



# MANAGEMENT DISCUSSION & ANALYSIS

## CORPORATE OVERVIEW

POH KONG HOLDINGS BERHAD (“PKHB,” OR “THE COMPANY,” OR “POH KONG”) IS AN INVESTMENT HOLDING COMPANY. THE COMPANY AND ITS SUBSIDIARIES (“THE GROUP”) ARE ORGANISED INTO AN INTEGRATED ONE-STOP JEWELLERY BUSINESS WITH OPERATIONS IN RETAILING AND MANUFACTURING OF GOLD JEWELLERY AND RELATED GOLD INVESTMENT PRODUCTS.

The retail and manufacturing operations are carried out through Poh Kong Jewellers Sdn Bhd, Poh Kong Bullion Sdn Bhd, Poh Kong Jewellery Manufacturer Sdn Bhd and Poh Kong Wholesale Sdn Bhd.

## BUSINESS OVERVIEW

2025 was a defining year for Poh Kong — one in which we continued to transform our heritage of gold craftsmanship into sustainable, long-term growth. Our theme “From Gold to Growth” reflects a company anchored by tradition yet advancing with purpose, innovation, and resilience.

Globally, gold remained one of the year’s best-performing assets, rising about 26% in the first half of 2025 as investors turned to it amid inflationary pressures and geopolitical uncertainty. Retail investment demand strengthened, while forecasts point to continued momentum with prices projected between US\$3,100 and US\$3,700 per ounce.

Against this backdrop, we achieved solid operational progress. We expanded our retail network, launched modern premium gold bars and gold coin collections for investment-minded consumers, and enhanced our digital presence through an upgraded ecommerce platform and live streaming. These initiatives drove an 0.50% growth in online sales, supported by strong customer loyalty and growing brand recognition.

Financially, Poh Kong delivered resilient performance with steady revenue and healthy margins, reflecting prudent inventory management and the benefits of rising gold prices. Our strong balance sheet continues to provide the stability needed to pursue new opportunities confidently.

We also strengthened our sustainability agenda, advancing responsible gold sourcing, reducing outlet energy consumption, and expanding our corporate social responsibility initiatives. Our people remain central to our progress, and we have deepened investment in leadership and skills development to build a future-ready workforce.



## Management Discussion & Analysis (cont'd)

### BUSINESS OVERVIEW (CONT'D)

#### Exclusive and Comprehensive Product Range

Poh Kong is renowned for its wide range of jewellery products across various price points. These include gold, diamonds, jade, pearls and coloured gemstones catering to diverse customer styles and preferences in Malaysia’s unique multi-ethnic and multi-generational market. In-house designers and craftsmen produce jewellery that is a perfect combination of creativity, precision and functionality. These, including many exquisite timeless pieces, are made available exclusively at Poh Kong’s retail outlets. Some are manufactured at our Shah Alam plant while the rest are sourced from approved external suppliers.

The Company’s well established and popular brands include Anggun, Happy Love, Tranz and the Art of Auspicious. The Bunga Raya gold bars and wafers carry a strong Malaysian endorsement. Its in-house diamond collections are retailed under the Hemera and D’First brand names. Poh Kong is a licensee of Disney products.

#### Reputation and Market Leadership

The importance of reputation is a key parameter for success in Malaysia’s highly competitive jewellery industry. Over its 49 years, Poh Kong has built an enviable track record and established a nationwide retail footprint. The Group, and the Executive Chairman have won numerous awards for outstanding and visionary leadership and the development of the retail chain industry.

#### Manufacturing

The Group established its manufacturing facility in 2001. This RM30 million plant brings to the Group a strong competitive advantage in respect of quality control, design excellence, cost control and sustainable production. Its precision technology equipment is capable of mass produced designs as well as bespoke jewellery.

Ongoing measures to upgrade technology, machinery and IT systems are seen as strategic investments to maintain product excellence.

A dedicated floor for training purposes within this 4,000 sq ft facility, ensures that all employees have easy and convenient access to training and development that upgrades skills, builds knowledge and creates a highly productive and efficient workforce. During the year the Company ran 18 training courses, interactive sessions and webinars and incurred training costs of more than RM40,399 for FYE 2025.

#### Retail

An incisive retail strategy underpins the Group’s success in building enduring relationships with its customers and other stakeholders. Considerable attention and resources are invested into creating lasting impressions in an effort to make Poh Kong Malaysia’s most loved and visited jewellery store.

Our staff are rigorously trained to not only meet but anticipate customer needs, honing a deep understanding of individual tastes and preferences. By continuously enhancing their product knowledge and communication skills, they engage more meaningfully with customers, ensuring every interaction is insightful and personalised. Their feedback is invaluable, shaping our continuous improvement initiatives and driving better service outcomes. To further enhance the customer experience, we also have flexible payment options and impactful loyalty programmes tailored to meet the diverse needs of our clients.

**DURING THE YEAR THE COMPANY RAN 18 TRAINING COURSES, INTERACTIVE SESSIONS AND WEBINARS AND INCURRED TRAINING COSTS OF MORE THAN RM40,399 FOR FYE 2025.**



Management Discussion & Analysis (cont'd)

RETAIL STORES

Poh Kong’s outlets by locations as at 31 July 2025.



Locations	Number of Outlets
Selangor/ Kuala Lumpur/Putrajaya	50
Johor	14
Malacca	4
Negeri Sembilan	5
Perak	7
Kedah	2
Pahang	4
Penang	3
Kelantan	2
Total	91

Poh Kong’s retail concept stores nationwide occupy a total retail space of approximately 118,000 square feet. Retail outlets located within Kuala Lumpur and Selangor accounted for 55% of the total outlets and contributed 72% of the total revenue for FYE 2025.

Poh Kong’s policy of investing in store locations that are most accessible to our customers, consistently helps to ensure higher productivity and better sales performance. Efforts are perpetually ongoing to upgrade and renovate our retail space to create a conducive environment for our customers.

Management Discussion & Analysis (cont'd)

RETAIL STORES (CONT'D)

Marketing and Branding

Poh Kong continues to strengthen its portfolio of in-house gold and diamond jewellery brands through precision-driven marketing and customer engagement strategies. In FYE 2025, we intensified our efforts to enhance brand visibility and cultivate deeper customer loyalty. A series of high-impact events and strategic partnerships not only elevated product awareness but also reinforced meaningful and enduring relationships with our customers.



Poh Kong continued to celebrate local creativity through its collaboration with Malaysian artist Michael Chuah, creator of the imaginative Yuurei Neko Sama universe. The collection features exclusive pure gold pendants and gold coin sets, with the coins presented in specially designed book-style packaging that captures the character’s playful spirit. Adding to its artistic appeal, the Maneki pendant, crafted in gold with colourful enamel detailing, exemplifies Poh Kong’s dedication to innovation, fine craftsmanship, and the harmonious blend of contemporary art with exquisite jewellery design.

POH KONG CONTINUED TO CAPTIVATE FANS WITH **THE DISNEY STITCH COLLECTION**, DEBUTING A NEW JEWELLERY COLLECTION LAUNCHED IN CONJUNCTION WITH THE RELEASE OF THE LATEST STITCH MOVIE, BRINGING TOGETHER BELOVED POP CULTURE ICONS AND FINE CRAFTSMANSHIP IN A SERIES THAT DELIGHTED COLLECTORS AND DISNEY ENTHUSIASTS ALIKE.



Following this, Poh Kong continued to captivate fans with the Disney Stitch collection, debuting a new jewellery collection launched in conjunction with the release of the latest Stitch movie, bringing together beloved pop culture icons and fine craftsmanship in a series that delighted collectors and Disney enthusiasts alike.

As the Official Jeweller of Kuala Lumpur Fashion Week 2025, Poh Kong unveiled the Tranz Collection in collaboration with designers Ashley Wong and Melvin Ashley Shah, blending contemporary fashion with fine jewellery artistry.

We also partnered with Keith Kee for the Spring/Summer 2025 Showcase, highlighting the elegance of our diamond and gemstone creations alongside his couture designs. Meanwhile, the sponsorship of the Jacky Cheung 60+ Concert Tour elevated our brand’s association with world-class entertainment, offering exclusive rewards and experiences for Jeweland members.

Poh Kong’s festive celebrations included sponsorship of Chap Goh Mei community events and the hosting of an exclusive Anggun Raya gathering, both strengthening connections with customers and the community.

Our digital engagement efforts continued to show encouraging results, with the official website surpassing 200,000 visits, reflecting growing brand visibility, customer engagement, and trust in Poh Kong’s evolving digital presence.

Poh Kong’s commitment to brand excellence was recognised with the Putra Aria Brand Awards – People’s Choice (Silver) in the Apparel & Accessories category, affirming the trust and loyalty of Malaysian consumers. We were also honoured with the Signature Outstanding Business Award at the Shanghai International Prestige Business Awards (SHIPBA) 2025 for our strong brand leadership and exemplary performance.



Management Discussion & Analysis (cont'd)

FINANCIAL REVIEW

IN FYE 2025, POH KONG’S CUMULATIVE REVENUE ROSE 2.82 PER CENT TO RM1.69 BILLION FROM RM1.64 BILLION IN THE PREVIOUS YEAR. THE GROUP CLOSED THE FINANCIAL YEAR WITH RECORD ANNUAL EARNINGS OF RM121.1 MILLION, UP OVER 3.60 % FROM RM116.9 MILLION IN THE PREVIOUS YEAR.

The Group expects a strong rebound in consumption to drive further expansion in the Malaysian economy in the current year. To sustain recovery, the Government is gradually rebuilding fiscal buffers through increased revenue collection and greater spending efficiency.

Given the macroeconomic environment and global uncertainties, we have exercised caution during the year and anticipated the adverse impact on Malaysian households and businesses. We will continue to closely monitor the implications of the current uncertainties of our operations, uphold and honour our financial obligations and evaluate our performance on an ongoing basis.



Barring unforeseen circumstances, the Board of Directors is confident that the Group has put adequate measures in place and is well positioned to meet the challenges in the year ahead.

FINANCIAL SUMMARY

5-Year Group Financial Highlights (2021 – 2025)

FYE 31 JULY (RM'000)	2021	2022	2023	2024	2025
Revenue	903,100	1,362,609	1,470,569	1,641,878	1,688,215
Profit Before Tax	52,817	116,609	108,214	156,573	163,867
Income Tax Expense	(16,056)	(24,418)	(29,773)	(39,649)	(42,767)
Profit For The Financial Year	36,761	92,191	78,441	116,924	121,100
Basic Earnings Per Share (Sen)	8.96	22.47	19.12	28.49	29.51

The Group’s financial profile is summarised below:

Profit Attributable to Owners of the Company/ Earnings Per Share

	2024	2025
Average number of ordinary shares in issue (million)	410.35	410.35
Profit attributable to owners of the Company (RM'million)	116.92	121.10
Basic earnings per share (sen)	28.49	29.51

THE PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY INCREASED BY RM4.18 MILLION OR 3.60%

Management Discussion & Analysis (cont'd)

FINANCIAL SUMMARY (CONT'D)

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

	2024	2025
EBITDA (RM' million)	196.92	207.78

THE GROUP’S EBITDA INCREASED BY RM10.86 MILLION OR 5.51% AS COMPARED TO THE PREVIOUS FINANCIAL YEAR. THIS WAS DUE MAINLY TO THE INCREASE IN PROFIT DURING THE FINANCIAL YEAR.

FINANCIAL POSITION

Property, plant and equipment (PPE)

	2024	2025
PPE (net carrying amount) (RM' million)	92.16	97.54

THE GROUP’S PPE INCREASED BY RM5.38 MILLION OR 5.84% AS COMPARED TO THE PREVIOUS FINANCIAL YEAR.

Cash and cash equivalents

	2024	2025
Cash and cash equivalents (RM' million)	33.92	35.70

THE GROUP IS IN A HEALTHY FINANCIAL POSITION WITH A CASH RESERVE OF RM35.70 MILLION

Gearing

	2024	2025
Total net debts (RM' million)	118.36	154.87
Total equity (RM' million)	871.83	984.08
Gearing ratio (times)	0.14	0.16

THE NET DEBTS LEVEL INCREASED TO RM154.87 MILLION, RESULTING IN THE INCREASE IN GEARING RATIO TO 0.16.



Management Discussion & Analysis (cont'd)

FINANCIAL SUMMARY (CONT'D)

Consolidated Net Assets Per Share

	2024	2025
Share capital (RM' million)	205.18	205.18
Retained profits (RM' million)	620.23	729.03
Revaluation reserve (RM' million)	46.42	49.88
Total Equity attributable to owners of the Company (RM' million)	871.83	984.08
Number of outstanding ordinary shares in issue (million)	410.35	410.35
Consolidated net assets per share attributable to owners of the Company (RM)	2.12	2.40



THE INCREASE IN THE EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY WAS DUE MAINLY TO THE INCREASE IN RETAINED EARNINGS AS COMPARED TO THE PREVIOUS FINANCIAL YEAR.

RISKS MANAGEMENT AND MITIGATION

The Board is fully committed to a strong risk management framework. It faces numerous key risks that are generally related to business, financial, security and operations, as well as political, economic and regulatory issues. The management has developed plans and strategies to mitigate such risks.

Today's fast-changing world is creating uncertainties, complexities and unprecedented stresses, and making it difficult to decide how to manage and control the emerging risks.

Poh Kong's top management team is constantly mapping out the current risk landscape to collect data in order to fully understand the issues they face and determine ways to address and mitigate business disruptions.

The Group maintains a sharp focus on effective growth strategies and is proactively looking at new priorities and opportunities in the jewellery industry.

Management Discussion & Analysis (cont'd)

BUSINESS & FINANCIAL RISKS

Competition Risk

The jewellery industry in Malaysia is highly competitive with approximately 3,500 jewellery retailers. The Group mitigates the competitive pressure through the following measures:



- strengthening and reinforcing its reputation and market position



- creating an exclusive in-house product range



- operating a dedicated manufacturing plant to respond to changing market demand



- offering a comprehensive product range



- maintaining an extensive distribution network

Fluctuations in Gold Price 2024-2025



Chart shows the 1-year gold prices.  
Source: [www.bloomberg.com](http://www.bloomberg.com)



Management Discussion & Analysis (cont'd)

BUSINESS & FINANCIAL RISKS (CONT'D)

Fluctuations in Gold Price 2020-2025

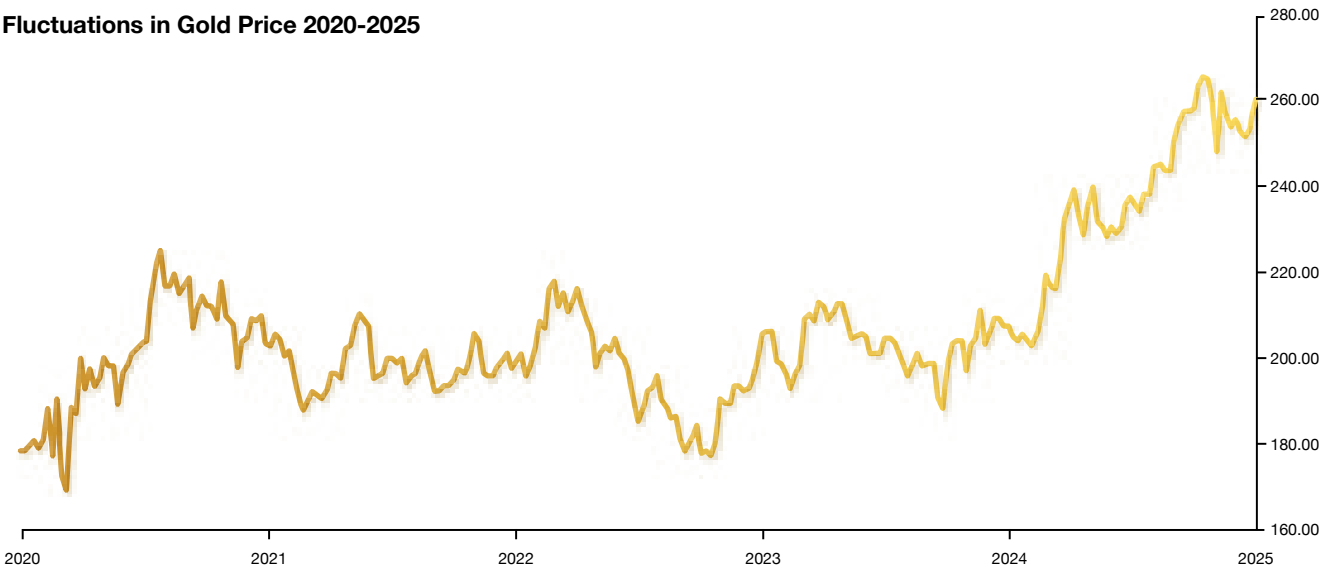


Chart shows the 5-year gold prices.  
Source: [www.bloomberg.com](http://www.bloomberg.com)

As gold is a major raw material for the manufacturing of gold jewellery, the Group is exposed to volatility in global gold prices. Gold prices are affected by many factors and the precious metal is regarded as a safe haven to hedge against global uncertainties.

The changes in gold prices are passed on to the consumer at the point of purchase. In order to reduce the impact of gold price fluctuation on the margins, the Group exercises a natural hedge and employs an inventory replenishment system where products are stocked as soon as they are sold.

Foreign Exchange Fluctuation 2024-2025



Chart shows foreign exchange for 1 year.  
Source: [www.bloomberg.com](http://www.bloomberg.com)

Management Discussion & Analysis (cont'd)

BUSINESS & FINANCIAL RISKS (CONT'D)

Foreign Exchange Fluctuation 2020-2025

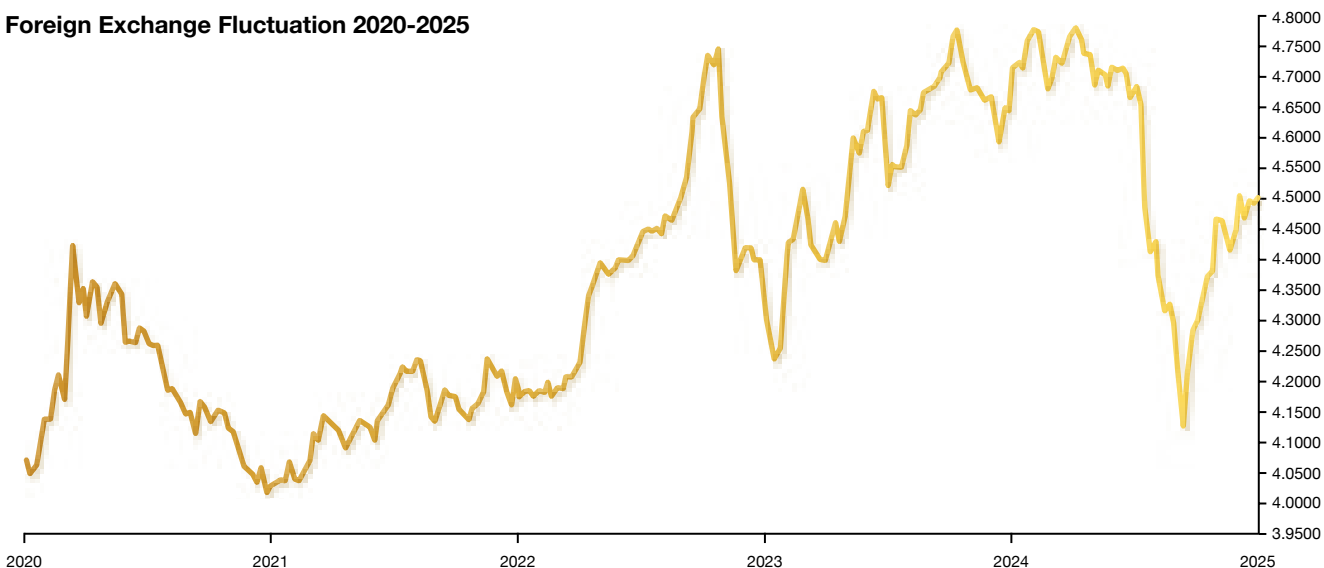


Chart shows foreign exchange for 5 years.  
Source: [www.bloomberg.com](http://www.bloomberg.com)

The Ringgit depreciation against USD in the past year had a significant impact on the gold price in Ringgit terms. This is because purchases of raw materials such as gold bars, diamonds and loose stones are transacted in USD.

The Group has mitigated this with financial instruments in place to reduce the impact of foreign exchange fluctuations on its margins.

Security Risk

Security and operational risks involve the identification and assessment of risks to protect the Group's business assets and inventories, mainly consisting of gold and gemstones, from loss due to theft or robbery and other potential disasters.

The Group has taken preventive and precautionary steps to implement security and surveillance measures, such as closed-circuit television, grilles on jewellery counters, security guard services, central monitoring system, strong rooms and safes, and insurance coverage of its assets.

Employees undergo training on data privacy and protection of personal data which can be considered as sensitive information under the Personal Data Protection Act 2010 (PDPA). During the year, the Group strengthened the implementation of Data Leak Preventive measures to further tighten data protection.



Management Discussion & Analysis (cont'd)

BUSINESS & FINANCIAL RISKS (CONT'D)

Economic and Regulatory Considerations

Poh Kong is also broadly exposed to adverse developments in the economic, business and consumer markets, in a variety of risks. These range from economic cycles, consumer sentiments, rising cost-of-living, competition, proprietary rights against unauthorised third party copying, regulatory changes, such as compliance, labour shortage and approvals for financing of new ventures. This is mitigated by the Group's constant surveillance and re-evaluation of its operations.

We have engaged legal consultants to guide us in formulating our human resource policy. Staff are continuously familiarised with requirements outlined in the Employment Handbook to protect the interests of both the Company and its employees.



The AMLA (Anti-Money Laundering Act 2001) compliance, MACC (S17A Corporate Liability) compliance and other statutory compliances are regulatory changes that have been widely discussed in the public domain. The Group's Certified Integrity Officer ensures that the Integrity Policy is enforced, employees are properly trained and there is strict adherence to zero tolerance of corruption throughout the Group. Ongoing training and information updates ensure that employees keep abreast of the latest developments in compliance matters at all times. The Group strongly believes that ethical leadership plays a critical role in preventing fraud, corruption and unethical practices. It has zero tolerance for fraud, bribery, corruption and violation of laws and regulations.

The Group is therefore diligent in working to enhance statutory and non-statutory compliance by implementing internal programmes, putting in place policies, procedures and controls to guard against any offence under AMLA. Programmes include employee training to enhance awareness and adopt digitalisation in its operations to improve compliance and internal controls.

IT Risk

The Group is committed to investing in Information System Security to meet operational and developmental challenges. It continuously enhances its policies, procedures and technologies to mitigate malicious threats and reduce information technology vulnerabilities. To safeguard data confidentiality and maintain a high level of IT security, the Group regularly upgrades its IT capacity and capabilities to prevent breaches.

Poh Kong Holdings Berhad's Disaster Recovery Centre is fully equipped to respond swiftly and effectively to any data loss incident, ensuring uninterrupted business operations. The Group maintains a comprehensive monitoring system to continuously evaluate the effectiveness of its IT security controls and to enable timely enhancements when required.

With the increasing reliance on digital platforms and the rapid expansion of online retail, cybersecurity has become a critical focus area. During the year, the Group intensified its cybersecurity defences by implementing additional safeguards against online fraud, malware, and other cyber threats. These efforts are supported by the ongoing enhancement of our IT risk management framework, ensuring stronger resilience and protection across all digital touchpoints.

Management Discussion & Analysis (cont'd)

BUSINESS & FINANCIAL RISKS (CONT'D)

Reputation Risk

Reputation risk refers to the potential loss of goodwill or trust arising from negative publicity that could adversely impact Poh Kong's image, brand, or stakeholder confidence. Recognising the importance of maintaining its strong public standing, the Group treats reputational risk as a key management priority. Proactive measures are in place to mitigate risks associated with operational failures, data breaches, product recalls, social media backlash, and other events that could damage the Group's reputation.

The Group undertakes regular reviews and audits of its standard operating procedures to ensure operational efficiency and service consistency across all touchpoints. Alongside this, we continue to invest in talent development, skills enhancement and leadership training to empower our people to deliver superior customer experiences.

At the same time, ongoing upgrades to our IT systems and digital infrastructure enable us to respond swiftly to changing market dynamics and customer needs. These strategic initiatives collectively reinforce Poh Kong's reputation for service excellence — ensuring that every interaction reflects the quality, reliability, and trust that define our brand.

DIVIDEND POLICY

The Group's dividend payout policy is to distribute a minimum of 10% of its annual net profit after income tax expense as dividends to shareholders, provided it would not be detrimental to its cash flow and business expansion.

The Board of Directors recommended a final single-tier dividend of 3.00 sen per ordinary share (FYE 2024: 3.00 sen) in respect of FYE 2025 for shareholders' approval at the upcoming Annual General Meeting.

If approved, the payout for the total dividends is RM12.31 million (FYE 2024: RM12.31 million) that will allow shareholders to participate in the profits or approximately 10% from the profit attributable to the owners of the Company.

Dividend Track Record

Financial Year	Profit After Tax (PAT) (RM'million)	Category Dividend	Dividend Distribution (RM'million)	% Dividend on Profit After Tax(PAT)
2021	36.76	1.20 sen single-tier	4.92	13%
2022	92.19	1.00 sen single-tier interim; and 1.30 sen single-tier final	9.44	10%
2023	78.44	2.00 sen single-tier	8.21	10%
2024	116.92	3.00 sen single-tier	12.31	11%
2025	121.10	3.00 sen single-tier	12.31	10%



## Management Discussion & Analysis (cont'd)

### OUTLOOK AND PROSPECTS IN 2026

Malaysia's gold jewellery industry showed strong growth and resilience in 2025, driven by both local and international demand. Its jewellery market is poised for continuous growth, with projections estimating it will reach a market size of US\$4 billion by 2029.

Poh Kong is well positioned as a major player in Malaysia's gold jewellery industry, with its strong focus on innovation, craftsmanship, and integrating modern business models, including digital platforms to support growth. It adapts quickly to new consumer behaviours and will continue to leverage favourable gold prices to maintain profitability.

In the year ahead, we anticipate gold's bull trend will persist into 2026. Despite factors such as inflation and currency fluctuations, we believe that strong central bank buying, consumer spending and safe haven inflows amid global geopolitical uncertainties will continue to fuel demand for both jewellery and gold investment products.

While mindful of prevailing macroeconomic environment, Poh Kong is targeting continued growth and profitability by leveraging our strengths and capabilities, exercising cost discipline and mitigating business risks.

We recognise that our people are the driving force behind our strong business growth and progress. Exceptional business outcomes begin with a healthy, inclusive and diverse workplace and talented people. Moving forward, we are committed to foster a well-trained, high-performance team and maintain an attractive and stimulating work environment.

Poh Kong will continue to build on the strong growth momentum achieved through investments in product innovation, upscaling consumer awareness, elevating both the in-store and online customer experience and expanding our loyal customer base.

POH KONG IS WELL POSITIONED AS A MAJOR PLAYER IN MALAYSIA'S GOLD JEWELLERY INDUSTRY, WITH ITS STRONG FOCUS ON **INNOVATION, CRAFTSMANSHIP, AND INTEGRATING MODERN BUSINESS MODELS**, INCLUDING DIGITAL PLATFORMS TO SUPPORT GROWTH.

