

CHAIRMAN'S STATEMENT

FROM GOLD TO GROWTH

RESILIENCE, TRUST AND AN UNWAVERING PURSUIT OF EXCELLENCE HAS BEEN POH KONG'S HALLMARK FOR THE LAST 49 YEARS; FROM ONE STORE IN PETALING JAYA TO BECOMING MALAYSIA'S LARGEST JEWELLERY RETAIL CHAIN. OUR STORY HAS BEEN ABOUT GOLD WHICH LIES AT THE HEART OF WHO WE ARE.

Looking back, we see that our story has never been only about gold. It is about growth — growth of our business, our people, and the value we create for our stakeholders. Our theme for 2025 “**From Gold to Growth**” reflects both continuity and progress. It captures our heritage

while signalling the future we are shaping: one where Poh Kong leverages its strong foundation to expand into new opportunities, innovate across product and service lines, and deliver sustainable long-term returns to our shareholders.

Chairman's Statement (cont'd)

THE GOLD WORLD VIEW

The year under review unfolded against a dynamic backdrop for global gold markets. In the first half of 2025, gold surged by approximately 26% in U.S. dollars, reaffirming its role as one of the strongest performing assets of the year. Demand in the second quarter rose 3% year-on-year to 1,249 tonnes, with value climbing 45% to a record US\$132 billion. This surge was driven by robust retail investment demand in bars and coins, continued strength in ETFs (Exchange-Traded Fund), and steady central bank purchases.

Heightened geopolitical uncertainty, persistent inflationary pressures, and a broad trend of de-dollarisation have strengthened gold's safe-haven appeal. Notably, central banks continued to diversify into gold as a hedge against currency risk, while investors sought protection against volatility in equity and bond markets.

Looking ahead, market analysts remain constructive. HSBC revised its 2025 forecast to US\$3,215 per ounce, while Goldman Sachs projected potential upside towards US\$3,700.

This environment supports our core proposition: that gold is not just jewellery but an enduring store of value across generations. (Source: J.P. Morgan, Rud Pedersen Public Affairs, Allianz Global Investors, and The Economic Times)

For Poh Kong, this global context provides fertile ground. Our customers increasingly see gold not only as adornment but also as investment. This duality — beauty and value — has long been our strength, and we continue to align our business to capture both aspects.

AGILE IN APPROACH, UPBEAT IN PERSONALITY

During the year, Poh Kong pursued a series of strategic initiatives that demonstrated our ability to adapt and grow. While consumers remained cautious, our diversification into investment-oriented products helped balance softer discretionary spending on higher-end jewellery. This agility underlines our ability to adapt to changing market behaviour without compromising profitability.

Expanding Retail Reach

We opened one new boutique in high-potential location, expanding our reach to communities where demand for affordable investment jewellery was rising. This new outlet enhanced accessibility and deepened our nationwide presence. Our long-term brand visibility was given a bigger boost.

Merging Old and New

Recognising the shift towards investment-driven purchases, we launched a new line of bullion bars and collectible coins designed for the savvy retail investor. At the same time, we continued to expand our contemporary jewellery collections, targeting younger consumers, ensuring that Poh Kong remains relevant across all demographics. This dual-pronged approach — balancing tradition with modernity — has allowed us to broaden our market share.

Chairman's Statement (cont'd)

Digital Transformation

Our strengthened e-commerce platform delivered encouraging results, with online sales growing 0.5% year-on-year. Enhanced features helped bridge the convenience of digital with the assurance of in-store trust.

Enhancing the Customer Journey

Although not obvious at first sight, we continued to reimagine our physical stores. New concept outlets introduced more open layouts, lifestyle-oriented displays, and technology-enabled experiences. These innovations reflect our belief that jewellery retail is not merely transactional but experiential — and that lasting customer relationships are built through meaningful engagement.

Environmental Stewardship and Sustainability

At Poh Kong, we believe growth must be responsible and inclusive. We recognise that our success is built not only on financial performance but also on the trust of our stakeholders. We continue to focus on the well-being of our people and the health of the communities and environments in which we operate.

Poh Kong's sustainability initiatives were in five key areas:



Governance:
Ensuring strong corporate governance practices.



People:
Taking care of employees and their development.



Quality & Service:
Providing innovative and high-quality products and services that meet customer expectations.



Supply Chain:
Promoting responsible and sustainable practices within the supply chain.



Environment:
Minimising environmental impact and promoting responsible practices.

On these five pillars rest Poh Kong's sustainability efforts.

We have strengthened our due diligence on sourcing practices, working to ensure that our gold is aligned with international responsible mining standards. This reinforces our commitment to ethical supply chains and supports Malaysia's reputation as a market built on trust.

Sustainability also means managing our environmental footprint. In 2025, we invested in energy-efficient lighting and cooling systems across key outlets, achieving an estimated 6% reduction in electricity use.

Employee engagement in Sustainability efforts ensures continuous improvement and relevance. Poh Kong encourages its employees and directors to attend seminars, workshops, and talks related to sustainability and ESG (Environmental, Social, and Governance) matters. This ensures our management and people develop the right mindset to put ESG at the heart of our business operations. I believe that this contributes to a broader understanding of sustainability within the organisation, helping to shape future business plans and risk management strategies. 2025, sees the corporation foster a commitment to sustainability by providing training and encouraging involvement in ESG matters for its employees and leadership.

Chairman's Statement (cont'd)

Community and Charitable Support

Poh Kong has always taken its role of being a responsible corporate citizen seriously. The corporation supports the community through sponsorships and monetary pledges, donating to various charitable organisations, healthcare societies, associations, and schools.

Community Engagement programmes continued unabated in 2025. We became involved with local communities through education and skill-building initiatives.

Our corporate social responsibility (CSR) initiatives also focused on health awareness and local well-being. The company engaged customers through marketing campaigns.



Our People

Our employees remain at the core of our growth story. In 2025, we expanded professional development opportunities, rolled out new leadership training tracks, and enhanced employee wellness programmes. We also intensified efforts to foster a diverse and inclusive workplace, reflecting our belief that a strong, empowered team is the foundation of long-term success.

Risk Management and Outlook

We remain mindful of risks that could impact our business. Global economic uncertainty, currency volatility, and fluctuating gold prices require vigilant management. To mitigate these, Poh Kong maintains prudent hedging practices, disciplined cost control, and a flexible inventory strategy.

At the same time, opportunities abound. Rising affluence among Malaysia's younger generation, combined with a growing appreciation for gold as both adornment and investment, positions us well. The digital transformation of retail also opens avenues to reach customers in new ways, while our brand heritage gives us a competitive edge that is difficult to replicate.

Chairman's Statement (cont'd)

FINANCIAL PERFORMANCE

PKHB as a corporation, continues to turn in a solid financial performance despite a challenging consumer environment. However, Poh Kong's ability to maintain a strong bottom line was challenged by increasing operating costs and income tax expenses. But let me assure you, we are confident in meeting future challenges and have implemented measures to monitor our performance regularly.

A review of our financial performance reveals that our quarterly reports for fiscal year 2025 (FY2025), which ended on July 31, 2025, recorded an increase in revenue but a mixed performance in our net profit. The higher revenue was driven primarily by an uptrend in gold prices, while operating costs and increased income tax impacted the bottom line. The Group recorded revenue of RM1.69 billion, supported by sustained demand for gold investment products and steady jewellery sales. Our profit before tax stood at RM163.87 million, reflecting both favourable gold prices and disciplined cost management. As for our Balance Sheet Strength, we are pleased to announce that we have maintained a robust financial position, with strong liquidity and prudent inventory management. This resilience provides us with the flexibility to invest in growth initiatives while navigating uncertainties.

Our net profit for the fourth quarter ended July 31, 2025 (4QFY2025) came in almost unchanged at RM22.68 million compared to RM22.03 million a year ago, although revenue hit a record high of RM365.50 million as gold prices surged.

We attributed this performance to higher operating expenses during the quarter in review. Happily, our fourth quarter revenue was 6.72% higher than the RM342.50 million registered a year ago.

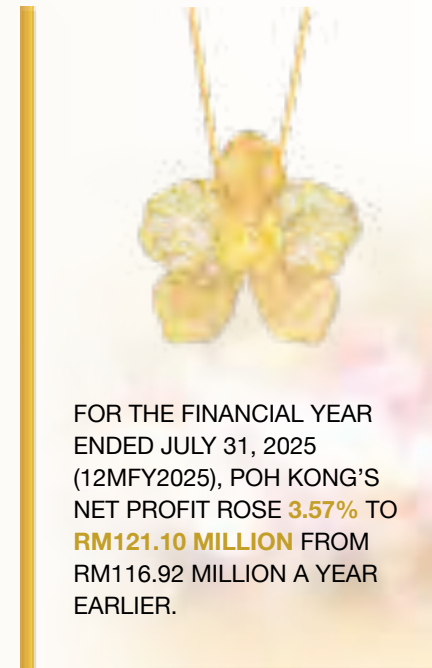
For the latest quarter, operating expenses rose 18% to RM55.02 million. For the financial year ended July 31, 2025 (12MFY2025), Poh Kong's net profit rose 3.57% to RM121.10 million from RM116.92 million a year earlier.

Gold demand typically surged during tariff-induced economic disruptions, as investors sought protection against inflation and market volatility, reaffirming the metal's role as a safe-haven asset.

TAKING A LONG VIEW OF PKHB'S PROSPECTS

Gold price reached approximately \$4,024.54 per ounce in U.S. dollars end, October 2025. (Bloomberg). This rate is subject to fluctuation and therefore Poh Kong keeps a firm finger on the pulse of global trends and prices.

Looking forward, our focus is threefold: We aim to **expand market reach**, particularly in growing suburban and secondary cities. We will also look to **deepen product innovation**, balancing lifestyle jewellery with investment-focused gold products and finally, in the next few months, we will see Poh Kong **accelerate digital and experiential retail**, ensuring it remains ahead of evolving customer expectations.



FOR THE FINANCIAL YEAR ENDED JULY 31, 2025 (12MFY2025), POH KONG'S NET PROFIT ROSE **3.57%** TO **RM121.10 MILLION** FROM RM116.92 MILLION A YEAR EARLIER.

As we look to the future, we are guided by both humility and ambition. Humility, because we know that our success rests on the trust of our customers, the dedication of our employees, and the support of our shareholders. Ambition, because we believe Poh Kong's story is still being written — and the chapters ahead will be defined by even greater growth.

Just as gold endures across generations, so too does our commitment to sustainable, inclusive, and forward-looking growth. In 2025 and beyond, Poh Kong will continue moving **from gold to growth** — creating lasting returns for our shareholders, meaningful careers for our people, and exceptional experiences for our customers.

Chairman's Statement (cont'd)

ACKNOWLEDGEMENTS

IT IS WITH GRATITUDE AND HUMILITY I EXTEND MY HEARTFELT THANKS TO OUR SHAREHOLDERS, STRATEGIC PARTNERS, FINANCIERS AND VENDORS. YOU HAVE WORKED IN CONCERT WITH US TO DELIVER RESULTS. TO MY FELLOW BOARD MEMBERS, I THANK YOU FOR YOUR COMMITTED AND SINCERE CONTRIBUTIONS.

Despite some challenges, you have been working in synch with each other to deliver corporate success. Your advice, counsel and wisdom have helped us perform better. I am also deeply appreciative of our Management team and each and every member of staff. Thank you for putting your best foot forward every day and making an indelible mark on the Malaysian retail landscape.

To the Government of Malaysia, I convey my sincere appreciation for creating a strong and stable political, social and regulatory environment that inspires confidence. This gives us the courage to step forward to a promising new chapter where we turn Gold to Growth.

Dato' Choon Yee Seiong
Executive Chairman and
Group Managing Director

21 November 2025

