

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 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:-

Malaysian Financial Reporting Standards ("MFRS"), Improvements to MFRSs and Issues Committee Interpretations ("IC Int.")

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") has issued a new MASB approved accounting framework, MFRS, Improvements to MFRSs and IC Int.. The MFRS Framework and IC Int. are to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012 and 2013 as follows :-

i) 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
MFRS 141	Agriculture

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2011

Improvements to MFRSs (Improvements to IFRSs issued by IASB in May 2008)
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 Improvements to MFRSs (Improvements to IFRSs issued by IASB in May 2010)

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
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) 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

MFRSs 4, 6, 111, 120, 129, 141 and IC Int. 1, 2, 5, 6, 7, 12, 15, 20, 110, 112, 113, 129, 131 are not applicable to the Group's operations.

The adoption of the above MFRS Framework, Improvements to MFRSs and IC Int. are not expected to have any significant impact on the results and financial position of 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.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2011**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.

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	18	230,614	14		230,646
Inter-segment Revenue	97,714	87,667	3,899	(189,280)	-
Total Revenue	<u>97,732</u>	<u>318,281</u>	<u>3,913</u>	<u>(189,280)</u>	<u>230,646</u>
Profit before taxation	5,493	26,405	(2,512)	(3,564)	25,822
Profit after taxation	4,120	19,711	(2,544)	(3,564)	17,723

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.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2011

A10. Material Events Subsequent To The Financial Period

On 22 November 2011, the Company had issued RM50.0 million in nominal value of Islamic Medium Term Notes ("IMTN") under the Islamic Commercial Papers / Islamic Medium Term Notes Programme. The IMTN shall have 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.

Save as disclosed, 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

The Company has granted additional corporate guarantee of RM1,000,000 in the current quarter and financial year to date. As at 31 October 2011, a total of RM123,185,999 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 and 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 were no changes in contingent liabilities since the last annual reporting date.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2011**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 RM230.646 million as compared to the revenue in the corresponding quarter last year of RM169.451 million; an increase of RM61.195 million. The increase in revenue was attributed to upsurge in prices of gold and the existing stores registering higher sale. The Group's profit before tax in the current quarter at RM25.822 million was higher as compared to the profit before tax of RM15.191 million in the corresponding quarter last year; an increase of RM10.631 million. The increase in profit before tax was mainly due to the higher sale registered for the current quarter under review.

B2. Comparison with Preceding Quarter's Results (1st Quarter FYE 2012 vs 4th Quarter FYE 2011)

Financial Indicators:	Q1FYE2012	Q4FYE2011	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	230,646	183,115 #	47,531	26%
Profit before taxation	25,822	15,352 #	10,470	68%
Profit after taxation	17,723	12,180 #	5,543	46%

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 2012.

B4. Profit Forecast

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

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	31.10.2011	31.10.2010	31.10.2011	31.10.2010
	RM'000	RM'000	RM'000	RM'000
Income taxation	8,099	4,306	8,099	4,306
	8,099	4,306	8,099	4,306

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2011**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

Save as disclosed in Note A10, there was no corporate proposal announced for the current quarter and financial year to date.

B9. Borrowings and Debt Securities

The Group's borrowings as at 31 October 2011 are as follows:-

	RM'000
Short-term Borrowings	
- Secured	
Bank overdraft	15,125
Other bank borrowings	65,145
	<u>80,270</u>
- Unsecured	
Hire purchase and lease creditors	4,803
Advance from Ultimate Holding Company	15,000
Commercial Papers ("CP")	30,000
Murabahah Medium Term Notes ("MTN")	20,000
	<u>150,073</u>
Long-term Borrowings	
- Secured	
Term loans	8,072
	<u>8,072</u>
- Unsecured	
Hire purchase and lease creditors	4,088
	<u>12,160</u>
Total	<u><u>162,233</u></u>

B10. Off Statement Of Financial Position Financial Instruments

There was no financial instrument with off statement of financial position risk as at the date of this quarterly report and financial year to date.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 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.

	Period Ended 31.10.2011 (RM'000)	Period Ended 31.7.2011 (RM'000)
Total retained earnings of the Company and its subsidiaries:		
- Realised	288,293	267,570
- Unrealised	18,331	17,767
	<u>306,624</u>	<u>285,337</u>
- Less: Consolidated adjustments	<u>(152,301)</u>	<u>(148,737)</u>
Total group retained earnings as per consolidated accounts	<u><u>154,323</u></u>	<u><u>136,600</u></u>

B12. Material Litigation

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

B13. Dividend

No dividend was declared in the quarter under review.

B14. Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 31.10.2011	Quarter Ended 31.10.2010	Period Ended 31.10.2011	Period Ended 31.10.2010
Profit after taxation for basic earnings per share (RM'000)	17,723	10,885	17,723	10,885
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
Basic earnings per share (sen)	<u>4.32</u>	<u>2.65</u>	<u>4.32</u>	<u>2.65</u>

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

Executive Chairman / Group Managing Director

16 December 2011

Petaling Jaya

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31.10.2011 (Unaudited) RM'000	AS AT 31.7.2011 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	87,598	88,614
Investment property	240	240
Other investments	528	528
Goodwill on consolidation	1,485	1,485
Deferred tax assets	679	679
	90,530	91,546
CURRENT ASSETS		
Inventories	461,320	443,668
Trade receivables	1,225	1,499
Non-trade receivables	11,391	9,832
Tax assets	4,717	5,616
Fixed deposits with licensed banks	3,593	5,093
Cash and bank balances	24,005	19,155
	506,251	484,863
TOTAL ASSETS	596,781	576,409
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	205,176	205,176
Reserves	158,544	140,821
TOTAL EQUITY	363,720	345,997
NON-CURRENT LIABILITIES		
Long-term borrowings	12,160	24,974
Deferred tax liabilities	7,070	7,070
	19,230	32,044
CURRENT LIABILITIES		
Trade payables	27,756	28,675
Non-trade payables	24,879	22,300
Advance from Ultimate Holding Company	15,000	15,000
Amount due to directors (Note 1)	3,520	2,817
Short-term borrowings	135,073	125,523
Provision for taxation	7,603	4,053
	213,831	198,368
TOTAL LIABILITIES	233,061	230,412
TOTAL EQUITY AND LIABILITIES	596,781	576,409
Net assets per share attributable to ordinary equity owners of the Company (RM)	0.89	0.84

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 FIRST QUARTER ENDED 31 OCTOBER 2011**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.10.2011	QUARTER ENDED 31.10.2010	PERIOD ENDED 31.10.2011	PERIOD ENDED 31.10.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	230,646	169,451	230,646	169,451
Other operating income	579	214	579	214
Operating expenses	(202,728)	(151,913)	(202,728)	(151,913)
Profit from operations	28,497	17,752	28,497	17,752
Finance costs	(2,675)	(2,561)	(2,675)	(2,561)
Profit before taxation	25,822	15,191	25,822	15,191
Taxation	(8,099)	(4,306)	(8,099)	(4,306)
Profit after taxation	17,723	10,885	17,723	10,885
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	17,723	10,885	17,723	10,885
Attributable to:--				
Equity holders of the Company	17,723	10,885	17,723	10,885
Non-controlling Interests	-	-	-	-
	17,723	10,885	17,723	10,885
Earnings per share attributable to equity holders of the Company				
- basic (sen)	4.32	2.65	4.32	2.65

(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 FIRST QUARTER ENDED 31 OCTOBER 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Attributable to equity holders of the Company</u>			
	<u>Share Capital</u>	<u>Non-distributable Capital Reserve</u>	<u>Distributable Retained Earnings</u>	<u>Total equity</u>
	RM'000	RM'000	RM'000	RM'000
At 1 August 2010	205,176	4,221	101,140	310,537
Total comprehensive income for the year	-	-	10,885	10,885
At 31 October 2010	205,176	4,221	112,025	321,422
At 1 August 2011	205,176	4,221	136,600	345,997
Total comprehensive income for the year	-	-	17,723	17,723
At 31 October 2011	205,176	4,221	154,323	363,720

(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 FIRST QUARTER ENDED 31 OCTOBER 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER	
	PERIOD	PERIOD
	ENDED	ENDED
	31.10.2011	31.10.2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	25,822	15,191
Adjustments for:		
Depreciation of property, plant and equipment	2,334	2,131
Gain on disposal of property, plant and equipment	(20)	(60)
Property, plant and equipment written off	8	10
Short-term accumulating compensated absences	(26)	(44)
Dividend received	(450)	-
Inventories loss	-	19
Reversal of allowance for impairment on receivables	(88)	(21)
Interest income	(19)	(1)
Interest expense	2,675	2,210
Operating profit before working capital changes	30,236#	19,435
Inventories	(17,652)	(14,372)
Trade receivables	362	(39)
Non-trade receivables	(1,559)	(522)
Trade payables	(919)	5,941
Non-trade payables	2,605	272
Amount due to directors	703	588
Net cash generated from operations	13,776 #	11,303
Tax paid	(3,537)	(2,370)
Net cash generated from operating activities	10,239	8,933
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	19	1
Dividend received	337	-
Fixed deposit withdrawn	1,500	-
Proceeds from disposal of property, plant and equipment	20	198
Purchase of property, plant and equipment	(1,326)	(1,684)
Net cash generated from / (used in) investing activities	550 #	(1,485)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(2,675)	(2,210)
Net loans raised / (repaid)	(1,251)	(5,801)
Repayment to lease creditors	(949)	(1,146)
Repayment to hire purchase creditors	(421)	(220)
Net cash used in financing activities	(5,296)#	(9,377)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,493 #	(1,929)
OPENING CASH AND CASH EQUIVALENTS	3,388	347
CLOSING CASH AND CASH EQUIVALENTS	8,881 #	(1,582)
Cash and cash equivalents comprise the following:		
Fixed deposit with licensed banks	1	1
Cash and bank balances	24,005	16,085
Bank overdrafts	(15,125)	(17,668)
	8,881 #	(1,582)

(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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