

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2012****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT 31.1.2012 (Unaudited) RM'000</b>	<b>AS AT 31.7.2011 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	87,493	88,614
Investment property	240	240
Other investments	528	528
Goodwill on consolidation	1,485	1,485
Deferred tax assets	679	679
	<b>90,425</b>	<b>91,546</b>
<b>CURRENT ASSETS</b>		
Inventories	467,836	443,668
Trade receivables	1,333	1,499
Non-trade receivables	13,894	9,832
Tax assets	4,792	5,616
Fixed deposits with licensed banks	3,593	5,093
Cash and bank balances	53,860	19,155
	<b>545,308</b>	<b>484,863</b>
<b>TOTAL ASSETS</b>	<b>635,733</b>	<b>576,409</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share Capital	205,176	205,176
Reserves	165,230	140,821
<b>TOTAL EQUITY</b>	<b>370,406</b>	<b>345,997</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	91,873	24,974
Deferred tax liabilities	7,070	7,070
	<b>98,943</b>	<b>32,044</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	26,233	28,675
Non-trade payables	28,193	22,300
Advance from Ultimate Holding Company	15,000	15,000
Amount due to directors (Note 1)	1,182	2,817
Short-term borrowings	83,605	125,523
Dividend payables	5,745	-
Provision for taxation	6,426	4,053
	<b>166,384</b>	<b>198,368</b>
<b>TOTAL LIABILITIES</b>	<b>265,327</b>	<b>230,412</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>635,733</b>	<b>576,409</b>

Net assets per share attributable to ordinary equity owners of the Company (RM)	0.90	0.84
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**Note 1: Amount due to directors consists of directors' fee and directors' other emoluments.**

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2011)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2012****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>QUARTER ENDED 31.1.2012</b>	<b>QUARTER ENDED 31.1.2011</b>	<b>PERIOD ENDED 31.1.2012</b>	<b>PERIOD ENDED 31.1.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	202,413	170,484	433,059	339,935
Other operating income	168	838	747	1,052
Operating expenses	(181,811)	(154,849)	(384,539)	(306,762)
Profit from operations	20,770	16,473	49,267	34,225
Finance costs	(3,052)	(2,252)	(5,727)	(4,813)
Profit before taxation	17,718	14,221	43,540	29,412
Taxation	(5,287)	(4,697)	(13,386)	(9,003)
Profit after taxation	12,431	9,524	30,154	20,409
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	12,431	9,524	30,154	20,409
Attributable to:--				
Equity holders of the Company	12,431	9,524	30,154	20,409
Non-controlling Interests	-	-	-	-
	12,431	9,524	30,154	20,409
Earnings per share attributable to equity holders of the Company				
- basic (sen)	3.03	2.32	7.35	4.97

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2011)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2012****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Attributable to equity holders of the Company</b>			
	<b>Share Capital</b>	<b><u>Non-distributable Capital Reserve</u></b>	<b><u>Distributable Retained Earnings</u></b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 August 2010</b>	205,176	4,221	101,140	<b>310,537</b>
Total comprehensive income for the year	-	-	20,409	<b>20,409</b>
Dividend	-	-	(5,745)	<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>At 1 August 2011</b>	205,176	4,221	136,600	<b>345,997</b>
Total comprehensive income for the year	-	-	30,154	<b>30,154</b>
Dividend	-	-	(5,745)	<b>(5,745)</b>
<b>At 31 January 2012</b>	<b>205,176</b>	<b>4,221</b>	<b>161,009</b>	<b>370,406</b>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2011)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2012****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>CUMULATIVE QUARTER</b>	
	<b>PERIOD ENDED 31.1.2012 RM'000</b>	<b>PERIOD ENDED 31.1.2011 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	43,540	29,412
Adjustments for:		
Depreciation of property, plant and equipment	4,691	4,386
Gain on disposal of property, plant and equipment	(90)	(489)
Loss on disposal of property, plant and equipment	3	-
Property, plant and equipment written off	343	642
Impairment loss on property, plant and equipment	-	428
Short-term accumulating compensated absences	(68)	(44)
Dividend received	(450)	-
Inventories loss	-	19
Reversal of allowance for impairment on receivables	(224)	(91)
Interest income	(24)	(8)
Interest expense	5,727	4,813
Operating profit before working capital changes	53,448#	39,068
Inventories	(24,168)	(38,388)
Trade receivables	390	(81)
Non-trade receivables	(4,062)	(727)
Trade payables	(2,442)	18,831
Non-trade payables	5,961	3,098
Amount due to directors	(1,635)	(661)
Net cash generated from operations	27,492 #	21,140
Tax paid	(10,077)	(8,920)
Net cash generated from operating activities	17,415	12,220
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	24	1
Dividend received	337	-
Fixed deposit withdrawn	1,500	-
Proceeds from disposal of property, plant and equipment	142	634
Purchase of property, plant and equipment	(3,968)	(5,758)
Net cash used in investing activities	(1,965)#	(5,123)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(5,727)	(4,813)
Net loans raised / (repaid)	42,840	3,276
Repayment to lease creditors	(2,053)	(2,054)
Repayment to hire purchase creditors	(414)	(659)
Net cash generated from / (used in) financing activities	34,646 #	(4,250)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	50,096 #	2,847
<b>OPENING CASH AND CASH EQUIVALENTS</b>	3,388	347
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	53,484 #	3,194
<b>Cash and cash equivalents comprise the following:</b>		
Fixed deposit with licensed banks	1	1
Cash and bank balances	53,860	19,180
Bank overdrafts	(377)	(15,987)
	53,484 #	3,194

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2011)

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**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2012****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, Paragraph 9.22 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 2011.

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 2011 except for the followings:-

**Amendments on the Accounting Policies****Changes in accounting policies**

On 1 August 2011, the Group adopted the following Amendments to FRSs, Issues Committee Interpretations ("IC Int."), and Technical Releases ("TR") which are mandatory for financial period beginning on or after 1 January 2011 :-

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First Time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	
IC Int. 4	Determining whether an Arrangement contains a Lease
IC Int. 18	Transfers of Assets from Customers
TR i-4	Syariah Compliant Sale Contract

The adoption of the above Amendments to FRSs, IC Int. and TR are not expected to have any significant impact on the results and financial position of the Group except for those discussed below :-

**Amendments to FRS 7 [Improvements to FRSs (2010)]**

The Amendments clarifies that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk.

**Amendments to FRS 101 [Improvements to FRSs (2010)]**

The Amendments clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

**Amendments to FRS 7 Improving Disclosures about Financial Instruments**

The Amendments to FRS 7 expand the disclosures required in respect of fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. The Amendments to FRS 7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy :-

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures.

**Accounting standards issued but not adopted**

To converge with International Financial Reporting Standards in 2012, the Malaysian Accounting Standards Board ("MASB") had on 19 November 2011, issued a new MASB approve accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), which are mandatory for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Int.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2012**

15 Agreements for Construction of Real Estate, including its parent, significant investor and venture ("Transitioning Entities").

Transitioning Entities will be allowed to defer the adoption of the new MFRSs for an additional one year. Consequently, adoption of MFRSs by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013. However, the Group does not qualify as Transitioning Entities and is therefore required to adopt the MFRSs for the financial period beginning on or after 1 January 2012.

i) MFRSs effective for financial period on or after 1 January 2012

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 4	Insurance Contracts
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 6	Exploration for and Evaluation of Mineral Resources
MFRS 7	Financial Instruments: Disclosures
MFRS 8	Operating Segments
MFRS 101	Presentation of Financial Statements
	Presentation of Items of Other Comprehensive Income
	(Amendments to MFRS 101)
MFRS 102	Inventories
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110	Events After the Reporting Period
MFRS 111	Construction Contracts
MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment
MFRS 117	Leases
MFRS 118	Revenue
MFRS 119	Employee Benefits
MFRS 120	Accounting for Government Grants and Disclosure of Government Assistance
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 123	Borrowing Costs
MFRS 124	Related Party Disclosures
MFRS 126	Accounting and Reporting by Retirement Benefit Plans
MFRS 127	Consolidated and Separate Financial Statements
MFRS 128	Investments in Associates
MFRS 129	Financial Reporting in Hyperinflationary Economies
MFRS 131	Interests in Joint Ventures
MFRS 132	Financial Instruments: Presentation
MFRS 133	Earnings Per Share
MFRS 134	Interim Financial Reporting
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instruments: Recognition and Measurement
MFRS 140	Investment Property
IC Int. 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Int. 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Int. 4	Determining whether an Arrangement contains a Lease
IC Int. 5	Rights to Interests arising from Decommissioning, Restoration and
	Environmental Rehabilitation Funds
IC Int. 6	Liabilities arising from Participating in a Specific Market
	– Waste Electrical and Electronic Equipment
IC Int. 7	Applying the Restatement Approach under MFRS 129 Financial Reporting
	in Hyperinflationary Economies
IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 12	Service Concession Arrangements
IC Int. 13	Customer Loyalty Programmes
IC Int. 14	MFRS 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
IC Int. 18	Transfers of Assets from Customers
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments

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IC Int. 107	Introduction of the Euro
IC Int. 110	Government Assistance – No Specific Relation to Operating Activities
IC Int. 112	Consolidation – Special Purpose Entities
IC Int. 113	Jointly Controlled Entities – Non-Monetary Contributions by Venturers
IC Int. 115	Operating Leases – Incentives
IC Int. 125	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
IC Int. 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IC Int. 129	Service Concession Arrangements: Disclosures
IC Int. 131	Revenue – Barter Transactions Involving Advertising Services
IC Int. 132	Intangible Assets – Web Site Costs

## ii) MFRS effective for financial period on or after 1 July 2012

MFRS 101	Presentation of Financial Statement Amendments in relation to Presentation of Items of Other Comprehensive Income
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## iii) MFRS effective for financial period on or after 1 January 2013

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) Financial Instruments (IFRS 9 issued by IASB in October 2010)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangement
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in June 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in June 2011)
IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine

In presenting its first MFRS financial statements, the Group may be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The Group is currently in the process of determining the financial impact arising from the adoption of the MFRS Framework.

New and revised FRSS, Amendments to FRSS, IC Int. and Amendments to IC Int.

At the date of authorisation of these financial statements, MASB has also issued the following new and revised FRSS, Amendments to FRSS, IC Int. and Amendments to IC Int. that are effective for financial period on or after 1 January 2012 and have not been early adopted in preparing these financial statements as follows :-

## i) financial period on or after 1 January 2012

Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Disclosures-Transfer of Financial Assets
Amendments to FRS 112	Deferred Tax : Recovery of Underlying Assets

## ii) financial period on or after 1 July 2012

Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
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## iii) financial period on or after 1 January 2013

FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interest in Other Entities
FRS 13	Fair Value Measurements
FRS 119	Employee Benefits (as amended in November 2011)
FRS 124	Related Party Disclosures (Revised)
FRS 127	Separate Financial Statements (as amended in November 2011)
FRS 128	Investments in Associates and Joint Ventures (as amended in November 2011)
IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine

The Group does not expect the adoption to have any significant impact on the financial statements of the Group upon their first initial application.

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Summary of the Standards and AmendmentsFRS 9 Financial Instruments

This Standard addresses the classification and measurement of financial assets and financial liabilities. All financial assets shall be classified on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Financial assets are subsequently measured at amortised cost or fair value. Financial liabilities are subsequently measured at amortised cost or fair value. However, changes due to own credit risk in relation to the fair value option for financial liabilities shall be recognised in other comprehensive income.

FRS 13 Fair Value Measurements

FRS 13 conceptualises the meaning of fair value and provides a framework on how to measure fair value of assets, liabilities and equity required or permitted by other FRSs.

FRS 119 Employee Benefits (revised)

This revised Standard requires the Group to recognise all changes in the defined benefit obligations and in the fair value of related plan assets when those changes occur. The Group is also required to split the changes in the net defined benefit liability or asset into the following three components: service cost (presented in profit or loss), net interest on the net defined benefit liability (presented in profit or loss) and remeasurement of the net defined benefit liability (presented in other comprehensive income and not recycled through profit or loss).

Amendments to FRS 101 Presentation of Items of Other Comprehensive Income

The Amendments to FRS 101 changes the grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified.

Amendments to FRS 112 Deferred Tax : Recovery of Underlying Assets

The Amendments apply to the measurement of deferred tax liabilities and deferred tax assets when investment properties are measured using the fair value model under FRS 140 Investment Property. The Amendments introduce a rebuttable presumption that an investment property measured at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Amendments to FRS 7 Disclosures – Transfers of Financial Assets

The Amendments amended the required disclosures to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position.

Revised FRS 124 Related Party Disclosures

The Revised FRS 124 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The Revised FRS 124 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. If a government controlled or significantly influenced an entity, the entity requires disclosures that are important to users of financial statements but eliminates requirements to disclose information that is costly to gather and of less value to users. This balance is achieved by requiring disclosure about these transactions only if they are individually or collectively significant.

**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.



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**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**

- RM200 million of Murabahah Commercial Papers / Murabahah Medium Term Notes programme

The Company has redeemed RM10 million and RM20 million of Murabahah Commercial Papers upon maturity on 25 August 2011 and 30 September 2011 respectively. On 23 November 2011, the Company has further redeemed RM30 million of Murabahah Commercial Papers which was issued on 23 August 2011.

The Company had made a final redemption of RM20 million Murabahah Medium Term Notes on 15 February 2012. As at date, there is no outstanding amount of the Murabahah Commercial Papers / Murabahah Medium Term Notes and the Programme has been cancelled on 20 March 2012.

- RM150 million of Islamic Commercial Papers / Islamic Medium Term Notes programme ("ICP/IMTN")

On 22 November 2011, the Company had issued RM50.0 million in nominal value of Islamic Medium Term Notes ("IMTN") under the ICP / IMTN Programme. The IMTN has a tenure of seven (7) years, maturing on 22 November 2018. The proceeds for the issuance of the IMTN shall be utilised by the Company for the following Shariah-compliant purposes:-

- i) to finance the Group wide restructuring programme; and
- ii) to refinance existing borrowings.

The Company had subsequently issued RM30.0 million and RM20.0 million in nominal value of IMTN on 16 January 2012 and 14 February 2012 respectively.

Save as disclosed, 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.

**A8. Segmental Information**

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

Business segments:

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

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

Others: Investment holding

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<b>Results for second quarter ended 31 January 2012</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	18	432,571	470	-	433,059
Inter-segment Revenue	181,953	217,348	7,667	(406,968)	-
Total Revenue	181,971	649,919	8,137	(406,968)	433,059
Profit before taxation	10,035	43,153	(6,144)	(3,504)	43,540
Profit after taxation	7,526	32,696	(5,814)	(4,254)	30,154

<b>Results for second quarter ended 31 January 2011</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**

On 9 December 2011, the Board of Directors had announced that the Poh Kong Group has embarked on a group wide internal restructuring exercise which would involve the consolidation of the Group's existing business activities into six specific areas, namely:-

- (i) Retail;
- (ii) Wholesale and distribution;
- (iii) Manufacturing;
- (iv) Property Investment;
- (v) Franchise; and
- (vi) Overseas Investment.

The internal restructuring will ultimately result in the winding up of the non-key/ dormant subsidiaries and the acquisition of all the retail businesses which are currently held under 36 registered companies by Poh Kong Jewellers Sdn. Bhd. which will be the sole entity managing all the retail outlets.

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In line with the internal reorganisation exercise, Poh Kong Group will consolidate its existing banking facilities amongst the existing financial institutions with the new borrowings structure which comprise primarily Bankers' Acceptance and ICP/IMTN programme.

Save as disclosed, 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**

Poh Kong Jewellers Sdn. Bhd, a wholly owned subsidiary of the Company, has granted a corporate guarantee to Danajamin Nasional Berhad in respect of ICP/IMTN programme up to RM150,000,000 in accordance with the Shariah principle of Commodity Murabahah.

In addition to the above, as at 31 January 2012, a total of RM121,185,999 corporate guarantee has been given in support of banking facilities granted to subsidiary companies; a total of RM8,000,000 corporate guarantee has been given to third party in respect of leasing and hire purchase facilities; a total of RM7,474,928 corporate guarantee has been given to third party in respect of operating lease arrangements .

Save as disclosed above, there was no change in contingent liabilities since the last annual reporting date.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2012****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 RM202.413 million as compared to the revenue in the corresponding quarter last year of RM170.484 million; an increase of RM31.929 million. The increase in revenue was attributed to the upsurge in prices of gold and the existing stores registering higher sale. The demand for gold-based jewellery, gold bars and wafers increased during the festive spending seasons.

The Group's profit before tax in the current quarter at RM17.718 million was higher as compared to the profit before tax of RM14.221 million in the corresponding quarter last year; an increase of RM3.497 million. The increase in profit before tax was mainly due to higher sale revenue and higher margin from the upsurge in gold prices.

The Group's revenue is largely derived from retail segment while the manufacturing segment supplies the finished gold jewellery to the retail segment.

**B2. Comparison with Preceding Quarter's Results (2nd Quarter FYE 2012 vs 1st Quarter FYE 2012)**

	Q2FYE2012	Q1FYE2012	Variance	Variance
Financial Indicators:	RM('000)	RM('000)	RM('000)	(%)
Revenue	202,413	230,646 #	(28,233)	-12%
Profit before taxation	17,718	25,822 #	(8,104)	-31%
Profit after taxation	12,431	17,723 #	(5,292)	-30%

In the current quarter under review, the revenue had decreased as compared with the preceding quarter mainly due to the absence of major festival, namely Hari Raya. The decrease in revenue had also resulted in a decrease in profit before tax as compared with the preceding quarter.

**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.

It is still uncertain to what extent the world economy will be affected by the heightened debt burdens in USA and some of Eurozone Countries. However, the global economy is expected to improve with the economic reforms and the Board of Directors remains positive on the performance of the Group for the financial year ending 31 July 2012.

**B4. Profit Forecast**

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

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2012****B5. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Quarter Ended 31.1.2012</b>	<b>Quarter Ended 31.1.2011</b>	<b>Period Ended 31.1.2012</b>	<b>Period Ended 31.1.2011</b>
	RM'000	RM'000	RM'000	RM'000
Income taxation	5,287	4,697	13,386	9,003
	<u>5,287</u>	<u>4,697</u>	<u>13,386</u>	<u>9,003</u>

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

**B6. Status of Corporate Proposals Announced**

Save as disclosed in Note A6 and A11, there was no corporate proposal announced for the current quarter and financial year to date.

**B7. Borrowings and Debt Securities**

The Group's borrowings as at 31 January 2012 are as follows:-

	<b>RM'000</b>
<b>Short-term Borrowings</b>	
- <b>Secured</b>	
Bank overdraft	377
Other bank borrowings	58,410
	<u>58,787</u>
- <b>Unsecured</b>	
Hire purchase and lease creditors	4,818
Advance from Ultimate Holding Company	15,000
Murabahah Medium Term Notes ("MTN")	20,000
	<u>98,605</u>
<b>Long-term Borrowings</b>	
- <b>Secured</b>	
Term loans	7,948
Islamic Medium Term Notes ("IMTN")	80,000
	<u>87,948</u>
- <b>Unsecured</b>	
Hire purchase and lease creditors	3,925
	<u>91,873</u>
<b>Total</b>	<u>190,478</u>

**B8. 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 31.1.2012 (RM'000)</b>	<b>Period Ended 31.7.2011 (RM'000)</b>
Total retained earnings of the Company and its subsidiaries:		
- Realised	295,148	267,570
- Unrealised	21,257	17,767
	<u>316,405</u>	<u>285,337</u>
- Less: Consolidated adjustments	(155,396)	(148,737)
Total group retained earnings as per consolidated accounts	<u>161,009</u>	<u>136,600</u>



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2012****B9. Profit Before Taxation**

Profit before taxation is arrived at after charging / (crediting):

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Quarter Ended 31.1.2012 RM'000</b>	<b>Quarter Ended 31.1.2011 RM'000</b>	<b>Period Ended 31.1.2012 RM'000</b>	<b>Period Ended 31.1.2011 RM'000</b>
Interest income	(5)	(7)	(24)	(8)
Dividend income	-	-	(450)	-
Gain on disposal of property, plant and equipment	(70)	(429)	(90)	(489)
Loss on disposal of property, plant and equipment	3	-	3	-
Interest expense	3,052	2,252	5,727	4,813
Depreciation and amortization	2,357	2,255	4,691	4,386
Reversal of allowance for impairment on receivables	(136)	(70)	(224)	(91)
Inventories loss	-	19	-	19
Property, plant and equipment written off	335	632	343	642
Impairment loss on property, plant and equipment	-	428	-	428

**B10. Material Litigation**

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

**B11. Dividend**

The Company obtained shareholders' approval at the Ninth Annual General Meeting on 10 January 2012 to declare a first and final single tier dividend of 1.40 sen per ordinary share in respect of the financial year ended 31 July 2011 (2010: 1.40 sen single tier dividend per ordinary share) and was paid on 9 March 2012 to Depositors registered in the Record of Depositors at the close of business on 13 February 2012. The total shareholdings at 13 February 2012 were 410,351,752 ordinary shares and the net dividend amounted to RM5,744,925.

**B12. Earnings Per Share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Quarter Ended 31.1.2012</b>	<b>Quarter Ended 31.1.2011</b>	<b>Period Ended 31.1.2012</b>	<b>Period Ended 31.1.2011</b>
Profit after taxation for basic earnings per share (RM'000)	12,431	9,524	30,154	20,409
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
Basic earnings per share (sen)	<u>3.03</u>	<u>2.32</u>	<u>7.35</u>	<u>4.97</u>

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

Executive Chairman / Group Managing Director

27 March 2012

Petaling Jaya