

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2011

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 low 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

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.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 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

	Cumulative Quarter				
	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue	443	508,741	196		509,380
Inter-segment Revenue	205,747	173,664	8,457	(387,868)	-
Total Revenue	<u>206,190</u>	<u>682,405</u>	<u>8,653</u>	<u>(387,868)</u>	<u>509,380</u>
Profit before taxation	13,817	35,627	(5,357)	(1,953)	42,134
Profit after taxation	10,087	26,686	(5,362)	(1,953)	29,458

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

On 18 May 2011, the Company announced that it proposes to undertake an Islamic Commercial Papers/ Islamic Medium Term Notes Programme of up to RM150.0 million in nominal value, to be guaranteed by Danajamin Nasional Berhad ("Proposed ICP/IMTN Programme"). The Company has mandated Maybank Investment Bank Berhad and RHB Investment Bank Berhad as the Joint Principal Advisers, Joint Lead Arrangers and Joint Managers of the Proposed ICP/IMTN Programme.

Pursuant to the above, Danajamin Nasional Berhad will provide a guarantee facility to Poh Kong's payment obligations under the Proposed ICP/IMTN Programme.

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

There was no additional corporate guarantee granted for the current quarter and financial year to date. As at 30 April 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 THIRD QUARTER ENDED 30 APRIL 2011**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS****B1. Review of Performance**

The Group's revenue for the third quarter under review was higher at RM169.445 million as compared to the revenue in the corresponding quarter last year of RM132.737 million; an increase of RM36.708 million. The increase in revenue was attributed to the effect from 35th Anniversary promotional activities and the increase in gold price on top of the existing stores registering higher sales. The Group's profit before tax in the current quarter at RM12.722 million was higher as compared to the profit before tax of RM9.665 million in the corresponding quarter last year; an increase of RM3.057 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 (3rd Quarter FYE 2011 vs 2nd Quarter FYE 2011)

Financial Indicators:	Q3FYE2011	Q2FYE2011	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	169,445	170,484 #	(1,039)	-1%
Profit before taxation	12,722	14,221 #	(1,499)	-11%
Profit after taxation	9,049	9,524 #	(475)	-5%

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 30.4.2011	Quarter Ended 30.4.2010	Period Ended 30.4.2011	Period Ended 30.4.2010
	RM'000	RM'000	RM'000	RM'000
Income taxation	3,673	2,526	12,676	10,882
Deferred taxation	-	669	-	-
	<u>3,673</u>	<u>3,195</u>	<u>12,676</u>	<u>10,882</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.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 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

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 30 April 2011 are as follows:-

	RM'000
Short-term Borrowings	
- Secured	
Bank overdraft	13,381
Hire purchase and lease creditors	4,827
Other bank borrowings	<u>55,363</u>
	73,571
- Unsecured	
Commercial Papers ("CP")	20,000
Murabahah Medium Term Notes ("MTN")	<u>30,000</u>
	<u>123,571</u>
Long-term Borrowings	
- Secured	
Hire purchase and lease creditors	3,994
Term loans	<u>22,340</u>
	26,334
- Unsecured	
Advance from Ultimate Holding Company	<u>15,000</u>
	<u>41,334</u>
Total	<u><u>164,905</u></u>

B10. Off Balance Sheet Financial Instruments

Save as disclosed in Note A10, there was no financial instrument with off balance sheet risk as at the date of this quarterly report and financial year to date.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 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 30.4.2011 (RM'000)	Period Ended 31.1.2011 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	255,698	246,649
- Unrealised	15,343	14,757
	<u>271,041</u>	<u>261,406</u>
- Less: Consolidated adjustments	(146,188)	(145,602)
Total group retained profits as per consolidated accounts	<u>124,853</u>	<u>115,804</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

No dividend was declared in the quarter under review.

B14. Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 30.4.2011	Quarter Ended 30.4.2010	Period Ended 30.4.2011	Period Ended 30.4.2010
Net profit after taxation for basic earnings per share (RM'000)	9,049	6,470	29,458	23,824
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
Basic earnings per share (sen)	<u>2.21</u>	<u>1.58</u>	<u>7.18</u>	<u>5.81</u>

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

Executive Chairman / Group Managing Director

13 June 2011

Petaling Jaya

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2011**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30.4.2011	QUARTER ENDED 30.4.2010	PERIOD ENDED 30.4.2011	PERIOD ENDED 30.4.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	169,445	132,737	509,380	429,336
Other operating income	130	150	1,182	794
Operating expenses	(154,087)	(121,002)	(460,849)	(387,626)
Profit from operations	15,488	11,885	49,713	42,504
Finance costs	(2,766)	(2,220)	(7,579)	(7,798)
Profit before taxation	12,722	9,665	42,134	34,706
Taxation	(3,673)	(3,195)	(12,676)	(10,882)
Profit after taxation	9,049	6,470	29,458	23,824
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	9,049	6,470	29,458	23,824
Attributable to:--				
Equity owners of the Company	9,049	6,470	29,458	23,824
Non-controlling Interests	-	-	-	-
	9,049	6,470	29,458	23,824
Earnings per share attributable to equity owners of the Company - basic (sen)	2.21	1.58	7.18	5.81

(The Unaudited Condensed 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 THIRD QUARTER ENDED 30 APRIL 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30.4.2011 (Unaudited) RM'000	AS AT 31.7.2010 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	79,680	79,401
Prepaid land lease payments	8,384	8,473
Investment property	240	240
Other investments	533	533
Intangible assets	1,485	1,485
Deferred tax assets	122	122
	90,444	90,254
CURRENT ASSETS		
Inventories	419,202	383,614
Trade receivables	1,260	1,136
Non-trade receivables	12,435	10,389
Tax recoverable	4,252	4,615
Fixed deposits with licensed banks	5,007	5,000
Cash and bank balances	23,114	14,633
	465,270	419,387
TOTAL ASSETS	555,714	509,641
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	205,176	205,176
Reserves	129,074	105,361
TOTAL EQUITY	334,250	310,537
NON-CURRENT LIABILITIES		
Advance from Ultimate Holding Company	15,000	15,000
Long-term borrowings	26,334	58,025
Deferred tax liabilities	5,963	5,963
	47,297	78,988
CURRENT LIABILITIES		
Trade payables	26,121	19,996
Non-trade payables	17,667	16,420
Amount due to directors (Note 1)	1,823	2,034
Short-term borrowings	123,571	77,601
Provision for taxation	4,985	4,065
	174,167	120,116
TOTAL LIABILITIES	221,464	199,104
TOTAL EQUITY AND LIABILITIES	555,714	509,641
Net assets per share attributable to ordinary equity owners of the Company (RM)	0.81	0.76

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 2010)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER	
	PERIOD	PERIOD
	ENDED	ENDED
	30.4.2011	30.4.2010
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	42,134	34,706
Adjustments for:		
Depreciation of property, plant and equipment	6,540	6,385
Amortisation of prepaid land lease payments	89	70
Gain on disposal of property, plant and equipment	(497)	(175)
Property, plant and equipment written off	704	293
Loss on disposal of subsidiary company	-	313
Impairment loss of property, plant and equipment	428	-
Short-term accumulating compensated absences	(44)	(43)
Customers' deposits	(1)	-
Dividend income	(317)	-
Inventory loss	19	37
Allowance for doubtful debts	(99)	(270)
Interest income	(41)	(30)
Interest expense	7,579	7,784
Operating profit before working capital changes	56,494	49,070
Inventories	(35,607)	(8,426)
Trade receivables	(25)	298
Non-trade receivables	(2,046)	3,484
Trade payables	6,125	5,415
Non-trade payables	1,292	3,177
Amount due to directors	(211)	(271)
Net cash generated from operations	26,022	52,747
Tax paid	(11,394)	(8,976)
Net cash generated from operating activities	14,628	43,771
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	34	21
Dividend received	317	-
Non-controlling interests on disposal of a subsidiary company	-	(3,775)
Proceeds from disposal of property, plant and equipment	662	603
Purchase of property, plant and equipment	(2,798)	(9,622)
Net cash used in investing activities	(1,785)	(12,773)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(7,579)	(7,784)
Loan raised / (repaid)	17,148	(21,919)
Dividend paid	(5,745)	(5,745)
Repayment to lease creditors	(3,382)	(3,578)
Repayment of term loans	(2,787)	(3,842)
Repayment to hire purchase creditors	(1,111)	(1,206)
Net cash used in financing activities	(3,456)	(44,074)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	9,387	(13,076)
OPENING CASH AND CASH EQUIVALENTS	347	15,284
CLOSING CASH AND CASH EQUIVALENTS	9,734	2,208
Cash and cash equivalents comprise the following:		
Fixed deposit	1	1
Cash and bank balances	23,114	17,388
Bank overdraft	(13,381)	(15,181)
	9,734	2,208

(The Unaudited Condensed 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 THIRD QUARTER ENDED 30 APRIL 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
At 1 August 2009	205,176	4,221	74,368	283,765	3,490	287,255
Profit for the period	-	-	23,824	23,824	-	23,824
Disposal of interest in a subsidiary company	-	-	-	-	(3,490)	(3,490)
Dividends	-	-	(5,745)	(5,745)	-	(5,745)
At 30 April 2010	205,176	4,221	92,447	301,844	-	301,844
At 1 August 2010	205,176	4,221	101,140	310,537	-	310,537
Profit for the period	-	-	29,458	29,458	-	29,458
Dividends	-	-	(5,745)	(5,745)	-	(5,745)
At 30 April 2011	205,176	4,221	124,853	334,250	-	334,250

(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 2010)