

A. NOTES TO THE INTERIM FINANCIAL REPORT**A1. Accounting Policies and Methods of Computation**

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 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 2012.

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 2012 except for the following:-

Amendments on the Accounting Policies

To converge with International Financial Reporting Standards in 2012, the Malaysian Accounting Standards Board ("MASB") had on 19 November 2011, issued a new MASB approved 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. 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer ("Transitioning Entities").

Transitioning Entities will be allowed to defer the adoption of the new MFRS framework. Consequently, adoption of MFRS framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014. However, the Group does not qualify as Transitioning Entities and is therefore required to adopt the MFRS framework and prepare its first financial statements using the MFRS framework for the financial period beginning on or after 1 January 2012.

In presenting its first financial statements adopting MFRS framework, the Group may be required to restate the comparative financial statements to amounts reflecting the application of the MFRS framework.

The following are MFRSs, Amendments to MFRSs and IC Int. which are effective after 1 January 2012 :-

i) Effective for financial period on or after 1 July 2012

Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
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ii) Effective for financial period on or after 31 July 2012

MFRS 3	Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
MFRS 127	Consolidated and Separate Financial Statements (IAS 27 Consolidated and Separate Financial Statements revised by IASB in December 2003)
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities : Transition Guidance
Amendments to MFRSs contained in the document entitled "Annual Improvements 2009-2011 cycle"	

iii) Effective for financial period on or after 1 January 2013

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 (IAS 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 101	Presentation of Financial Statements
IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine

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iv) Effective for financial period on or after 1 January 2014

Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities

v) Effective for financial period on or after 1 January 2015

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)
 Financial Instruments (IFRS 9 issued by IASB in October 2010)

Summary of the Standards and Amendments

MFRS 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 and financial liabilities are initially measured at fair value plus, in the case of a financial asset or financial liabilities not at fair value through profit or loss, particular transaction costs. Financial assets and 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.

MFRS 13 Fair Value Measurements

MFRS 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.

MFRS 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).

MFRS 124 Related Party Disclosures

MFRS 124 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The MFRS 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 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. As this is a disclosure standard, the Standard will have no impact on the financial position and performance of the Group when implemented.

Amendments to MFRS 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.

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

The Amendments to MFRS 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 MFRS 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 MFRS 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.

A2. Audit Report

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2013**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 was no issuance and repayment of debt and equity securities, share buy back, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial year to-date.

A7. Dividend paid

On 8 March 2013, the Company paid a first and final dividend of 1.50 sen single tier dividend amounting to RM6,155,276 in respect of financial year ended 31 July 2012.

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

Results for third quarter ended 30 April 2013

	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue	152	668,865	2,705		671,722
Inter-segment Revenue	249,110	170,627	66,637	(486,374)	-
Total Revenue	249,262	839,492	69,342	(486,374)	671,722
Profit before taxation	5,008	25,170	(2,606)	8,078	35,650
Profit after taxation	3,756	18,189	(4,095)	7,968	25,818

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2013

	Results for third quarter ended 30 April 2012				
	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
	Revenue	76	624,817	508	
Inter-segment Revenue	263,741	290,485	11,873	(566,099)	-
Total Revenue	263,817	915,302	12,381	(566,099)	625,401
Profit before taxation	12,490	57,611	(9,115)	(1,576)	59,410
Profit after taxation	9,368	43,518	(8,822)	(2,326)	41,738

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

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

In addition to the above, as at 30 April 2013, a total of RM160,101,999 corporate guarantees 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 guarantees has been given to third parties 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 THIRD QUARTER ENDED 30 APRIL 2013**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 RM279.116 million as compared to the revenue in the corresponding quarter last year of RM192.342 million; an increase of RM86.774 million. The increase in revenue was mainly due to the increase in demand of gold investment products, such as gold bars, wafers and gold jewellery. In April 2013, the sharp fall in gold price contributed a gold rush. Consumers took this golden buying opportunity to stock up the investment products and also gold jewellery. Gold investment products have been depleted in the market in conjunction with this unprecedented level of demand.

The Group's profit before tax in the current quarter at RM7.437 million was lower as compared to the profit before tax of RM15.870 million in the corresponding quarter last year; a decrease of RM8.433 million. The decrease in profit before tax was mainly due to fluctuation and sharp decline in gold price, resulting in a thinner profit margin from gold sales.

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 (3rd Quarter FYE 2013 vs 2nd Quarter FYE 2013)

Financial Indicators:	Q3FYE2013	Q2FYE2013	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	279,116	197,876	81,240	41%
Profit before taxation	7,437	12,314	(4,877)	-40%
Profit after taxation	5,003	9,100	(4,097)	-45%

The increase in revenue was driven by the gold rush in April 2013 as compared with the preceding quarter. However the sharp decline in gold price had resulted in lower profit margin during the quarter under review.

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.

In mid-April 2013, the price of gold dropped sharply to USD1,321 per ounce, the lowest in two years. It rebounded above USD1,400 per ounce subsequently. Despite the volatility of gold price, the demand for gold remains robust with growing demand in Asian markets who believe in its long-term prospects.

In view of the volatility in gold price, the Board of Directors remains cautiously optimistic on the performance of the Group for the financial year ending 31 July 2013.

B4. Profit Forecast

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2013**B5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 30.4.2013	Quarter Ended 30.4.2012	Period Ended 30.4.2013	Period Ended 30.4.2012
	RM'000	RM'000	RM'000	RM'000
Income taxation	2,434	4,286	9,832	17,672
	<u>2,434</u>	<u>4,286</u>	<u>9,832</u>	<u>17,672</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.

B6. Status of Corporate Proposals Announced

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 30 April 2013 are as follows:-

	RM'000
Short-term Borrowings	
- Secured	
Bank overdraft	1,939
Other bank borrowings	<u>111,438</u>
	113,377
- Unsecured	
Hire purchase and lease creditors	3,616
Advance from Ultimate Holding Company	<u>300</u>
	117,293
Long-term Borrowings	
- Secured	
Term loans	7,065
Islamic Medium Term Notes ("IMTN")	<u>130,000</u>
	137,065
- Unsecured	
Hire purchase and lease creditors	<u>3,352</u>
	140,417
Total	<u>257,710</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.

	Period Ended 30.4.2013 (RM'000)	Period Ended 30.4.2012 (RM'000)
Total retained earnings of the Company and its subsidiaries:		
- Realised	339,661	306,853
- Unrealised	<u>12,129</u>	<u>19,208</u>
	351,790	326,061
- Less: Consolidated adjustments	<u>(149,706)</u>	<u>(153,468)</u>
Total group retained earnings as per consolidated accounts	<u>202,084</u>	<u>172,593</u>

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2013**B9. Profit Before Taxation**

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Quarter Ended 30.4.2013	Quarter Ended 30.4.2012	Period Ended 30.4.2013	Period Ended 30.4.2012
	RM'000	RM'000	RM'000	RM'000
Interest income	(21)	(23)	(46)	(47)
Dividend income	-	-	(300)	(450)
Gain on disposal of property, plant and equipment	(38)	(109)	(117)	(199)
Loss on disposal of property, plant and equipment	24	66	30	69
Interest expense	3,121	3,280	11,241	9,007
Depreciation and amortization	2,569	1,993	7,560	6,684
Reversal of allowance for impairment on receivables	62	(51)	-	(275)
Allowance for impairment on receivables	693	-	693	-
Property, plant and equipment written off	222	1	412	344
Inventories loss	-	-	4	-

B10. Material Litigation

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

B11. Dividend

No dividend was declared in the quarter under review.

B12. Earnings Per Share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Quarter Ended 30.4.2013	Quarter Ended 30.4.2012	Period Ended 30.4.2013	Period Ended 30.4.2012
Profit after taxation for basic earnings per share (RM'000)	5,003	11,584	25,818	41,738
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
Basic earnings per share (sen)	<u>1.22</u>	<u>2.82</u>	<u>6.29</u>	<u>10.17</u>

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

Executive Chairman / Group Managing Director

20 June 2013

Petaling Jaya

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30.4.2013 RM'000	AS AT 31.7.2012 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	86,253	88,277
Investment property	240	240
Other investments	528	528
Goodwill on consolidation	1,485	1,485
Deferred tax assets	1,215	1,215
	89,721	91,745
CURRENT ASSETS		
Inventories	544,543	549,210
Trade receivables	1,657	1,322
Non-trade receivables	19,720	13,602
Tax assets	10,839	7,834
Fixed deposits with licensed banks	6,001	3,912
Cash and bank balances	83,437	18,274
	666,197	594,154
TOTAL ASSETS	755,918	685,899
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	205,176	205,176
Reserves	206,305	186,642
TOTAL EQUITY	411,481	391,818
NON-CURRENT LIABILITIES		
Long-term borrowings	140,417	131,832
Deferred tax liabilities	7,237	7,237
	147,654	139,069
CURRENT LIABILITIES		
Trade payables	29,956	33,032
Non-trade payables	45,678	28,053
Advance from Ultimate Holding Company	300	15,000
Amount due to directors (Note 1)	2,797	3,112
Short-term borrowings	116,993	72,104
Provision for taxation	1,059	3,711
	196,783	155,012
TOTAL LIABILITIES	344,437	294,081
TOTAL EQUITY AND LIABILITIES	755,918	685,899
Net assets per share attributable to ordinary equity owners of the Company (RM)	1.00	0.95

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 2012)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2013**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30.4.2013 RM'000	QUARTER ENDED 30.4.2012 RM'000	PERIOD ENDED 30.4.2013 RM'000	PERIOD ENDED 30.4.2012 RM'000
Revenue	279,116	192,342	671,722	625,401
Other operating income	150	305	1,269	1,052
Operating expenses	(268,708)	(173,497)	(626,100)	(558,036)
Profit from operations	10,558	19,150	46,891	68,417
Finance costs	(3,121)	(3,280)	(11,241)	(9,007)
Profit before taxation	7,437	15,870	35,650	59,410
Taxation	(2,434)	(4,286)	(9,832)	(17,672)
Profit after taxation	5,003	11,584	25,818	41,738
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	5,003	11,584	25,818	41,738
Attributable to:-				
Equity holders of the Company	5,003	11,584	25,818	41,738
Non-controlling Interests	-	-	-	-
	5,003	11,584	25,818	41,738
Earnings per share attributable to equity holders of the Company - basic (sen)	1.22	2.82	6.29	10.17

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2012)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2013

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 2011	205,176	4,221	136,600	345,997
Total comprehensive income for the year	-	-	41,738	41,738
Dividend			(5,745)	(5,745)
At 30 April 2012	205,176	4,221	172,593	381,990
At 1 August 2012	205,176	4,221	182,421	391,818
Total comprehensive income for the year	-	-	25,818	25,818
Dividend			(6,155)	(6,155)
At 30 April 2013	205,176	4,221	202,084	411,481

(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 2012)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER	
	PERIOD	PERIOD
	ENDED	ENDED
	30.4.2013	30.4.2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	35,650	59,410
Adjustments for:		
Depreciation of property, plant and equipment	7,560	6,684
Gain on disposal of property, plant and equipment	(117)	(199)
Loss on disposal of property, plant and equipment	30	69
Property, plant and equipment written off	412	344
Short-term accumulating compensated absences	(131)	(68)
Dividend received	(300)	(450)
Inventories loss	4	-
Allowance for impairment on receivables	693	-
Reversal of allowance for impairment on receivables	-	(275)
Interest income	(46)	(47)
Interest expense	11,241	9,007
Operating profit before working capital changes	54,996	74,475
Inventories	4,663	(55,112)
Trade receivables	(1,028)	424
Non-trade receivables	(6,118)	(3,666)
Trade payables	(3,076)	412
Non-trade payables	17,756	3,909
Amount due to directors	(315)	(1,039)
Net cash generated from operations	66,878	19,403
Income tax paid	(15,490)	(14,817)
Net cash generated from operating activities	51,388	4,586
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	37	47
Dividend received	300	337
Fixed deposit withdrawn	419	1,500
Proceeds from disposal of property, plant and equipment	218	660
Purchase of property, plant and equipment	(4,387)	(6,839)
Net cash used in investing activities	(3,413)	(4,295)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(11,241)	(9,007)
Net loans raised / (paid)	42,000	32,795
Dividend paid	(6,155)	(5,745)
Repayment to lease creditors	(2,114)	(3,043)
Repayment to hire purchase creditors	(1,286)	(342)
Net cash generated from financing activities	21,204	14,658
NET INCREASE IN CASH AND CASH EQUIVALENTS	69,179	14,949
OPENING CASH AND CASH EQUIVALENTS	14,819	3,388
CLOSING CASH AND CASH EQUIVALENTS	83,998	18,337
Cash and cash equivalents comprise the following:		
Fixed deposit with licensed banks	2,500	1
Cash and bank balances	83,437	23,284
Bank overdrafts	(1,939)	(4,948)
	83,998	18,337

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2012)