(1,366)	29,412
Profit after taxation	6,978	19,074	(4,277)	(1,366)	20,409

**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 January 2011, 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 SECOND QUARTER ENDED 31 JANUARY 2011****B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS****B1. Review of Performance**

The Group's revenue for the second quarter under review was higher at RM170.484 million as compared to the revenue in the corresponding quarter last year of RM144.207 million; an increase of RM26.277 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 RM14.221 million was higher as compared to the profit before tax of RM11.304 million in the corresponding quarter last year; an increase of RM2.917 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 (2nd Quarter FYE 2011 vs 1st Quarter FYE 2011)**

Financial Indicators:	Q2FYE2011	Q1FYE2011	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	170,484	169,451 #	1,033	1%
Profit before taxation	14,221	15,191 #	(970)	-6%
Profit after taxation	9,524	10,885 #	(1,361)	-13%

**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 31.1.2011	Quarter Ended 31.1.2010	Period Ended 31.1.2011	Period Ended 31.1.2010
	RM'000	RM'000	RM'000	RM'000
Income taxation	4,697	4,479	9,003	8,356
Deferred taxation	-	(669)	-	(669)
	<u>4,697</u>	<u>3,810</u>	<u>9,003</u>	<u>7,687</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 January 2011 are as follows:-

	<b>RM'000</b>
<b><i>Short-term Borrowings</i></b>	
<b><i>- Secured</i></b>	
Bank overdraft	15,987
Hire purchase and lease creditors	4,781
Other bank borrowings	60,478
	<u>81,246</u>
<b><i>- Unsecured</i></b>	
Murabahah Medium Term Notes ("MTN")	10,000
	<u>91,246</u>
<b><i>Long-term Borrowings</i></b>	
<b><i>- Secured</i></b>	
Hire purchase and lease creditors	3,357
Term loans	23,286
	<u>26,643</u>
<b><i>- Unsecured</i></b>	
Advance from Ultimate Holding Company	15,000
Murabahah Medium Term Notes ("MTN")	20,000
	<u>61,643</u>
<b>Total</b>	<u>152,889</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.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2011****B11. Realised and Unrealised Profits or Losses Disclosure**

This disclosure is prepared pursuant to the directive of Bursa Malaysia Securities Berhad and in accordance with the Guidance on Special Matter No.1- Determination of Realised and Unrealised Profits or Losses, as issued by the Malaysia Institute of Accountants.

	<b>Period Ended 31.1.2011 (RM'000)</b>	<b>Period Ended 31.10.2010 (RM'000)</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	246,649	242,870
- Unrealised	14,757	13,790
	<u>261,406</u>	<u>256,660</u>
- Less: Consolidated adjustments	(145,602)	(144,635)
Total group retained profits as per consolidated accounts	<u>115,804</u>	<u>112,025</u>

The comparative figures are not required in the first financial year of complying with the Realised and Unrealised Profits or Losses Disclosure.

**B12. Material Litigation**

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

**B13. Dividend**

The Company obtained shareholders' approval at the Eighth Annual General Meeting on 6 January 2011 to declare a first and final dividend of 1.40 sen single tier dividend per ordinary share in respect of the financial year ended 31 July 2010. (2009: 1.40 sen single tier dividend per ordinary share) and was paid on 9 March 2011 to Depositors registered in the Record of Depositors at the close of business on 11 February 2011. The total shareholdings at 11 February 2011 were 410,351,752 ordinary shares and the net dividend amounted to RM5,744,925.

**B14. Earnings Per Share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Quarter Ended 31.1.2011</b>	<b>Quarter Ended 31.1.2010</b>	<b>Period Ended 31.1.2011</b>	<b>Period Ended 31.1.2010</b>
Net profit after taxation for basic earnings per share (RM'000)	9,524	7,494	20,409	17,354
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
Basic earnings per share (sen)	<u>2.32</u>	<u>1.83</u>	<u>4.97</u>	<u>4.23</u>

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

Executive Chairman / Group Managing Director

29 March 2011

Petaling Jaya

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2011****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>QUARTER ENDED 31.1.2011</b>	<b>QUARTER ENDED 31.1.2010</b>	<b>PERIOD ENDED 31.1.2011</b>	<b>PERIOD ENDED 31.1.2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	170,484	144,207	339,935	296,599
Other operating income	838	579	1,052	644
Operating expenses	(154,849)	(130,550)	(306,762)	(266,624)
Profit from operations	16,473	14,236	34,225	30,619
Finance costs	(2,252)	(2,932)	(4,813)	(5,578)
Profit before taxation	14,221	11,304	29,412	25,041
Taxation	(4,697)	(3,810)	(9,003)	(7,687)
Profit after taxation	9,524	7,494	20,409	17,354
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	9,524	7,494	20,409	17,354
Attributable to:--				
Equity owners of the Company	9,524	7,494	20,409	17,354
Non-controlling Interests	-	-	-	-
	9,524	7,494	20,409	17,354
Earnings per share attributable to equity owners of the Company				
- basic (sen)	2.32	1.83	4.97	4.23

(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 SECOND QUARTER ENDED 31 JANUARY 2011

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31.1.2011 (Unaudited) RM'000	AS AT 31.7.2010 (Audited) RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	79,618	79,401
Prepaid land lease payments	8,414	8,473
Investment property	240	240
Other investments	533	533
Intangible assets	1,485	1,485
Deferred tax assets	122	122
	<b>90,412</b>	<b>90,254</b>
<b>CURRENT ASSETS</b>		
Inventories	421,983	383,614
Trade receivables	1,308	1,136
Non-trade receivables	11,116	10,389
Tax recoverable	4,592	4,615
Fixed deposits with licensed banks	5,007	5,000
Cash and bank balances	19,180	14,633
	<b>463,186</b>	<b>419,387</b>
<b>TOTAL ASSETS</b>	<b>553,598</b>	<b>509,641</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share Capital	205,176	205,176
Reserves	120,025	105,361
<b>TOTAL EQUITY</b>	<b>325,201</b>	<b>310,537</b>
<b>NON-CURRENT LIABILITIES</b>		
Advance from Ultimate Holding Company	15,000	15,000
Long-term borrowings	46,643	58,025
Deferred tax liabilities	5,963	5,963
	<b>67,606</b>	<b>78,988</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	38,827	19,996
Non-trade payables	19,474	16,420
Amount due to directors (Note 1)	1,373	2,034
Short-term borrowings	91,246	77,601
Dividend payables	5,745	-
Provision for taxation	4,126	4,065
	<b>160,791</b>	<b>120,116</b>
<b>TOTAL LIABILITIES</b>	<b>228,397</b>	<b>199,104</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>553,598</b>	<b>509,641</b>
Net assets per share attributable to ordinary equity owners of the Company (RM)	0.79	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 SECOND QUARTER ENDED 31 JANUARY 2011

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>CUMULATIVE QUARTER</b>	
	<b>PERIOD</b>	<b>PERIOD</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>31.1.2011</b>	<b>31.1.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	29,412	25,041
Adjustments for:		
Depreciation of property, plant and equipment	4,327	4,242
Amortisation of prepaid land lease payments	59	47
Gain on disposal of property, plant and equipment	(489)	(66)
Property, plant and equipment written off	642	189
Loss on disposal of subsidiary company	-	313
Impairment loss of property, plant and equipment	428	-
Short-term accumulating compensated absences	(44)	(26)
Customers' deposits	(1)	-
Inventory loss	19	37
Allowance for doubtful debts	(91)	(266)
Interest income	(8)	(29)
Interest expense	4,813	5,578
Operating profit before working capital changes	39,067#	35,060
Inventories	(38,388)	(21,929)
Trade receivables	(81)	203
Non-trade receivables	(727)	2,106
Trade payables	18,831	6,347
Non-trade payables	3,099	7,035
Amount due to directors	(661)	(327)
Net cash generated from operations	21,140 #	28,495
Tax paid	(8,920)	(4,808)
Net cash generated from operating activities	12,220	23,687
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	1	20
Non-controlling interests on disposal of a subsidiary company	-	(3,775)
Proceeds from disposal of property, plant and equipment	634	276
Purchase of property, plant and equipment	(5,758)	(2,644)
Net cash used in investing activities	(5,123)#	(6,123)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(4,813)	(5,578)
Loan raised / repaid	5,117	(13,121)
Repayment to lease creditors	(2,054)	(2,337)
Repayment of term loans	(1,841)	(2,860)
Repayment to hire purchase creditors	(659)	(773)
Net cash used in financing activities	(4,250)#	(24,669)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,847 #</b>	<b>(7,105)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>347</b>	<b>15,284</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>3,194 #</b>	<b>8,179</b>
<b>Cash and cash equivalents comprise the following:</b>		
Fixed deposit	1	1
Cash and bank balances	19,180	16,572
Bank overdraft	(15,987)	(8,394)
	<b>3,194 #</b>	<b>8,179</b>

(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 SECOND QUARTER ENDED 31 JANUARY 2011****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital	Capital Reserve	Retained Earnings	Total to Owners of the Company	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 August 2009</b>	205,176	4,221	74,368	<b>283,765</b>	<b>3,490</b>	<b>287,255</b>
Profit for the period	-	-	17,354	<b>17,354</b>	-	<b>17,354</b>
Disposal of interest in a subsidiary company	-	-	-	-	<b>(3,490)</b>	<b>(3,490)</b>
Dividends	-	-	(5,745)	<b>(5,745)</b>	-	<b>(5,745)</b>
<b>At 31 January 2010</b>	<b>205,176</b>	<b>4,221</b>	<b>85,977</b>	<b>295,374</b>	<b>-</b>	<b>295,374</b>
<b>At 1 August 2010</b>	205,176	4,221	101,140	<b>310,537</b>	-	<b>310,537</b>
Profit for the period	-	-	20,409	<b>20,409</b>	-	<b>20,409</b>
Dividends	-	-	(5,745)	<b>(5,745)</b>	-	<b>(5,745)</b>
<b>At 31 January 2011</b>	<b>205,176</b>	<b>4,221</b>	<b>115,804</b>	<b>325,201</b>	<b>-</b>	<b>325,201</b>

(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)