



POH KONG®

POH KONG
POH KONG HOLDINGS BERHAD
(586139-K)



POH KONG
POH KONG HOLDINGS BERHAD
(586139-K)



diamond
BOUTIQUE



Trans
Jewellery for the new generation



JADE GALLERY
THE ONE & ONLY GREEN JADE
by Poh Kong



DIAMOND & GOLD
by Poh Kong



ORO BIANCO
by Poh Kong



POH KONG
GALLERY

www.pohkong.com.my

Headquarters : No. 16-20 Jalan 52/4, 46200 Petaling Jaya, Selangor Darul Ehsan
Tel : 603-7958 8999, 7956 3450 Fax : 603-7957 2404, 7958 8398

POH KONG HOLDINGS BERHAD (586139-K)

ANNUAL REPORT 2010



POH KONG®

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(586139-K)

ANNUAL REPORT 2010

Core Business Philosophy



Quality

PRODUCT
SERVICE
EXCELLENCE
CRAFTSMENSHIP

Value

PREFERENCE
PROFIT
WORTH
RETURN-ON-
INVESTMENT

Trust

REPUTATION
COMMITMENT
HONESTY
TRANSPARENCY

Choice

DESIGN
PRICE
LOCATION
CONVENIENCE



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Headquarters:

16-20, Jalan 52/4, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Tel: 603-7958 8999, 7956 3450

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PETALING JAYA

- 19-23, Jalan SS2/55 Tel: 603-7874 7863
- Subang Parade Tel: 603-5635 1087
- 1 Utama Shopping Centre Tel: 603-7726 3868
- Sunway Pyramid Shopping Mall Tel: 603-7492 0972
- Amcorp Mall Tel: 603-7958 6030
- Summit City, Subang Jaya Tel: 603-8024 7350
- Giant Hypermarket, Bandar Kinrara Tel: 603-8075 5349
- Giant Hypermarket, Kota Damansara Tel: 603-6142 2898
- Tropicana City Mall Tel: 603-7728 2191

KUALA LUMPUR

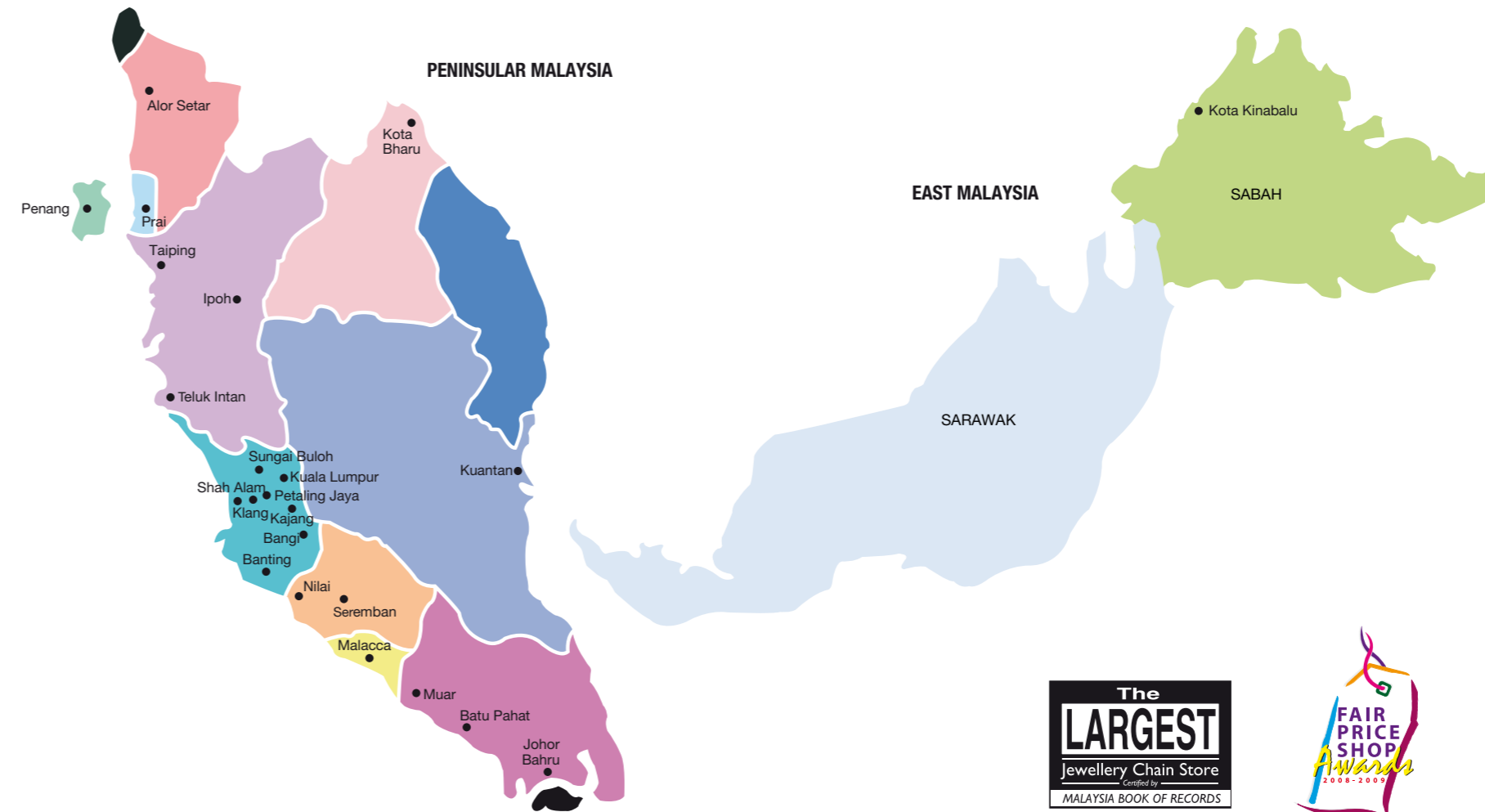
- Kompleks Pernas Sogo Tel: 603-2698 5275
- The Mall Tel: 603-4041 0542
- Jusco, Taman Maluri Tel: 603-9285 8566
- Alpha Angle, Wangsa Maju Tel: 603-4142 1688
- Ampang Point Shopping Centre Tel: 603-4252 7375
- Pearl Point Shopping Mall Tel: 603-7981 3798
- Leisure Mall Tel: 603-9132 2417
- Spectrum Shopping Mall Tel: 603-4270 1039
- Parkson Grand, Selayang Mall Tel: 603-6136 7813
- Bangsar Shopping Centre Tel: 603-2093 3161
- The Mines Shopping Fair Tel: 603-8943 0759
- Mid Valley Megamall Tel: 603-2284 9636
- Jusco, Metro Prima Shopping Centre Tel: 603-6258 6088
- Carrefour Hypermarket, Kepong Tel: 603-6259 3809
- Plaza OUG, Old Klang Road Tel: 603-7981 7819
- The Store, Sri Petaling Tel: 603-9058 7693
- AEON, Tmn Equine Shopping Centre Tel: 603-8941 6204
- AEON, Cheras Selatan Tel: 603-9076 9781
- Lot 1.40.00, Pavilion Tel: 603-2141 9090
- AEON, AU2 Shopping Centre Tel: 603-4257 4282
- Axis Atrium Tel: 603-9200 7311
- Fahrenheit 88 Tel: 603-2141 2486

SHAH ALAM

- Alam Sentral Plaza Tel: 603-5518 6116

KLANG

- Giant Hypermarket Klang Parade Tel: 603-3343 7830
- Jusco, Bukit Raja Shopping Centre Tel: 603-3342 8863
- Shaw Centre Point Tel: 603-3344 2488
- G38, Klang Parade Tel: 603-3344 1488
- Carrefour Hypermarket Tel: 603-3342 5562



SUNGAI BULOH

- The Store Tel: 603-6157 6598

BANGI

- Bangi Utama Shopping Complex Tel: 603-8210 0500

KAJANG

- Plaza Metro Kajang Tel: 603-8734 5233
- The Store, Semenyih Sentral Tel: 603-8723 6571
- Mahkota Cheras Shopping Centre Tel: 603-9074 9377

BANTING

- The Store Tel: 603-3187 0543

IPOH

- The Store Tel: 605-253 6717
- Kinta City Shopping Centre Tel: 605-547 0013

TELUK INTAN

- The Store Tel: 605-621 6024

NILAI

- Giant Superstore Tel: 606-799 1650

SEREMBAN

- The Store Seremban Tel: 606-762 4315
- Terminal One Tel: 606-762 7933
- The Store Centre Point Tel: 606-761 9366
- Jusco, Seremban 2 Tel: 606-601 5505

PRAI

- AEON, Seberang Prai City Shopping Centre Tel: 604-538 9726

PENANG

- Queensbay Mall Tel: 604-641 1560
- Lot GF119 & GF120
- Queensbay Mall Tel: 604-641 1572
- Lot GF43-A, GF45 & GF 46
- BJMart Tel: 606-642 4973

ALOR SETAR

- Star Parade Tel: 604-734 8021
- Alor Star Mall Tel: 604-772 5351
- Souq Al-Bukhary Commercial Centre Tel: 604-733 1363

KUANTAN

- East Coast Mall Tel: 609-560 9988
- Kuantan Parade Shopping Mall Tel: 609-513 6299

KELANTAN

- KB Mall, Kota Bharu Tel: 609-741 2166

MALACCA

- Jusco Shopping Centre Tel: 606-232 5188
- Mahkota Parade, G29 Tel: 606-282 1922

MUAR

- Wetex Parade Tel: 606-951 7718
- Giant Hypermarket Tel: 606-952 9916

JOHOR BAHRU

- Jusco, Taman Universiti Tel: 607-521 3482
- Jusco, Permas Jaya Tel: 607-388 9958
- AEON, Tebrau City Shopping Centre Tel: 607-354 7691
- AEON, Bukit Indah Shopping Centre, Lot G37 Tel: 607-236 9033

BATU PAHAT

- Summit Parade Tel: 607-433 1918

KOTA KINABALU

- Complex Karamunsing Tel: 6088-243 666



RETAIL CONCEPT STORES

DIAMOND BOUTIQUE

- AEON, Tebrau City Shopping Centre, Ground Floor, JB Tel: 607-353 6497
- Sunway Pyramid Shopping Mall, PJ Tel: 603-7492 0973
- AEON, Bukit Indah Shopping Centre, Lot G36, JB Tel: 607-236 9499
- Ampang Point Shopping Centre Tel: 603-4260 2426

DIAMOND & GOLD

- 1 Utama Shopping Centre (Oval), PJ Tel: 603-7710 7260
- Tesco Hypermarket, Puchong Tel: 603-8076 5952
- Mid Valley Mega Mall, KL Tel: 603-2282 8850
- Tesco Hypermarket Ampang, KL Tel: 603-9282 5857
- Tesco Extra Cheras, KL Tel: 603-9132 4684
- Tesco Saujana Impian, Kajang Tel: 603-8734 1976
- Tesco Extra, Shah Alam Tel: 603-5510 4203
- Tesco Hypermarket, Shah Alam Tel: 603-5519 3588
- AEON, Bukit Tinggi, Klang Tel: 603-3326 2821
- Tesco Hypermarket, Klang Tel: 603-3323 9021
- Tesco Station 18, Ipoh Tel: 605-322 8655
- Tesco Taiping Tel: 605-808 1333
- Mahkota Parade, G14, Malacca Tel: 606-283 2470
- Tesco Hypermarket, Malacca Tel: 606-288 2848
- AEON, Bandaraya Melaka Shopping Centre, Malacca Tel: 606-286 3120
- Tesco Extra Seremban 2 Tel: 606-613 6068
- Tesco Seri Alam, JB Tel: 607-388 8796
- Tesco Cheng Malacca Tel: 606-334 3857

TRANZ

- Sunway Pyramid Shopping Mall, PJ Tel: 603-7492 0973

JADE GALLERY

- Jusco Bukit Raja Shopping Centre Tel: 603-3342 4120

ORO BIANCO

- AEON, Bukit Indah Shopping Centre, Lot G35, JB Tel: 607-236 9484

POH KONG GALLERY

- 16-20, Jalan 52/4 46200 Petaling Jaya Tel: 603-7958 8999
- Pavilion, Kuala Lumpur Tel: 603-2141 7919



PRODUCT | SERVICE | EXCELLENCE | CRAFTSMENSHIP

Quality

2010

CONTENTS

3	CORPORATE INFORMATION	46	STATEMENT ON INTERNAL CONTROL
5	CORPORATE STRUCTURE	48	OTHER COMPLIANCE INFORMATION
6	5-YEAR GROUP FINANCIAL HIGHLIGHTS	49	STATEMENT ON DIRECTORS' RESPONSIBILITY
7	CORPORATE MILESTONES	50	FINANCIAL STATEMENTS
11	CORPORATE HIGHLIGHTS	115	ANALYSIS OF SHAREHOLDINGS
15	BOARD OF DIRECTORS	119	LIST OF PROPERTIES
16	PROFILE OF BOARD OF DIRECTORS	125	NOTICE OF ANNUAL GENERAL MEETING
22	CHAIRMAN'S STATEMENT	128	STATEMENT ACCOMPANYING NOTICE OF AGM
26	CHAIRMAN'S STATEMENT (MALAY)	129	LETTER TO SHAREHOLDERS - eDIVIDEND (ELECTRONIC DIVIDEND) SERVICE
31	CHAIRMAN'S STATEMENT (CHINESE)		PROXY FORM
34	STATEMENT ON CORPORATE GOVERNANCE		
39	CORPORATE SOCIAL RESPONSIBILITY		
42	REPORT OF THE AUDIT COMMITTEE		



Corporate Information

BOARD OF DIRECTORS

Yg Bhg Dato' Choon Yee Seiong
Mr Cheong Teck Chong
Madam Choon Nee Siew
Madam Choon Yoke Ying
Madam Choon Wan Joo
Dr Choong Tuck Yew
Encik Fazrin Azwar Bin Md Nor
Datin Shirley Yue Shou How

AUDIT COMMITTEE

Dr Choong Tuck Yew, Chairman
Encik Fazrin Azwar Bin Md Nor, Member
Datin Shirley Yue Shou How, Member

NOMINATION COMMITTEE

Encik Fazrin Azwar Bin Md Nor, Chairman
Dr Choong Tuck Yew, Member
Datin Shirley Yue Shou How, Member

REMUNERATION COMMITTEE

Datin Shirley Yue Shou How, Chairperson
Dr Choong Tuck Yew, Member
Encik Fazrin Azwar Bin Md Nor, Member
Dato' Choon Yee Seiong, Member

COMPANY SECRETARY

Ng Yim Kong (LS 0009297)

REGISTERED OFFICE

Unit 07-02, Level 7, Persoft Tower
6B Persiaran Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan
Tel: 03- 7804 5929 Fax: 03- 7805 2559

CORPORATE OFFICE

No. 16- 20, Jalan 52/4
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7958 8999 Fax: 03-7957 2404

AUDITORS

**GEP Associates/ Chartered Accountants
(Firm No. AF-1030)**
Wisma GEP, 25 Jalan PJU 1/42A
Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7803 3390 Fax: 03-7803 3603

SOLICITORS

Soo Thien Ming & Nashrah
1st Floor, No. 1, Jalan SS2/55
47300 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7874 8763 Fax: 03-7874 4314

PRINCIPAL BANKERS

Malayan Banking Berhad (3813-K)
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2776 5716 Fax: 03-2026 5267

Affin Bank Berhad (25046-T)

14th Floor, Menara Affin
80 Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2055 9000 Fax: 03-2032 1043

United Overseas Bank (Malaysia) Bhd (271809-K)

Level 7, Menara UOB
Jalan Raja Laut
50738 Kuala Lumpur
Tel: 03-2692 7722 Fax: 03-2691 8418

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd (378993-D)

Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A / 46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7841 8000 Fax: 03-7841 8008

STOCK EXCHANGE LISTING

**Main Market of Bursa Malaysia
Securities Berhad (Bursa Securities)**

**MURABAHAH COMMERCIAL PAPERS/
MEDIUM TERM NOTES PROGRAMME
OF UP TO RM200 MILLION IN NOMINAL
VALUE**

Joint Lead Arrangers/
Joint Lead Managers

Maybank Investment Bank Berhad (15938-H)

33rd Floor, Menara Maybank
Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2059 1888 Fax: 03-2032 1571

CIMB Investment Bank Berhad (18417-M)

5th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel: 03- 2084 8888 Fax: 03- 2095 0112

TRUSTEE

CIMB Trustee Berhad (167913-M)

Level 3, Bangunan Amanah Raya Berhad
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2084 8888 Fax: 03-2092 2717

POH KONG

Website: www.pohkong.com.my
Web Portal: www.pohkong.listedcompany.com





REPUTATION | COMMITMENT | HONESTY | TRANSPARENCY

Trust

Corporate Structure

Poh Kong Holdings Berhad

100%

Poh Kong Jewellers (Ampang Point) S/B

Poh Kong Jewellers (Bandar Utama) S/B

Poh Kong Jewellers (Bangsar) S/B

Poh Kong Jewellers (Banting) S/B

Poh Kong Jewellers (Batu Pahat) S/B

Poh Kong Jewellers (Franchise) S/B

Poh Kong Jewellers (Gold Seremban) S/B

Poh Kong Jewellers (Ipoh) S/B

Poh Kong Jewellers (Jaya) S/B

Poh Kong Jewellers (Jln Taman Malacca) S/B

Poh Kong Jewellers (Kajang) S/B

Poh Kong Jewellers (Kinta City) S/B

Poh Kong Jewellers (Klang) S/B

Poh Kong Jewellers (Kuantan) S/B

Poh Kong Jewellers (M) S/B

Poh Kong Jewellers (Malacca) S/B

Poh Kong Jewellers (Maluri) S/B

Poh Kong Jewellers (Meru) S/B

Poh Kong Jewellers (Muar) S/B

Poh Kong Jewellers (MV) S/B

Poh Kong Jewellers (Old Klang Road) S/B

Poh Kong Jewellers (Peringgit) S/B

Poh Kong Jewellers (Permas Jaya) S/B

Poh Kong Jewellers (PHT) S/B

Poh Kong Jewellers (Puchong) S/B

Poh Kong Jewellers (Selayang) S/B

Poh Kong Jewellers (Seremban) S/B

Poh Kong Jewellers (Shah Alam) S/B

Poh Kong Jewellers (SS 2) S/B

Poh Kong Jewellers (Subang Parade) S/B

Poh Kong Jewellers (Summit) S/B

Poh Kong Jewellers (The Mall) S/B

Poh Kong Jewellers (The Mines) S/B

Poh Kong Jewellers (Tmn Universiti, J. B.) S/B

Poh Kong Jewellers (Wangsamaju) S/B

Poh Kong Jewellers S/B

Poh Kong Jewellery Manufacturer S/B

Poh Kong Properties S/B

Precious Jewellery S/B

Poh Kong International S/B

In Vogue S/B

Jungmax Property S/B

Kedai Emas Likwong S/B

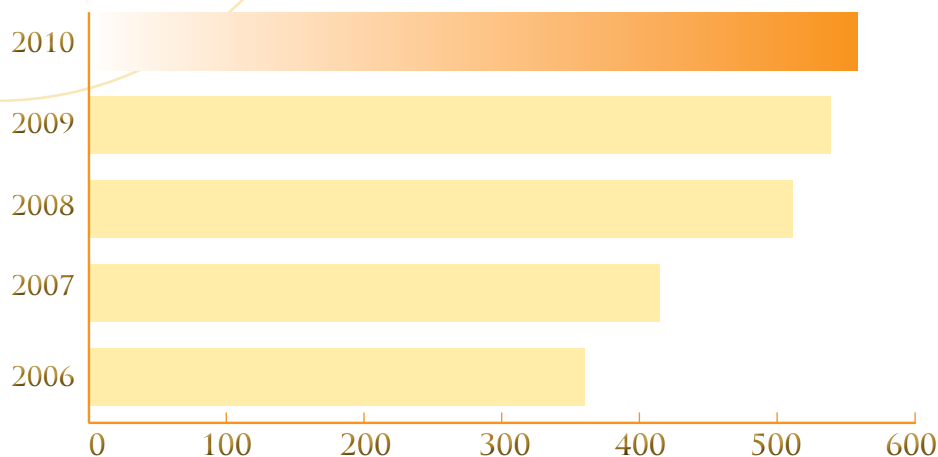
Pajak Gadai Anda S/B

PK Design S/B

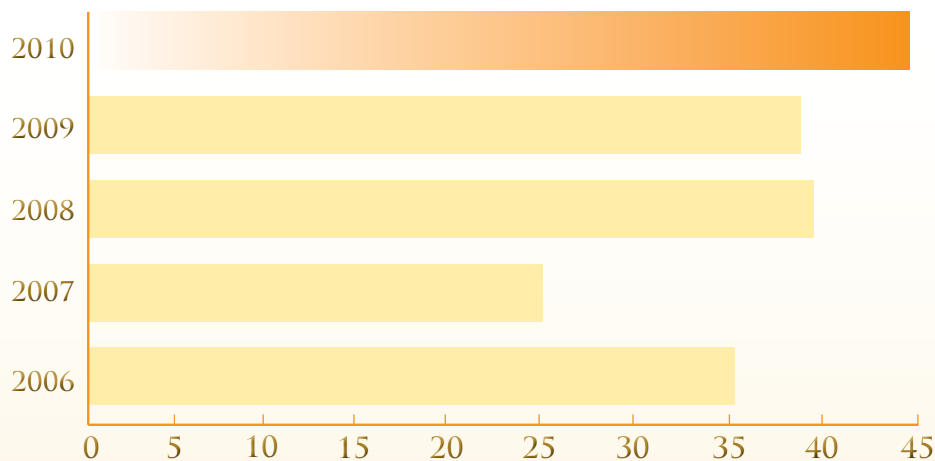
PK Jewellery Export S/B

5 Year Group Financial Highlights

REVENUE (RM MILLION)



PROFIT BEFORE TAXATION (RM MILLION)



FYE 31 July - RM'000

	2006	2007	2008	2009	2010
Revenue	372,124	414,239	509,354	541,636	561,244
Profit before taxation	35,140	25,365	39,956	38,558	44,799
Taxation	(9,051)	(6,949)	(11,190)	(10,138)	(12,282)
Profit after taxation	26,089	18,416	28,766	28,420	32,517
Profit attributable to:-					
Equity holders of the Company	25,995	18,405	28,686	28,444	32,517
Minority Interests	94	11	80	(24)	-
	26,089	18,416	28,766	28,420	32,517

Corporate Milestones



1976

- Dato' Eddie Choon, Poh Kong's Executive Chairman & Group Managing Director, started business in jewellery retailing as one of the founders of the Company when he established Poh Kong Jewellers (PKJ), a partnership at Jalan 52/4, Petaling Jaya on Mar 26.

1982

- Poh Kong Jewellers (PKJ) expanded its operations with the opening of its first branch in SS2 Petaling Jaya, Selangor Darul Ehsan taking a retail space of 1,500 sq ft and a staff of 20 employees.

1983 - 1992

- PKJ opened more branches in the 80's until the early 90's.

1993

- PKJ upgraded its outlets with point-of-sales fully computerised and Inventory systems.

1995

- PKJ signed a licensing agreement with the Walt Disney Company as exclusive distributor of its characters in gold in Malaysia.

1996

- Poh Kong celebrated its 20th Anniversary with a contest offering a Mercedes Benz C200 as its grand prize.
- PKJ in-house designer team won a gold medal for the "Golden Design Awards 1996" organized by the World Gold Council Europe in Italy.

1998

- PKJ listed in The Malaysia Book of Records as the Largest Jewellery Retail Chain.

1999

- Poh Kong raised RM100,000 for the Nanyang Press Foundation for education and training of underprivileged youths, through a charity campaign launched in its 50 retail outlets nationwide.

2001

- PKJ established an ultra modern RM12 million manufacturing facility with an initial 60,000 sq ft in Shah Alam to create exclusive designs by a team of skilled master craftsmen. The plant has an expansion capacity of three times its present size.
- Poh Kong celebrated its 25th Anniversary with the "Drive Home a Lotus Elise" Contest and a grand anniversary company dinner.
- Poh Kong developed its own house brand Tranz Collection of jewellery that is contemporary in design with an Italian inspiration for the young and trendy.

2002

- Poh Kong Holdings Sdn Bhd (PKHSB) incorporated as a private limited company on July 12.
- PKHSB converted into a public company Poh Kong Holdings Berhad (PKHB) on July 24, as an investment holding company whilst its subsidiaries are involved in manufacturing, trading, supplying and retailing of gold ornaments, diamonds, and gem-set jewellery.
- PKHB formed a franchise division and was successful in obtaining approval in 2001 from the Ministry of Entrepreneur Development & Co-operatives to start-up franchise operations in the country.

2003

- Poh Kong was one of the sponsors in the Miss Tourism International Pageant under the auspices of the Ministry of Culture and Tourism.

2004

- PKHB was listed on the main board of Bursa Malaysia Securities Berhad on Mar 9.
- PKHB ranked 9th position in Malaysia with US\$77.1 (RM292.98) million chalked up in sales (1993) in a research by Retail Asia Publishing magazine on the top 500 companies in the Asia-Pacific region.
- Poh Kong Gallery, a stylish VIP lounge occupying 5,000 sq ft and refurbished with a classic Italian ambience was set up at its headquarters at 16 - 20 Jalan 52/4, Petaling Jaya.
- PKJ's expansion reached 60 outlets nationwide in Peninsular Malaysia.

Corporate Milestones

- Poh Kong sponsored the Miss Poh Kong Glamour in the annual Miss Tourism International Pageant 2004 for the second time.

2005

- Poh Kong held its 2nd Annual General Meeting and Extraordinary General Meeting at the Pan Pacific Glenmarie, Shah Alam on Jan 24.
- Poh Kong launched the MBF Poh Kong Gold Card “Win Around The Clock” Bonanza promotion.
- Poh Kong sponsored the new Tranz commercial to highlight product branding and an interactive multi-media campaign “Trio” on ntv7 and a breast cancer awareness drive called “Trio and Friends – Take Charge.”
- PKHB was successful in obtaining approval from the Ministry of Entrepreneur Development & Co-operatives to start-up franchise operations in the country.
- Poh Kong launched its 30th Anniversary “Million Ringgit Reward” Contest from 30 September 2005 to 30 April 2006 to reward its patrons with diamonds and gems as prizes.
- Poh Kong’s road shows at various shopping malls in the Klang Valley were organised during the various Malaysian festivals and special events.
- Poh Kong sponsored Miss Poh Kong Glamour in the annual Miss Tourism International Pageant 2005 for the third time.

2006

- Poh Kong held its 3rd Annual General Meeting of PKHB at Sheraton Subang Hotels & Towers, Subang Jaya on Jan 20.
- The Ministry of Domestic Trade & Consumer Affairs awarded PKJ and subsidiaries in the Group the Fair Prize Shop Awards 2005 – 2006 in the Jewellery Category in recognition of the Company’s outstanding contributions to the country’s economy.
- Poh Kong’s wholly-owned subsidiary Poh Kong International Sdn Bhd (PKISB) signed a joint-venture agreement on May 11 with two Hong Kong based companies to venture into the diamond-cutting and polishing, sales, import and export of precious stones.
- Poh Kong held its final judging and press conference on June 8 for the 30th Anniversary “Million Ringgit Contest” at the Sunway Lagoon Resort Hotel to reward its patrons with a RM1.38 million worth of diamonds and gems in products and vouchers as prizes.

- Poh Kong commemorated its 30th Anniversary Celebrations Gala Dinner at the KL Hilton on June 22 for customers, business partners and associates, the trade, Government representatives and the media.
- Poh Kong staff also celebrated the occasion with a sumptuous 30th Anniversary “Summer Fiesta” Dinner on Aug 13 at the Sunway Lagoon Resort Hotel.
- Poh Kong opened its first franchise outlet in Complex Karamuning, Kota Kinabalu in September as part of its retail expansion into East Malaysia.
- Poh Kong was ranked 10th in the Top Ten Retailing Company in Malaysia, with US\$95 million (RM351 million) in sales volume for 2005, according to Retail Asia Publishing magazine. The Company was also listed 372 position in the region’s 2006 Retail Asia-Pacific Top 500 retail companies in the annual ranking based on sales value generated by retailers in 14 Asian economies in 2005.

2007

- Poh Kong held its 4th Annual General Meeting of the Company at the Kristal Ballroom, Hilton Petaling Jaya on Jan 15.
- Poh Kong Jewellers Sdn Bhd was recognized and conferred the 2007 Reader’s Digest Trusted Brands Gold Award in the Jewellery Shop category on May 7. The Reader’s Digest Trusted Brands Survey, partnered with Nielsen Media Research, is recognized as one of the most transparent branding surveys in the Asian region.
- Poh Kong was one of the major sponsors and official jewellery for Project Runaway Malaysia, the country’s premier fashion reality TV show which was shown on 8TV from May 25 to June 23.
- Tranz, our in-house brand was a major sponsor and official jewellery for ‘So You Think You Can Dance’ the first reality TV dance competition, a joint promotion with 8TV. The grand finals was staged on June 29.
- Poh Kong was appointed the sole brand carrier for Schoeffel when it opened its first speciality flagship boutique in the world for the German based international pearl jewellery company at Pavilion Kuala Lumpur on Oct 4.
- Several subsidiaries of the Poh Kong Group were presented the Fair Price Shop Awards 2007 – 2008 in the jewellery category by the Minister of Domestic Trade & Consumer Affairs this year in recognition of the Group’s outstanding contribution to the country’s economy.

Corporate Milestones

- Poh Kong Group participated in the International Trade Malaysia (Intrade Malaysia 2007) Exhibition with display booths showcasing its products to the world's 500 buying missions of international business leaders, entrepreneurs and industrialists.
- Poh Kong signed an exclusive distributor and marketing agreement on Dec 3 with Schoeffel which gave the Company the territorial rights to promote and expand the Schoeffel brand in Malaysia and Southeast Asia.
- Poh Kong sponsored the Miss Poh Kong Glamour subsidiary title jewellery category of the Miss Tourism Metropolitan International Pageant World Final beauty parade in Bukit Tinggi, Klang on Dec 23.
- In conjunction with this event, Poh Kong officially opened its largest Diamond & Gold speciality store, taking over 5,400 square foot of retail space in the Aeon Shopping Mall in Bukit Tinggi.

2008

- Poh Kong held its 5th Annual General Meeting at Sunway Resort Hotel & Spa, Lagoon 1, Bandar Sunway on Jan 15.
- Poh Kong was again conferred the Reader's Digest Trusted Brands Award in the Jewellery Shop category for the third consecutive year.

- Poh Kong organized a Diamond and Gems Roadshow which showcased the wedding collection that featured a wide range of wedding bands, necklaces and earrings made of the finest diamonds and gems as perfect accessories for brides at the Mid Valley Megamall.

- Tranz co-sponsored the Gary Chaw "Welcome To My World" Asia live concert at Putra Indoor Stadium. The star also made a special appearance at the fashion parade of bridal gowns at the Mid Valley Megamall's centre court in conjunction with the Diamond & Gems Roadshow.

- Poh Kong and Schoeffel launched the Schoeffel Time Collection called "The Pearl" a luxurious pearl watch for women in the Malaysian market – the first ever in the world – at Westin Kuala Lumpur.

- Tranz sponsored the live reality dance competition 'So You Think You Can Dance?' season two as the official jewellery for the highly popular dance show which ended with the grand finals at Ruums Club in Life Centre, Kuala Lumpur.

- Poh Kong was again the official jewellery sponsor for Project Runway Malaysia, the country's premier fashion reality TV show which was shown on 8TV from Aug 3 to Nov 13.

- Dato' Choon Yee Seiong, Executive Chairman & Group Managing Director won the prestigious "19 Years At The Top Award" given by Malaysia Tatler and "Superstar Of The Year 2008 Award" by the Malaysian Retailer-Chains Association (MRCA) on Nov 1 and 7 respectively.

- Poh Kong, the sole licensee for Disney jewellery collection of favourite theme characters for the young, celebrated Mickey's Magical Holidays with 80 children from the House of Joy and the Ti-Ratana Welfare Society at the movie screening of Walt Disney's 'High School Musical 3' at 1 Utama, Petaling Jaya on Nov 21.

- Several subsidiaries of the Poh Kong Group in the country received the Fair Price Shop Awards 2008-2009 in the jewellery category from the Minister of Domestic Trade and Consumer Affairs in recognition of the Company's outstanding contribution to the economy in November.

- Poh Kong and Schoeffel presented the preview of the Schoeffel Autumn-Winter Fashion and Time Collection 2008 at the Westin Kuala Lumpur on Dec 18.

- Poh Kong sponsored the Miss Poh Kong Glamour 2008 subsidiary title jewellery category in conjunction with the Miss Tourism International World Final at the Sunway Pyramid Shopping Mall, Bandar Sunway on Dec 23.

2009

- Poh Kong Holdings Berhad (PKHB) held its 6th Annual General Meeting for shareholders at Armada Hotel, Petaling Jaya on Jan 9.

- Poh Kong's in a CSR initiative donated five units of medical walkers for the Foundation Training Centre and Home for the Handicapped (Yayasan Latihan Insan Istimewa Perak Malaysia) for their physically challenge and Down Syndrome children and adults on Feb 28.

- Poh Kong and Schoeffel sponsored a fashion show in the Genting Junket Appreciation Night 2009 for patrons of the Genting Rewards Gallery at the Genting International Showroom, Highlands Hotel on May 30.

- Poh Kong and Luca Carati, one of Italy's oldest and most prestigious jewellers, launched the Luca Carati brand in Malaysia and also commemorated Poh Kong as the sole distributor in Hilton Kuala Lumpur on June 19.

- Poh Kong was listed among one of the companies in the region's 2009 Retail Asia-Pacific Top 500 retail companies in their annual ranking based on sales value generated by retailers in 14 Asian economies in July.

Corporate Milestones



- The Poh Kong Group participated in two jewellery road shows in conjunction with the Hari Raya Puasa festive promotions at the Mid Valley Megamall's ground floor from Aug 27 - Sept 11 and at Menara Maybank's lobby in Kuala Lumpur from Sept 7 - 11.
- Poh Kong co-sponsored the "Mary Search for Celebrities," a popular cable TV programme to unearth talents in Malaysia to star in the Jia Yu family entertainment channel on Astro 304.
- Poh Kong featured two of its labels, Schoeffel exquisite pearls from Germany and Luca Carati diamonds from Italy, in a jewellery show at the "Fashion on the Turf" Ladies Day annual event at the Selangor Turf Club racecourse in Sungei Besi on Oct 10.
- Poh Kong organised a Jewellery Promotion during the UMNO General Assembly meeting for its delegates and visitors at the Seri Pacific Hotel in Jalan Syed Putra, Kuala Lumpur from Oct 12-16.
- Poh Kong and Schoeffel presented the new line of ready-to-wear Schoeffel pieces for the Autumn-Winter Collection 2009 to patrons and guests at the Hilton Kuala Lumpur on Nov 25.
- Poh Kong sponsored the Miss Poh Kong Glamour 2009 subsidiary title jewellery category in conjunction with the Miss Tourism International World Final at the Sunway Pyramid Shopping Mall, Bandar Sunway on Dec 26.
- New pearl strands "The Collier Collection 2010" from Schoeffel were introduced to patrons and supporters at the KL Hilton's Ballroom on June 1.
- Poh Kong was listed among one of the companies in the region's 2010 Retail Asia-Pacific Top 500 retail companies in their annual ranking based on sales value generated by retailers in 14 Asian-Pacific economies in July.
- Poh Kong was one of the major blockbuster exhibitor partners in the FemmeCity 2010 inaugural women's fair, organized by Clove, which attracted about 27,000 visitors at the Kuala Lumpur Convention Centre from July 30 – Aug 1.
- Poh Kong sponsored a Jewellery & Gems Fashion Show as one of its customer relationship programmes with various merchants in the trade at the QUILL Automobiles showroom in Petaling Jaya on Oct 26.
- Poh Kong featured its diamonds, jade and an assortment of international jewellery brands in a roadshow called "Art & Fashion" at the Pavilion Kuala Lumpur's centre court from Oct 18-24.

2010

- Poh Kong Holdings Berhad (PKHB) held its 7th Annual General Meeting for shareholders at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Kuala Lumpur on Jan 20.
- Several road shows were organized to promote Poh Kong's "The One and Only Grade A Jade" together with jade masterpieces among its customers and supporters at 10 retail outlets in the Klang Valley, Alor Star, Penang, Ipoh, Malacca and Johore from April to June.
- Poh Kong sponsored two days workshops called Pageant Coach "Passage to Stardom" an intensive ladies grooming and image building course to unearth "star" quality talents in Malaysia held at Level 7, Pavilion Kuala Lumpur on April 24-25 and July 24-25.
- Poh Kong showcased two in-house brands, the Tranz Collection gold jewellery for the young and trendy, and the Anggun Collection, which incorporates elegant and sophisticated flower motif designs, in the Malaysian Pavilion (Matrade booth) at the Shanghai World Expo 2010 from May 1 to Oct 31.
- Dato' Eddie Choon, Executive Chairman & Group Managing Director, PKHB has received the Malaysian Retailer-Chains Association's "MRCA Achievers Book 2010" Award on Oct 29 for being one of the outstanding and leading entrepreneurs in the development of the retail chains industry and in pioneering a successful business model for Poh Kong.
- Dato' Choon, the Founder President of the MRCA in 1992, had provided an avenue for retail businesses networking among members to promote the healthy expansion of the retail industry, both locally and internationally.
- Poh Kong as sole distributor for Luca Carati, organized a jewellery preview of the renowned Italian collection of luxury diamond collection for guests and supporters at the Shangri-la Hotel Kuala Lumpur on Nov 9.
- Several subsidiaries of the Poh Kong Group in the country received the Fair Price Shop Awards 2010 in the jewellery category from YB Dato' Sri Ismail Sabri Yaakob, Minister of Domestic Trade, Co-operatives and Consumer Affairs on Dec 6 in recognition of the Company's outstanding contributions to the country's economy.

Corporate Highlights

26 December 2009 Miss Poh Kong Glamour

Miss Czech Republic Gabriela Korinkova won the Miss Poh Kong Glamour subsidiary title jewellery category of the Miss Tourism International World Final 2009 beauty parade at the Sunway Pyramid Shopping Mall.

She received a sash, a trophy, a South Sea pearl and diamond necklace worth RM10,000 in the contest. 46 beauty queens took part in a fashion parade dressed in casual wear, black cocktail dresses and evening gowns, with an exclusive range of gold, pearls, colour gems, and diamonds from Poh Kong.



Ms Gabriela Korinkova receiving a trophy from Dato' Eddie Choon.



Miss Poh Kong Glamour Gabriela Korinkova, flanked by Dato' Eddie Choon, Executive Chairman & Group Managing Director of PKHB (left) and Datin Jennifer Choon with the finalists. Others from left to right are Mr Chai Kher Lik, Actor, Ms Phang Sau Lian, Senior Manager, Marketing, Sunway Pyramid, Ms Irene Choon, Executive Director, PKHB, Ms Carol Lee, former Miss Malaysia, Mr Carven Ong, Fashion Designer, and Ms Christine Choon, Executive Director, PKHB.

20 January 2010 7th Annual General Meeting

Poh Kong Holdings Berhad (PKHB) held its 7th Annual General Meeting for shareholders at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Kuala Lumpur.

The 7th Annual General Meeting was convened in Bukit Kiara Equestrian & Country Resort.



April – June 2010 Road Shows With Precious Jade Masterpieces

Several road shows were organized to promote Poh Kong's "The One and Only Grade A Jade" together with jade masterpieces among its customers and supporters at 10 retail outlets in the Klang Valley, Alor Star, Penang, Ipoh, Malacca and Johore from April to June.

The road shows also coincided with the Mother's Day and Father's Day special occasions on May 9 and June 20 respectively.



Jade road show at Alor Star.



Jade Road Show at AEON, Tebrau City Shopping Centre, Johor Bahru.



Jade road show at Bangsar, Kuala Lumpur.



Jade Road Show at Jusco Shopping Centre, Malacca.



Jade road show at Jusco Kinta City Shopping Centre, Ipoh.



Jade road show at Jusco Queensbay Mall, Penang.

Corporate Highlights

From left, Ms Alice Choon (left), Executive Director, PKHB, Ms Carrie Lee, Miss Malaysia/Miss Chinese Cosmos International 2004/2005, Dato' Nirmala Beatrice, Mrs Malaysia World 2007, Ms Levy Li, Miss Malaysia Universe 2008 and Ms Alice Lee, Principal, Pageant Coach.



24-25 April & 24-25 July 2010 Pageant Coach `Passage To Stardom` Workshops

Poh Kong sponsored two days workshops called Pageant Coach "Passage to Stardom" an intensive ladies grooming and image building course to unearth "star" quality talents in Malaysia held at Level 7, Pavilion Kuala Lumpur during April and July.

30 beauty aspirants had a glimpse of the world of beauty and glamour which included modelling fashion clothes complemented with elegant jewellery provided by Poh Kong, the official jewellery sponsor.



The Anggun Collection is an ideal selection for the lady of taste and elegance.



The Tranz Collection for the young and trendy.

1 May 2010 – 31 October 2010 Shanghai World Expo 2010

Poh Kong showcased two in-house brands, the Tranz Collection gold jewellery for the young and trendy, and the Anggun Collection, which incorporates elegant and sophisticated flower motif designs, in the Malaysian Pavilion (Matrade booth) at the Shanghai World Expo 2010.

The collections were exposed to a global audience at the expo which attracted more than 73 million visitors.



A model with multi-coloured pearl strands necklaces and a five-layer pearls bracelet.



The Collier Collection displays at KL Hilton where the Schoeffel luxury pearl collections were previewed.

1 June 2010 Schoeffel Introduces New Luxury Pearl Collections

New pearl strands "The Collier Collection 2010" from Schoeffel were introduced to patrons and supporters at the KL Hilton's Ballroom.



Schoeffel models dressed in colourful gowns and headbands flank (from left) Mr Joseph Lim, Schoeffel's Manager for Asia-Pacific, Dato' Eddie Choon, Executive Chairman & Group Managing Director, PKHB and Ms Alice Choon, Executive Director, PKHB.

Corporate Highlights

July 2010 Poh Kong Listed In Retail Asia-Pacific Top 500

Poh Kong was listed among one of the companies in the region's 2010 Retail Asia-Pacific Top 500 retail companies in their annual ranking based on sales value generated by retailers in 14 Asian-Pacific economies.

According to the Retail Asia Magazine (July issue), Poh Kong Holdings Berhad recorded US\$137 million (about RM434 million) in sales volume for 2009.



Poh Kong was listed in the region's 2010 Retail Asia-Pacific Top 500 retail companies.



The Retail Asia magazine cover story in July 2010.

30 July – 1 August 2010 Star FemmeCity 2010 Exhibition

Poh Kong was one of the major blockbuster exhibitor partners in the FemmeCity 2010 inaugural women's fair, organized by Clove, which attracted about 27,000 visitors at the Kuala Lumpur Convention Centre.

Poh Kong exhibits and display showcases.



Poh Kong jewellery was on sale at the Poh Kong display counters which included attractive lucky draws. The Company also sponsored and showcased its jewellery in the City Girl fashion show to reach a wider customer base.

Visitors mingling at the customer counters.



26 October 2010 Fashion Show @ Quill Automobiles

Poh Kong sponsored a Jewellery & Gems Fashion Show as one of its customer relationship programmes with various merchants in the trade at the QUILL Automobiles showroom in Petaling Jaya.



Poh Kong display booths at the QUILL Automobiles showroom.

The event provided a platform to showcase Poh Kong's exquisite collection of Luca Carati jewellery and Schoeffel luxury pearls among their customers and supporters.



Models pose with (from left to right) Ms Crystalle Lai, Marketing Manager, QUILL Automobiles, Mr Sen Hung Keong, Head, Wealth Management, Maybank, Ms Teh Cheah May, Head of High Net Worth & Affluent Banking, Maybank, Mr Roland Ooi, Director, QUILL Automobiles, Mr Franc Vila, Luxury Concept, and Dato' Eddie Choon, Executive Chairman, & Group Managing Director, PKHB.

Corporate Highlights



Ms Alice Choon, Executive Director, PKHB and Mr Edison Choon of Poh Kong pose with models dressed in white gowns and exclusive jewellery.



The 'Art & Fashion' display teasers.



Poh Kong's attractive booths take center stage at Pavilion KL.

18- 24 October 2010 `Art & Fashion` Roadshow @ Pavilion KL

Poh Kong featured its diamonds, jade and an assortment of international jewellery brands in a roadshow called "Art & Fashion" at the Pavilion Kuala Lumpur's centre court.

Customers and supporters were also encouraged to visit the Poh Kong Gallery in the shopping mall for consultations and special orders of jewellery.

Guest-of Honour Dato' Seri Idris Jala, Minister in the Prime Minister's Department, presenting a trophy to Dato' Eddie Choon at MRCA's 18th Anniversary Awards Banquet at Sunway Resort & Spa Hotel. Others, from left, are Ms Valerie Choo, MRCA Secretary General and Dato' Tay Sim Kim, MRCA President.



29 October 2010 `MRCA Achievers Book` Award

Dato' Eddie Choon, Executive Chairman & Group Managing Director, PKHB has received the Malaysian Retailer-Chains Association's "MRCA Achievers Book 2010" Award for being one of the outstanding and leading entrepreneurs in the development of the retail chains industry and in pioneering a successful business model for Poh Kong.

Dato' Choon, the Founder President of the MRCA in 1992, had provided an avenue for retail businesses networking among members to promote the healthy expansion of the retail industry, both locally and internationally.

9 November 2010 Luca Carati Introduces Luxury Diamond Collection

Poh Kong as sole distributor for Luca Carati, organized a jewellery preview of the renowned Italian collection of luxury diamond collection for guests and supporters at the Shangri-la Hotel Kuala Lumpur.



'Diamonds are forever' ...models display the diamond collection. From left are Dato' Eddie Choon, Executive Chairman & Group Managing Director, PKHB, Ms Emiliana Caprioglio, Luca Carati's Sales Manager, Ms Alice Choon, Executive Director, PKHB, and a representative from Luca Carati.

6 December 2010 Fair Price Shop Awards 2010

Several Subsidiaries of the Poh Kong Group in the country received the Fair Price Shop Awards 2010 in the jewellery category from YB Dato' Sri Ismail Sabri Yaakob, Minister of Domestic Trade, Co-operatives and Consumer Affairs in recognition of the Company's outstanding contributions to the country's economy in December.

Board Of Directors

YG BHG DATO' CHOON YEE SEIONG
Executive Chairman &
Group Managing Director

MR CHEONG TECK CHONG
Executive Director

MADAM CHOON NEE SIEW
Executive Director

MADAM CHOON YOKE YING
Executive Director

MADAM CHOON WAN JOO
Executive Director

DR CHOONG TUCK YEW
Senior Independent Non-Executive
Director

ENCIK FAZRIN AZWAR BIN MD NOR
Independent Non-Executive Director

DATIN SHIRLEY YUE SHOU HOW
Independent Non-Executive Director



Profile Of Board Of Directors

YANG BHG DATO' CHOON YEE SEIONG

Executive Chairman & Group Managing Director

Yg Bhg Dato' Choon Yee Seiong, age 56 years, a Malaysian, was appointed to the Board of Directors of Poh Kong Holdings Berhad (PKHB) as Executive Chairman & Group Managing Director on 13 January 2004. As one of the founders of the Company in 1976, he is a visionary entrepreneur, and has helmed the Poh Kong Group since its inception as Poh Kong Jewellers (PKJ).

He is responsible for the overall strategic and marketing directions, management policies and expansion of PKHB. Over the years, he has been instrumental in the acquisition of companies, the successful development of a portfolio of international and speciality brands, and retail concept stores. He has proven that jewellery retailing is a serious business which requires resilience, mettle, a good head for numbers and, most of all, dedication and passion. Under his leadership, direction and supervision, a manufacturing facility in Shah Alam was established and he has expanded PKJ retail stores to 97 outlets making it the largest jewellery chain store nationwide.

In 2007, he collaborated with Schoeffel in making Poh Kong the exclusive distributor with territorial rights to promote and expand the Schoeffel brand in Malaysia and Southeast Asia. In 2009, he was instrumental in securing Luca Carati, one of Italy's oldest and prestigious jewellers, as an exclusive distributor in Malaysia. In 2010, he was instrumental in refurbishing the Schoeffel boutique to uplift its image into a Poh Kong Gallery flagship store in the upscale Pavilion Kuala Lumpur shopping mall.

He has won prestigious awards for his outstanding achievements as an entrepreneurial jeweller and Executive Chairman & Group Managing Director of Malaysia's leading jewellery chain group. Recognitions and awards that he has received include the "19 Years At The Top Award" given by Malaysia Tatler in 2008, "Super Star Of The Year 2008" by the Malaysian Retailer-Chains Association (MRCA), and "MRCA Achievers Book 2010" for being one of the outstanding and leading entrepreneurs in the development of the retail chains industry and in pioneering a successful business model for Poh Kong.

Yg Bhg Dato' Choon was the Founder President of the MRCA in 1992, who had provided an avenue for retail businesses networking among members to promote the healthy expansion of the retail industry, both locally and internationally. He holds numerous directorships in the companies within the Group. He is also a member of the Remuneration Committee of PKHB.

He is the spouse of Datin Hon Wee Fong. His sibilings Madam Choon Nee Siew, Madam Choon Yoke Ying, Encik Mohd Annuar Choon Bin Abdullah, Madam Choon Wan Joo, Mr Choon Yee Fook, Mr Choon Yee Bin, Madam Choon Ching Yih and Madam Choong Bee Chu are shareholders of the Company. His brothers-in-law Mr Siow Der Ming and Mr Chang Kwong Him are also shareholders of the Company. Mr Choon King Han is the son of Dato' Choon and is a shareholder of the company.



Profile Of Board Of Directors



MR CHEONG TECK CHONG Executive Director

Mr Cheong Teck Chong, age 61 years, a Malaysian, was appointed to the Board of Directors of PKHB as Executive Director on 13 January 2004.

A veteran in the jewellery industry, he was a co-founder of PKJ in 1976. Mr Cheong began his career in the gold jewellery industry in 1967 and rose to the rank of General Manager in Lian Sin Pawnshop. He became a Partner of Lian Yik Goldsmith in 1972 until 1980. In 1982, he was appointed Managing Director of PKJ (SS2) Sdn Bhd, Petaling Jaya. Mr Cheong assists in the growth, development and expansion of the Group.

He also sits as a director of other companies within the Group and is a director and shareholder of Lian Sin Tang Sdn Bhd, Heng Seng Sdn Bhd and a director of Pajak Gadai Rakyat Sdn Bhd.

Mr Cheong is the spouse of Madam Pang Cheow Moi. Mr Cheong's sibling Madam Cheong Siew Loi @ Chong Kim Looi is also a shareholder of the Company. His children are Ms Cheong Poh See, Mr Cheong Chee Khoon and Mr Cheong Chee Kong. Ms Cheong Poh See and Mr Cheong Chee Kong are also shareholders of the Company.

MADAM CHOON NEE SIEW Executive Director

Madam Choon Nee Siew, age 55 years, a Malaysian, was appointed to the Board of Directors of PKHB as Executive Director on 13 January 2004.

She brings with her more than 30 years of experience in the jewellery industry having held several portfolios over the years. She started her career in 1972 as a Sales Representative in Lian Yik Jewellery. In 1980, she left the company to join PKJ as a Sales Manager. Two years later, she was appointed Director of PKJ (SS2) Sdn Bhd and in 1991 was promoted to Managing Director of PKJ (Subang Parade) Sdn Bhd.

Her main responsibilities are in overseeing the daily retail operations and development of the Group. She also holds directorships of several other companies within the Group and with her vast experience in the jewellery retail trade has contributed invaluable to the Group's growth and development.

Madam Choon Nee Siew's sibilings Dato' Choon Yee Seiong, Madam Choon Yoke Ying, Encik Mohd Annuar Choon Bin Abdullah, Madam Choon Wan Joo, Mr Choon Yee Fook, Mr Choon Yee Bin, Madam Choon Ching Yih and Madam Choong Bee Chu are shareholders of the Company. His brothers-in-law Mr Siow Der Ming and Mr Chang Kwong Him are also shareholders of the Company. Ms Cheong Poh See, Mr Cheong Chee Khoon and Mr Cheong Chee Kong are Madam Choon's children. Ms Cheong Poh See and Mr Cheong Chee Kong are shareholders of the Company.



Profile Of Board Of Directors

MADAM CHOON YOKE YING

Executive Director

Madam Choon Yoke Ying, age 53 years, a Malaysian, was appointed to the Board of Directors of PKHB as Executive Director on 22 January 2008.

She is the Assistant Managing Director of Poh Kong Jewellery Sdn Bhd (PKJSB) and began her career in the gold jewellery industry in 1977 when she joined PKJ as a retail Sales Representative. In 1979, she became a Partner in PKJ. In 1993, she was appointed Director of PKJSB.

Her current responsibilities are marketing and merchandising for the Group. In addition, she is also in charge of research and development of the Group. She attends trade fairs regularly to constantly keep up-to-date on the latest technology, development, designs and trends in the jewellery industry. She is also a Designer for Poh Kong's exclusive jewellery and a Director of various companies within the Group.

Madam Choon Yoke Ying is the spouse of Mr Chang Kwong Him. Her siblings Dato' Choon Yee Seiong, Madam Choon Nee Siew, Encik Mohd Annuar Choon Bin Abdullah, Madam Choon Wan Joo, Mr Choon Yee Fook, Mr Choon Yee Bin, Madam Choon Ching Yih and Madam Choon Bee Chu are shareholders of the Company. Her brother-in-law Mr Siow Der Ming is also a shareholder of the Company

MADAM CHOON WAN JOO

Executive Director

Madam Choon Wan Joo, age 49 years, a Malaysian, was appointed to the Board of Directors of PKHB as Executive Director on 22 January 2008.

She was appointed as Managing Director of Poh Kong Jewellery Manufacturer Sdn Bhd (PKJM) since 1991. Her main responsibilities are in overseeing the daily operations and decision making policies of PKJM.

Madam Choon's career in the gold jewellery industry started in 1980 when she joined Precious Jewellery Sdn Bhd (Precious) as a Retail Representative. In 1981, she was promoted to Production Supervisor cum Designer at Precious and was with the company until 1990. She was responsible for the initial set-up of the manufacturing plant and has successfully steered the plant to become fully operational with a work force strength of about 160.

18

She participates in trade exhibitions to keep abreast of the latest trends in product designs and development, and advanced manufacturing technologies. She oversees in the production, quality control, manufacturing techniques, marketing, design and administration. In addition, her responsibilities also cover human resources, accounts and finance functions of the manufacturing facility. She heads the Group's research and development team and provides support in new products development and enhancing the manufacturing capabilities of the Group. She is also a Director of several other companies within the Group.

Madam Choon Wan Joo is the spouse of Mr Siow Der Ming. Her siblings Dato' Choon Yee Seiong, Madam Choon Nee Siew, Madam Choon Yoke Ying, Encik Mohd Annuar Choon Bin Abdullah, Mr Choon Yee Fook, Mr Choon Yee Bin, Madam Choon Ching Yih and Madam Choong Bee Chu are shareholders of the Company. Her brother-in-law Mr Chang Kwong Him, is a shareholder of the Company.



Profile Of Board Of Directors

DR CHOONG TUCK YEOW

Senior Independent Non-Executive Director

Dr Choong Tuck Yew, age 72 years, a Malaysian, was appointed to the Board of Directors of PKHB as an Independent Non-Executive Director on 13 January 2004. He was promoted to Senior Independent Non-Executive Director in 2005.

He possesses a DComSc, a MBA and is a Member of the Malaysian Institute of Accountants (MIA), and Malaysian Institute of Certified Public Accountants. He is also a Fellow of the CPA Australia, a Fellow of the Malaysian Association of the Institute of Chartered Secretaries and Administrators, a Fellow of the Chartered Taxation Institute of Malaysia, and a Chartered Fellow, as well as a Chartered Audit Committee Director of the Institute of Internal Auditors, Malaysia.

In the early years of his career, Dr Choong worked as an accountant in several companies. In 1968, he joined Bank Negara Malaysia (Central Bank of Malaysia) and, in 1987, he was appointed as the Chief Manager of the Central Bank of Malaysia. In 1990, he was seconded as the Managing Director of Visia Finance Berhad, a licensed finance company. Currently, Dr Choong is the Chairman of OSK Investment Bank Berhad. He is also the Deputy Chairman of C & C Investigation Services Sdn Bhd, a licensed private investigation company.

His other business interests include directorships at OSK-UOB Unit Trust Management Berhad and SCC Holdings Bhd.

Presently, Dr Choong is the Vice President of the Malaysian Institute of Directors and an Ambassador representing the World Association of Detectives in Malaysia. He has been a guest speaker at various conferences in Malaysia as well as abroad.

Dr Choong is the Chairman of the Audit Committee, a member of the Remuneration Committee, and Nomination Committee of PKHB.

ENCIK FAZRIN AZWAR BIN MD NOR

Independent Non-Executive Director

Encik Fazrin Azwar Bin Md Nor, age 44 years, a Malaysian, was appointed to the Board of Directors of PKHB as a Non-Independent Non-Executive Director on 13 January 2004. He was later re-designated as an Independent Non- Executive Director in 2005.

An advocate and solicitor, Encik Fazrin was called to the Malaysian BAR in 1991 following his graduation with a Bachelor of Laws (LLB) Honours from University of Malaya in 1990. He is currently the Managing Partner of Messrs Rashidah Muzafar and Azwar.

In listed companies, he holds the following positions: as an Independent Non- Executive Director of Tong Herr Resources Berhad, Mercury Industries Berhad, Ire-Tex Corporation Berhad and Daya Materials Berhad. He was also previously an Independent Non- Executive Director of Englotechs Holding Berhad, Tek Seng Holdings Berhad and DPS Resources Berhad.

In non-listed companies, he holds the following positions : as an Independent Non- Executive Director of DK Corporation Berhad and Times Offset (M) Sdn Bhd. He is also a Non-Independent Non- Executive Director of Omega Simfoni Sdn Bhd, Kuchinta Tenaga Hijau Sdn Bhd, Agni Power Sdn Bhd, Nirzaf Holdings Sdn Bhd and the Kuchinta Group of Companies.

He is also a member of the Malaysian Institute of Directors and the Internal Auditors Institute of Malaysia.

Encik Fazrin is the Chairman of the Nomination Committee, a member of the Remuneration Committee, and Audit Committee of PKHB.



Profile Of Board Of Directors

DATIN SHIRLEY YUE SHOU HOW

Independent Non-Executive Director

Datin Shirley Yue Shou How, age 61 years, a Malaysian, was appointed to the Board of Directors of PKHB as an Independent Non-Executive Director on 23 January 2009.

Datin Yue has 24 years experience in the local and foreign luxury fashion retail, business development and consulting, and investment banking industry.

She was Managing Director/General Manager of Fine Lines, a company dealing with imported lady apparels and high-end bespoke orders from 1985 to 1993. Subsequently, she served as Investment Advisor of Credit Lyonnaise Securities (Asia) Ltd from 1993 to 1998 and was an Investment Banker of Soloman Smith Barney, Citibank Singapore from 2000 to 2003. She has been a Director of Oilvest Engineering (M) Sdn Bhd & Elbex Holdings Sdn Bhd since 2004. She served as Boutique Manager of Chopard, Pavilion, Kuala Lumpur from 2007 to 2008.

Datin Yue holds a Graduate Diploma in Business Administration (post graduate degree) from the University of Western Sydney, Australia, a member of the Malaysian Institute of Management and a Chartered Audit Committee Director (CACD) of the Institute of Internal Auditors, Malaysia.

She is also the Chairperson of the Remuneration Committee, a member of the Nomination Committee, and Audit Committee of PKHB.

Save as disclosed above, none of the Directors has :

- any family relationship with any Directors and/or major shareholders of the Company.
- any conflict of interest with the Company.
- any conviction for offences within the past 10 years other than traffic offences, if any.





PREFERENCE | PROFIT | WORTH | RETURN-ON-INVESTMENT

Value

Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors ("Board") of Poh Kong Holdings Berhad ("the Company" or "PKHB"), I am pleased to present the Annual Report and Audited Financial Statements of the Company and its subsidiaries ("the Group") for the financial year ended 31 July 2010 ("FYE2010").

Economic and Business Overview

The Malaysian economy was affected by the global financial crisis and declined by 6.2% in the first quarter of 2009 as the country's exports and industrial production fell sharply. The prompt implementation of two stimulus packages totalling RM67 billion and aggressive easing of monetary policy by the Malaysian Government eventually led to a strong economic recovery of 9.5% in the first half of 2010.*

Malaysia recorded a 10.1% and 8.9% GDP growth in the first and second quarters of 2010 respectively and has been projected to achieve a growth of 6% to 7% due to the effective measures taken to recover from the global recession. However, in 2011 the Government expects the economy to grow at a slower pace of 5% to 6%, as it anticipates the manufacturing sector to slow down.**

This year's projection is based on the strong economic fundamentals and continued growth momentum of domestic demand while private investment activity is envisaged to contribute significantly to economic growth. This is in line with the expected commencement of 52 Private Finance Initiatives (PFIs) over the 10th Malaysia Plan (10MP) period.***

Poh Kong is optimistic the PFIs and consumer spending projects under the Government's Economic Transformation Programme (ETP) in which tourism, wholesale, retail and distribution have been identified as National Key Economic Areas, will further drive the domestic economy.

Retail Group Malaysia Sdn Bhd (RGM), an independent retail research firm, and Malaysian Retailer-Chains Association (MRCA), have each forecasted the local retail to grow at 6.1% and 5% to 8% respectively in 2010. RGM projected total sales turnover for this year at RM75.3 billion compared with RM74.9 billion the previous year, while MRCA



Chairman's Statement

has reported that consumers are spending again due mainly to the economic recovery, festive seasons and special year-end sales. ****

Shopping malls and retailers have ramped up sales in the Malaysia Mega Sale Carnival from July 24 to Sept 17, 2010 and are in the midst of the Malaysia Year End Sale (MYES) campaign from Nov 21, 2010 to Jan 3, 2011. These campaigns are aimed at promoting domestic and tourist shopping, and this would benefit wholesalers and retailers.

In this context, Poh Kong is committed to the luxury retail sector and has put in more focus on the marketing and promotions of its products to further enhance the sales of its jewellery especially during the weekends and peak festive seasons.

Sources:

* Reported in *The Edge Malaysia Weekly, Economic Report 2010/2011, "Bold Measures Crucial For Next Stage Of Development," 18 October 2010, Page 92*

** Reported in *The Edge Malaysia Business Weekly, "GDP To Grow 7% in 2010, 5% to 6% Next Year," 18 October 2010, Page 8*

*** Reported in *StarSpecial, Economic Report, "5% - 6% Growth Seen Next Year: Private Sector Takes Over As Growth Driver," 16 October 2010, Page S53*

**** Reported in *StarBiz, "Local Retail Growth Seen At 6.1% This Year," 14 October 2010, Page B2*

Review of Financial Performance

Poh Kong Group's revenue and profits for the financial year came within expectations, having achieved an increase of 3.62 % in revenue of RM561.2 million in its financial year ended 31 July 2010 (FYE2010) compared with RM541.6 million for its previous financial year (FYE2009). This is an increment of RM19.6 million in sales revenue.

Poh Kong's higher revenue was underpinned by higher sales recorded from new and existing stores. Its inventory comprising of gold and gems, increased from RM356.7 million in FYE2009 to RM383.6 million in FYE2010.

Profit before tax stood at RM44.8 million for the FYE 2010, an increase of RM6.2 million or a 16.1% growth against RM38.6 million for its FYE2009. The increase in profit before tax was mainly due to an improvement in profit margin and increase in sales revenue.

As at 31 July 2010, the Group's net assets recorded an increase of RM26.8 million at RM310.5 million over the previous year of RM283.7 million.

RAM Ratings Services Berhad (RAM) in its November 2010 corporate ratings report, have stated the Poh Kong Group is the largest jewellery retail chain store operator in Malaysia. RAM has upgraded the long-

term rating of the Group's RM200 million Murabahah Commercial Papers/Medium-Term Notes Programme (2006/2013) from A2 to A1; the short term reaffirmed at P1. At the same time, the outlook on the long term rating has been revised from positive to stable.

Gold jewellery continues to be Poh Kong's main revenue contributor and at the same time, the Group has persistently step up the sales of diamonds and gems through its products and branding initiatives.

Meanwhile, gold prices have been escalating above US\$1,000 per ounce since October 2009, and is currently above US\$1,300 per ounce. According to the World Gold Council, robust market fundamentals, including evidence of stronger demand for gold jewellery in China and India, have continued to support the gold prices performance. The demand for gold remains resilient in spite of the higher gold prices which have not deterred customers from purchasing gold jewellery due to its intrinsic value. Gold plays a role in hedging and has been regarded as a safe, long term investment that provides protection against unforeseen risks in the economic cycle.

Retailing, Branding and Marketing Support

Poh Kong, an integrated one-stop jeweller, from manufacturer to retailer of gold, jewellery and precious stones, differentiates its products offering by meeting the four core business principles of quality, value, trustworthiness and choice, to target its market segments.

It has served customers from all walks of life and has developed the professional knowledge and experience to understand the needs of customers and to provide the best selection of jewellery. This range from exquisite pieces to simple elegant designs, and from imperial collections to custom-made orders, for any occasion.

Together with strong emphasis and commitment on design, craftsmanship, premium quality and competitive pricing, Poh Kong's retail sales are also supported by advertising, merchandising, special events, promotional activities and road shows throughout the year.

Its products are perceived throughout the industry as premium and unique, and are associated with the brand image, design, reliability, wide distribution network and customer service satisfaction.



Chairman's Statement

Poh Kong leverages on the image differentiation of its speciality brands and retail concept stores to attract new customers through new designs, product lines, and enhanced customer service.

Poh Kong stores are the top line contributor to total sales revenue. The Group has broadened its range of yellow gold jewellery via alternate brands, namely Tranz contemporary gold jewellery for the younger set, the legendary Walt Disney Collections for children, Oro Bianco white gold jewellery for the younger generation and several renowned international brand names. It also operates speciality brands and retail concept stores, such as Diamond Boutique, Diamond & Gold, Jade Gallery, and Poh Kong Gallery, the quintessential brand store among its premium portfolio of concept stores.

The Group also represents exclusive designer brands from international houses, namely Alessandro Fanfani, a goldsmith shop in Italy, Angel Diamonds from Belgium, Lappesite Collection of chunky, uniquely design jewellery, Luca Carati, one of Italy's most prestigious jewellers, Rodney Rayner luxury jewellery from the United Kingdom, SunDay Collection of handset precious stones, Verdi Gioielli bangles and bracelets from Italy, and Schoeffel luxury pearls from Germany.

Effective marketing strategies coupled with Intensive effort in brand building have elevated Poh Kong's portfolio of brands to greater heights and it has become one of the most recognised jewellery brands nationwide.

Moving forward, the Group's investments include enhancing and improving its merchandise mix, stores expansion, and refurbishment of existing stores to give the brands an uplift and a new look. This can be seen at the hip Poh Kong outlet in Fahrenheit88 and the Poh Kong Gallery at Pavilion Kuala Lumpur, both in Jalan Bukit Bintang, to cater for the growing niche of young, sophisticated, fashionistas and cultured urbanites.

Corporate Social Responsibility (CSR)

The Group takes cognizance of the importance of CSR which has become an integral part of its social objectives of doing good and giving back to the various communities from which Poh Kong has thrived on. CSR initiatives and meaningful activities have been implemented in the Company's workplace, market place, community and environment.

Poh Kong recognizes its corporate citizenship and fulfills its responsibilities to its employees, customers, caring for society and greening the environment based on principles of business sustainability.

The Group's CSR activities are set out in pages 39 - 41 of this Annual Report.

Future Prospects

The Board is optimistic and confident that the FYE 2011 will

show positive results in view of the upbeat Malaysian economy underpinned by improving world economic conditions and stronger domestic demand in the Malaysian retail industry.

Poh Kong expects retail sales to continue to grow mainly due to the festive spending seasons, the Government's ETP goals towards a high income society and customers purchase of gold-based jewellery as good investments or as a hedge against inflation. As gold prices are still moving upwards, gold bullions, gold wafers, and gold-based jewellery are best seen as an insurance policy against an uncertain global financial system.

The management recognizes the impact and importance of measures and initiatives to further strengthen the fundamentals and performance of the Group. Measures and initiatives implemented include:

- Cost control measures to constantly monitor and evaluate the operational efficiency, and capital expenditure of the Group; and
- Product initiatives to place strong emphasis and commitment on design, craftsmanship, reputation, premium quality and competitive pricing to attract existing and new customers through new product lines and enhanced customer service.

As at to date, the Company has a total of 97 retail outlets nationwide and will actively look for opportunities to expand and build its market share by enhancing and differentiating its product offerings to grow its business.

Chairman's Statement

Looking ahead, the Group will continue expanding its retail network, by identifying strategic locations with potential for future growth, and continue to invest in the refurbishment of existing stores.

Barring unforeseen circumstances, the Board remains positive on the performance of the Group in the FYE 2011.

Earnings Per Share

The basic earnings per share for the financial year ended 31 July 2010 stands at 7.92 sen (2009: 6.93 sen).

Dividend

The Board of Directors recommend a first and final single tier tax exempt dividend of 1.40 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 July 2010 (2009 : 1.40 sen single tier tax exempt per ordinary share of RM0.50 each).

The proposed dividend is subject to shareholders' approval at the 8th Annual General Meeting to be held on 6 January 2011.

eDividend Service

Poh Kong will be providing an Electronic Dividend (Electronic Dividend or eDividend) Service to shareholders to be implemented by the first quarter of 2011. The eDividend makes payment of cash dividends by a listed issuer directly into the shareholders' bank accounts.

One of the main objectives of implementing eDividend is to promote greater efficiency of the payment system in line with the national agenda of migrating to electronic payment.

We look forward to a successful implementation of the eDividend service through your active participation and to serving you better as valued shareholders.

Acknowledgements

On behalf of the Board of Directors, I wish to record my sincere appreciation to all my fellow Board Directors for their counsel and support during the course of the year. My heartfelt thanks goes to the Management and Staff for their loyalty, commitment and dedication towards the Group.

I would also like to take this opportunity to thank our shareholders for their confidence, valued customers, business partners, Government authorities, financiers and suppliers for their continued support and cooperation.

DATO' CHOON YEE SEIONG

Executive Chairman & Group Managing Director

13 December 2010



Penyata Pengerusi

Pemegang-pemegang Saham yang Dihargai,

Bagi pihak Lembaga Pengarah (“Lembaga”) Poh Kong Holdings Berhad (“Syarikat” atau “PKHB”), saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Teraudit Syarikat dan anak-anak syarikatnya (“Kumpulan”) bagi tahun kewangan berakhir 31 Julai 2010 (“FYE2010”).

GAMBARAN KESELURUHAN EKONOMI DAN PERNIAGAAN

Ekonomi Malaysia terjejas oleh krisis kewangan global dan merosot sebanyak 6.2% dalam suku pertama tahun 2009 apabila eksport dan pengeluaran perindustrian negara jatuh mendadak. Pelaksanaan segera dua pakej rangsangan berjumlah RM67 bilion dan pelonggaran agresif dasar monetari oleh Kerajaan Malaysia akhirnya membawa kepada pemulihan ekonomi yang kukuh sebanyak 9.5% dalam separuh tahun pertama 2010.*

Malaysia mencatat pertumbuhan sebanyak 10.1% dan 8.9% masing-masing dalam suku pertama dan kedua tahun 2010 dan diunjurkan akan mencapai pertumbuhan sebanyak 6% hingga 7% akibat daripada langkah-langkah berkesan yang diambil untuk pulih daripada kemelesetan global. Walau bagaimanapun, pada tahun 2011 Kerajaan menjangka ekonomi akan tumbuh pada kadar yang lebih perlahan sebanyak 5% hingga 6%, memandangkan ia meramalkan pertumbuhan yang lebih perlahan di sektor yang pengilangan.**

26 Unjuran tahun ini adalah berdasarkan asas ekonomi yang kukuh dan momentum pertumbuhan permintaan domestik yang berterusan manakala kegiatan pelaburan swasta diramalkan akan menyumbang secara ketara kepada pertumbuhan ekonomi. Ini adalah sejajar dengan permulaan dijangka 52 Inisiatif Kewangan Swasta (PFI) sepanjang tempoh Rancangan Malaysia Ke-10 (RM ke-10).***

Poh Kong yakin PFI dan projek perbelanjaan pengguna di bawah program Transformasi Ekonomi Kerajaan (ETP) dalam mana pelancongan, jualan borong, peruncitan dan pengedaran telah dikenal pasti sebagai Bidang-bidang Ekonomi Penting Negara, akan selanjutnya memacu ekonomi domestik.

Retail Group Malaysia Sdn Bhd (RGM), sebuah firma penyelidikan runcit bebas, dan Persatuan Rantaian Peruncit Malaysia (MRCA),



Penyata Pengerusi

masing-masing telah meramalkan peruncitan tempatan akan bertumbuh masing-masing pada 6.1% dan 5% hingga 8% pada 2010. RGM mengunjurkan jumlah jualan keseluruhan bagi tahun ini pada RM75.3 bilion berbanding dengan RM74.9 bilion tahun sebelumnya, manakala MRCA telah melaporkan bahawa pengguna meneruskan lagi perbelanjaannya disebabkan oleh pemulihan ekonomi, musim-musim perayaan dan jualan khas akhir tahun.****

Gedung-gedung membeli belah dan peruncit-peruncit telah melonjakkan jualan dalam Karnival Jualan Mega Malaysia mulai 24 Julai hingga 17 September 2010 dan kini berada dalam kempen Jualan Akhir Tahun Malaysia (MYES) mulai 21 November 2010 hingga 3 Januari 2011. Kempen-kempen ini disasarkan untuk menggalakkan beli belah domestik dan pelancongan, dan ini pasti akan menguntungkan pemborong-pemborong dan peruncit-peruncit.

Dalam konteks ini, Poh Kong adalah komited kepada sektor runcit mewah dan telah memberi lebih banyak tumpuan ke atas pemasaran dan promosi produk-produknya untuk meningkatkan lagi jualan barangan kemasnya terutamanya pada hari-hari minggu dan musim perayaan kemuncak.

Sumber:

- * Dilaporkan dalam The Edge Malaysia Weekly, Laporan Ekonomi 2010/2011, "Bold Measures Crucial For Next Stage Of Development," 18 Oktober 2010, Muka Surat 92
- ** Dilaporkan dalam The Edge Malaysia Business Weekly, "GDP To Grow 7% in 2010, 5% to 6% Next Year," 18 Oktober 2010, Muka Surat 8
- *** Dilaporkan dalam StarSpecial, Laporan Ekonomi, "5% - 6% Growth Seen Next Year: Private Sector Takes Over As Growth Driver," 16 Oktober 2010, Muka Surat SS3
- **** Dilaporkan dalam StarBiz, "Local Retail Growth Seen At 6.1% This Year," 14 Oktober 2010, Muka Surat B2

ULASAN PRESTASI KEWANGAN

Hasil jualan dan keuntungan Kumpulan Poh Kong bagi tahun kewangan adalah seperti yang dijangkakan, mencapai peningkatan sebanyak 3.62% dalam hasil sebanyak RM561.2 juta dalam tahun kewangannya berakhir 31 Julai 2010 (FYE2010) berbanding dengan RM541.6 juta bagi tahun kewangan sebelumnya (FYE2009). Ini merupakan peningkatan sebanyak RM19.6 juta dalam hasil jualan.

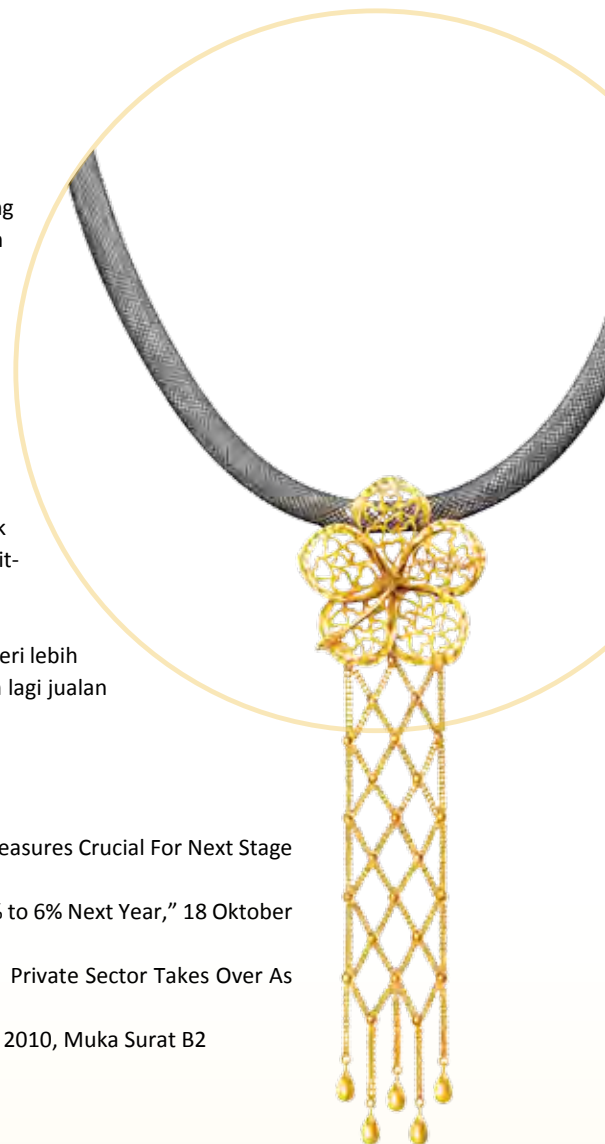
Hasil jualan Poh Kong yang lebih tinggi adalah disebabkan oleh jualan yang lebih tinggi dicatat daripada kedai-kedai baru dan sedia ada. Inventorinya terdiri daripada emas dan batu permata, meningkat daripada RM356.7 juta pada FYE2009 kepada RM383.6 juta pada FYE2010.

Keuntungan sebelum cukai direkodkan pada RM44.8 juta bagi FYE 2010, meningkat sebanyak RM6.2 juta atau bertumbuh sebanyak 16.1% berbanding RM38.6 juta bagi FYE2009nya. Peningkatan dalam keuntungan sebelum cukai adalah terutamanya akibat daripada margin keuntungan yang bertambah baik dan peningkatan dalam hasil jualan.

Pada 31 Julai 2010, aset bersih Kumpulan mencatat peningkatan sebanyak RM26.8 juta pada RM310.5 juta berbanding tahun sebelumnya sebanyak RM283.7 juta.

RAM Ratings Services Berhad (RAM) dalam laporan penarafan korporat November 2010 nya, telah menyatakan Kumpulan Poh Kong adalah pengendali kedai rantaian runcit barang kemas terbesar di Malaysia. RAM telah menaikkan taraf, penarafan jangka panjang Program Kertas Komersil Nota Berjangka Murabahah RM200 juta Kumpulan (2006/2013) daripada A2 kepada A1; dengan jangka pendeknya disahkan semula pada P1. Pada masa yang sama, pandangannya ke atas penarafan jangka panjang telah disemak daripada positif kepada stabil.

Barang kemas emas tetap menjadi penyumbang hasil utama Poh Kong dan pada masa yang sama, Kumpulan terus meningkatkan jualan berlian dan batu permata melalui inisiatif produk dan penjenamaannya.



Penyata Pengerusi

Sementara itu, harga emas telah melonjak ke atas US\$1,000 setiap auns semenjak Oktober 2009, dan pada masa ini berada di atas US\$1,300 setiap auns. Mengikut Majlis Emas Dunia, asas-asas pasaran yang kuat, termasuk bukti permintaan lebih kukuh bagi barang kemas emas di China dan India, terus menyokong prestasi harga emas. Permintaan bagi emas kekal mapan di sebalik harga emas yang lebih tinggi yang tidak menghalang pelanggan-pelanggan daripada membeli barang kemas emas disebabkan nilai intrinsiknya. Emas memainkan peranan dalam melindungi nilai dan telah dianggap sebagai pelaburan jangka panjang yang selamat dari menyediakan perlindungan terhadap risiko-risiko luar jangkaan dalam kitaran ekonomi.

SOKONGAN PERUNCITAN, PENJENAMAAN DAN PEMASARAN

Poh Kong, saudagar barang kemas yang bersepadu, daripada pengilangan sehinggalah peruncit emas, barang kemas dan batu permata bernilai tinggi, membezakan penawaran produk-produknya dengan memenuhi empat prinsip perniagaan teras iaitu kualiti, nilai, keyakinan dan pilihan, untuk mensasarkan segmen-segmen pasarnya.

Ia telah memberi khidmat kepada pelanggan-pelanggan daripada semua lapisan masyarakat dan telah mengembangkan pengetahuan dan pengalaman profesional untuk memahami keperluan pelanggan-pelanggan dan menyediakan pilihan barang kemas yang terbaik. Ini berkisar daripada barang kemas yang sangat indah hinggalah kepada reka bentuk anggun yang ringkas, dan daripada koleksi imperial hinggalah kepada tempahan buatan khas, bagi setiap majlis.

Bersama dengan penekanan dan komitmen kukuh ke atas reka bentuk kerja pertukangan, kualiti premium dan peletakan harga yang berdaya saing, jualan runcit Poh Kong juga disokong oleh pengiklanan, pemarkaran, acara-acara khusus, kegiatan promosi dan persembahan kunjungan sepanjang tahun.

Produk-produknya dilihat dalam seluruh industri sebagai unggul dan unik, dan dikaitkan dengan imej jenama, reka bentuk, kebolehan dipercayai, rangkaian pengedaran yang luas dan kepuasan perkhidmatan pelanggan.

Poh Kong mengambil kesempatan ke atas perbezaan imej jenama kedai-kedai khusus dan kedai-kedai konsep runcit untuk menarik pelanggan-pelanggan baru melalui reka bentuk baru, talian produk dan perkhidmatan pelanggan yang dipertingkatkan.

Kedai-kedai Poh Kong adalah penyumbang terutama kepada jumlah hasil jualan. Kumpulan telah meluaskan rangkaian barangan kemas emas kuningnya melalui jenama silih ganti, iaitu barangan kemas emas kontemporari Tranz bagi golongan lebih muda, Koleksi Legendari Walt Disney untuk kanak-kanak, barang kemas emas putih Oro Bianco bagi generasi yang lebih muda dan beberapa jenama antarabangsa yang terkenal. Ia juga mengendalikan jenama khusus dan kedai-kedai konsep runcit, seperti Diamond Boutique, Diamond & Gold, Jade Gallery, dan Poh Kong Gallery, kedai jenama contoh di kalangan portfolio konsep kedai unggulnya.

Kumpulan juga mewakili jenama pereka eksklusif daripada syarikat-syarikat antarabangsa iaitu Alessandro Fanfani, kedai tukang emas di Itali, Angel Diamonds dari Belgium, Lappesite Collection terdiri daripada barang kemas besar yang direka secara unik, Luca Carati salah satu pengeluar barang kemas paling berprestij di Itali, barang kemas mewah Rodney Rayner dari United Kingdom, SunDay Collection daripada beberapa koleksi permata berharga, gelang dan rantai tangan Verdi Gioielli dari Itali dan mutiara mewah Schoeffel dari Jerman.

Strategi pemasaran berkesan disertai dengan usaha intensif dalam membina jenama mengangkat portfolio jenama Poh Kong dan ia telah menjadi salah satu jenama barang kemas paling diiktiraf di seluruh negara.

Maju ke hadapan, pelaburan Kumpulan termasuk mempertingkatkan dan menambahbaik campuran barangan dagangannya, pengembangan kedai, dan memperbaharukan kedai-kedai yang sedia ada untuk memberi jenama satu penampilan yang dipertingkatkan dan baru. Ini dapat dilihat di saluran hip Poh Kong di Fahrenheit88 dan Poh Kong Gallery di Pavilion Kuala Lumpur, kedua-duanya terletak di Jalan Bukit Bintang, untuk memenuhi nic yang semakin berkembang terdiri daripada orang-orang muda, canggih, ahli-ahli fesyen dan orang-orang bandar berbudaya.



Penyata Pengerusi

TANGGUNGJAWAB SOSIAL KORPORAT (CSR)

Kumpulan mengiktiraf kepentingan CSR yang telah menjadi bahagian penting objektif sosialnya dalam melakukan kebaikan dan membalas jasa pelbagai komuniti. Inisiatif dan kegiatan CSR telah dilaksanakan di tempat kerja, tempat pasaran, masyarakat dan persekitaran Syarikat.

Poh Kong mengiktiraf warga korporatnya dan memenuhi tanggungjawabnya kepada kakitangan, pelanggan, mengambil berat terhadap masyarakat dan mementingkan kehijauan alam sekitar berdasarkan prinsip-prinsip kemapanan perniagaan.

Kegiatan CSR Kumpulan dikemukakan pada muka surat 39 - 41 Laporan Tahunan ini.

PROSPEK MASA HADAPAN

Lembaga optimistik dan yakin bahawa FYE 2011 akan menunjukkan keputusan yang positif memandangkan ekonomi Malaysia yang optimis ditopang oleh keadaan-keadaan ekonomi dunia yang bertambah baik dan permintaan domestik yang lebih kukuh dalam industri runcit Malaysia.

Poh Kong menjangka jualan runcit akan terus berkembang disebabkan musim-musim perbelanjaan perayaan, matlamat ETP Kerajaan ke arah masyarakat berpendapatan tinggi dan pembelian barang kemas berasaskan emas oleh pelanggan sebagai pelaburan yang baik atau sebagai perlindungan nilai terhadap inflasi. Memandangkan harga emas masih menaik, jongkong emas, wafer emas dan barang kemas berasaskan emas masih lagi dilihat sebagai polisi insurans terhadap sistem kewangan global yang tidak pasti.

Pengurusan mengiktiraf impak dan kepentingan langkah-langkah dan inisiatif-inisiatif untuk mengukuhkan selanjutnya asas-asas dan prestasi Kumpulan. Langkah-langkah dan inisiatif-inisiatif yang dilaksanakan termasuk:

- Langkah-langkah kawalan kos untuk sentiasa mengawasi dan menilai kecekapan operasi dan perbelanjaan modal Kumpulan; dan
- Inisiatif produk untuk memberi penekanan dan komitmen kukuh ke atas reka bentuk, pertukangan, reputasi, kualiti unggul dan peletakan harga berdaya saing untuk menarik pelanggan-pelanggan sedia ada dan baru melalui talian produk baru dan perkhidmatan pelanggan dipertingkatkan.

Sehingga kini, Kumpulan Poh Kong mempunyai sejumlah 97 saluran runcit seluruh negara dan akan secara aktif mencari peluang-peluang untuk berkembang dan membina bahagian pasarannya dengan mempertingkatkan dan membezakan penawaran produknya untuk mengembangkan perniagaannya.

Selain itu, Kumpulan akan terus mengembangkan rangkaian runcitnya dengan mengenal pasti lokasi-lokasi strategik yang potensi bagi pertumbuhan masa hadapan, dan terus melabur dalam memperbaharui gudang-gudang sedia ada.

Tanpa keadaan di luar jangkaan, Lembaga kekal positif ke atas prestasi Kumpulan dalam FYE 2011.

PEROLEHAN SETIAP SAHAM

Perolehan asas setiap saham bagi tahun kewangan berakhir 31 Julai 2010 adalah sebanyak 7.92 sen (2009: 6.93 sen).

DIVIDEN

Lembaga Pengarah mengesyorkan dividen dikecualikan cukai satu tier pertama dan akhir 1.40 sen setiap saham biasa bernilai RM0.50 sesaham berhubung dengan tahun kewangan berakhir 31 Julai 2010 (2009 : 1.40 sen dikecualikan cukai satu tier pertama setiap saham biasa bernilai RM0.50 sesaham).

Cadangan dividen adalah tertakluk kepada kelulusan pemegang-pemegang saham pada Mesyuarat Agung Tahunan Kelapan yang akan diadakan pada 6 Januari 2011.

Penyata Pengerusi



PERKHIDMATAN eDIVIDEN

Poh Kong akan menyediakan Perkhidmatan Dividen Elektronik (Dividen Elektronik atau eDividend) kepada pemegang-pemegang saham yang akan dilaksanakan pada suku pertama tahun 2011. eDividen membuat bayaran dividen cukai oleh pembuat terbitan tersenarai secara langsung ke dalam akaun-akaun bank pemegang-pemegang saham.

Salah satu objektif utama melaksanakan eDividen adalah untuk menggalakkan lebih kecekapan sistem bayaran sejajar dengan agenda negara berpindah ke bayaran elektronik.

Kami mengalu-alukan pelaksanaan berjaya perkhidmatan eDividen melalui penyertaan aktif anda dan untuk memberi khidmat kepada anda dengan lebih baik sebagai pemegang-pemegang saham yang amat dihargai.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin merakamkan penghargaan ikhlas kepada semua rakan-rakan Pengarah bagi nasihat dan sokongan mereka sepanjang tahun. Saya juga ingin menyampaikan ucapan terima kasih kepada Pengurusan dan kakitangan bagi kesetiaan dan komitmen dan dedikasi mereka kepada Kumpulan.

Saya juga ingin mengambil peluang ini untuk mengucapkan terima kasih kepada pemegang-pemegang saham kami bagi keyakinan mereka, pelanggan-pelanggan yang dihargai, rakan-rakan perniagaan, pihak-pihak berkuasa kerajaan, pembiaya-pembiaya dan pembekal-pembekal bagi sokongan dan kerjasama berterusan mereka.

DATO' CHOON YEE SEIONG

Pengerusi Eksekutif & Pengarah Urusan Kumpulan

13 Disember 2010

主席报告

致尊敬的股东，

我谨代表宝光控股有限公司（“本公司” 或 “PKHB”）董事会（“董事会”）欣然提呈本公司及各子公司（“本集团”）截至2010年7月31日之财政年（“2010 财政年”）的年度报告和已审计财务报告。

经济和业务概述

在2009年第一季度，马来西亚经济受到全球金融危机影响而衰退6.2%，我国的出口和工业产值更是大幅度滑落。马来西亚政府迅速落实的两项总值 RM670 亿刺激配套和积极推行货币宽松政策，最终使到经济在2010年上半年取得9.5%的大力回弹。*

在2010年第一和第二季度，马来西亚的国内生产总值增长率分别是10.1%和8.9%，经济增长率预料可达6%至7%，这可归功于为了从全球衰退复苏过来而落实的有效措施。然而，在2011年，政府预测经济将以较缓慢的5%至6%速率成长，这是因为它预期制造业的成长将放缓。**

今年的预测是基于强劲的经济基本面和持续国内需求成长冲劲，而私人投资活动估计可为经济增长作出显著贡献。这也配合预料将于第10个马来西亚计划期间展开的52个私人融资倡议。***

宝光对这些私人融资倡议和政府的经济转型计划之下的消费人消费预测持乐观态度，在经济转型计划之下，旅游业，批发，零售和分销业已被鉴定为国家关键经济领域，并将进一步推动国内经济表现。

Retail Group Malaysia 私人有限公司(RGM)，即一家独立零售调查机构，以及马来西亚连锁协会(MRCA)，分别预测国内零售业将于2010年取得6.1%和5%至8%的成长率。RGM预测今年的零售营业总额为RM753亿，前一年为RM749亿，MRCA则报道消费者已恢复消费，主要是因为经济复苏，佳节来临和特别的年终大减价。****

各购物广场和零售商皆已配合由2010年7月24日至9月17日的马来西亚大减价而推高销售额，并正在为2010年11月21日至2011年1月3日的马来西亚年终大减价(MYES)运动做好准备。这些运动的宗旨是推动国内和旅客购物，而这将惠及批发商和零售商。在这方面，宝光依然专注于奢侈品零售领域，并且更专注地其产品行销和促销，以进一步提高其珠宝的营业额，尤其是在周末和佳节旺季。

资料来源：

- * 摘自2010年10月18日之The Edge Malaysia周刊，2010/2011年经济报告第92报道“大胆措施是下一阶段发展的关键”
- ** 摘自2010年10月18日之The Edge Malaysia第8页报道“2010年的国内生产总将增长7%，明年为5%至6%”
- *** 摘自2010年10月16日之StarSpecial经济报告第SS3页报道“明年的成长率可达5% - 6%：私人领域将取代成为成长推动力”
- **** 摘自2010年10月14日之StarBiz第B2页报道“今年的国内零售成长率可达6.1%”



主席报告

财务表现检讨

在截至 2010 年 7 月 31 日的财政年(“2010 财政年”),宝光集团的营业额和盈利符合预测,营业额增长了 3.62% 而达到 RM5 亿 6 千 1 百 20 万,相比之下,前一财政年(“2009 财政年”)的营业额为 RM5 亿 4 千 1 百 60 万。这意味着营业额增加 RM1 千 9 百 60 万。

宝光的营业额增加可归功于新分店及和现有分店取得更高销售额。金饰和宝石的存货则由 2009 财政年的值 RM3 亿 5 千 6 百 70 万增至 2010 财政年的 RM3 亿 8 千 3 百 60 万。

2010 财政年的扣税前盈利为 RM4 千 4 百 80 万,即比截至 2009 财政年的 RM3 千 8 百 60 万增加 RM6 百 20 万或 16.1%。扣税前盈利增加主要是因为利润的改善和销售营业额的增长。

截至 2010 年 7 月 31 日,本集团的净资产增加 RM2 千 6 百 80 万而达到 RM3 亿 1 千零 50 万,前一年为 RM2 亿 8 千 3 百 70 万。

RAM 评级服务有限公司(RAM)在其 2010 年 11 月的企业评级报告中提及宝光集团为马来西亚最具规模的连锁零售金钻行。RAM 已将本集团之 RM2 亿 Murabahah 商业票据/中期票据计划(2006/2013)的长期评级由 A2 提升为 A1;并再次维持其短期评级为 P1。与此同时,长期评级的展望也由正面改为稳定。

金饰珠宝继续为宝光的营业额作出重大贡献,与此同时,本集团锲而不舍地通过其产品和品牌建立倡议而加强销售钻石和宝石。另一方面,自 2009 年 10 月以来,金价已攀升到每安士超过 1,000 美元,目前每安士超过 1,300 美元。据世界黄金协会透露,强劲的市场基本面,包括中国和印度对金饰珠宝的需求显然扬升,使到金价继续得到支撑。黄金的需求保持具有弹性,金价涨高却无阻顾客们购买,这是因为金饰珠宝具有内在的价值。黄金具有护盘作用和被视为一种安全,长期的投资,并能提供应对经济周期之不可预见风险的保障。

零售,品牌建立和行销支援

宝光是一家综合一站式珠宝商,从首饰,珠宝和宝石的制造至零售业务,它秉承四个核心营业原则,即素质,价值,信誉和选择,并通过与众不同的产品来瞄准不同的市场。

它以服务各阶层顾客为己任和累积了专业知识与经验以了解顾客的需求及提供最佳选择的珠宝。从高尚杰作至简单典雅的设计,从宫廷珍藏系列至耀眼的度身定制定购货品,宝光齐备适宜任何场面的珠宝。

加上极力强调和投入于设计,手工,卓越品质和竞争性定价,宝光的零售业务也获得常年之广告,陈列,特别项目,促销活动 and 巡回展的支援。

其高尚和独特的产品在业界获得好评,并且是品牌形象,设计,可靠,拥有广泛分销网络和顾客服务满意度的代名词。

宝光善用其专属品牌的与众不同形象和零售概念店,并通过新颖设计,产品系列和无微不至的顾客服务以吸引新顾客。

宝光旗下各分店乃是总营业额的主要贡献者。本集团也通过其他品牌来扩充其黄金珠宝系列,即献予较年轻者的Tranz时尚金饰珠宝,献予儿童的传奇 Walt Disney 珍藏系列,献予年轻一代的 Oro Bianco 白金首饰和多种享誉国际的品牌。它也经营许多专属品牌和零售概念商店,例如Diamond Boutique, Diamond & Gold, Jade Gallery, 以及 Poh Kong Gallery, 该典型品牌分店是其一一系列高级概念店之一。

本集团也代表多家国际公司的著名设计师珠宝品牌,例如意大利的 Alessandro Fanfani,比利时的 Angel Diamonds, Lapplesite 珍藏系列的新奇,设计独特首饰,意大利最显赫珠宝商之一 Luca Carati, 英国的奢华首饰 Rodney Rayner, SunDay 珍藏系列的手工宝石,来自意大利的 Verdi Gioielli手镯和手链,以及来自德国的Schoeffel豪华珍珠。

有效的行销策略加上努力密集的品牌建立,已提升宝光的品牌组合至更高层次,而它也崛起为全国最受认同的珠宝品牌之一。展望未来,本集团所作出的投资包括提升和改善商品种类,扩充分店,以及装修既有分店,以提升旗下各品牌和呈现新形象。这一点可见于设于 Fahrenheit88 的时尚宝光分店和 Pavilion Kuala Lumpur 的 Poh Kong Gallery, 两者皆座落于武吉免登路,以迎合越来越年轻,成熟,追赶时尚者和城市文化人的利基市场。

企业社会责任(CSR)

本集团确认企业社会责任的重要性,它已成为宝光的社会服务目标,即在其业务蒸蒸日上之社区行善和回馈社会的重要一环。企业社会责任倡议和具有意义的活动已植根于本公司的职场,市场,社区和环境。宝光认同其企业公民义务和履行它对于雇员,顾客,关怀社会和根据业务永续性原则以绿化环境的责任。本集团的各种企业社会责任活动已列于本年度报告的第 39至41页。

未来展望

董事会乐观看待和相信可在 2011 财政年取得正面业绩,马来西亚经济将因为获得世界经济状况改善和马来西亚零售业之国内需求强劲的支撑而展望乐观。

宝光预期零售营业额将持续成长,主要是因为佳节消费季节来临,政府经济转型计划的目标朝向一个高收入社会,以及顾客购买黄金珠宝作为理想的投资或应对通货膨胀。由于金价还在攀升,金块,金片,以及黄金珠宝皆被视为应对不明朗全球金融体系的最佳保险保单。

主席报告

董事会认同可进一步巩固本集团基本面和表现之各种措施和倡议的影响和重要性。已落实的各种措施和倡议包括：

- 不断监督和评估本集团之运作效率，以及资本开销的成本控制措施；以及
- 大力强调和专注于设计，手工，信誉，卓越品质和竞争性定价以通过新产品系列和更佳顾客服务来吸引现有和新顾客的产品倡议。

至今，本公司在全国各地总共拥有 97 家零售分店，我们也积极寻觅扩充机会，并通过提升和区别产品种类以促进业务和提升市场份额。

展望未来，本集团将继续扩大其零售网络，即通过鉴定具有未来成长潜能的策略性地点，并继续投资于装修现有的分店。

若无出现不可预见的情况，董事会对本集团在 2011 财政年的表现维持正面看法。

每股收益

截至 2010 年 7 月 31 日之财政年的基本每股收益是 7.92 分(2009 年：6.93 分)。

股息

董事会建议在截至 2010 年 7 月 31 日之财政年派发每一 RM0.50 普通股 1.40 分的单层次首期和终期免税股息 (2009 年：每一 RM0.50 普通股 1.40 分的单层次首期和终期免税股息)。

此建议股息须在 2011 年 1 月 6 日举行的第 8 届年度大会上获得股东通过。

电子股息服务

宝光将为股东提供一项电子股息(电子股息或 eDividend)服务，并将在 2011 年第一季度落实。挂牌公司派发的股息将通过电子股息服务将现金股息直接支付予股东的银行账户。

落实电子股息服务的其中一个主要目的是提升付账系统的效率，以配合转移至电子付账的议程。

我们希望通过您的踊跃参与以成功落实电子股息服务和为各位尊敬的股东提供更佳服务。

鸣谢

我谨代表董事会由衷感激诸位董事会成员在本年内不吝赐教和给予支持。对于本集团的管理层和员工，谢谢诸位献予本集团的忠诚，投入和献身精神。

我也藉此机会感谢本公司股东们的信任以及诸位尊贵顾客，来往商家，政府当局，融资机构和供应商给予本集团的持续支持及合作。

拿督钟义翔
执行主席兼集团董事经理

2010 年 12 月 13 日



Statement on Corporate Governance



Introduction

The Board of Poh Kong Holdings Berhad (“the Company”) is committed to instill a corporate culture of good corporate governance which is practised throughout the Company and its subsidiary companies (“the Group”). The Group acknowledges the importance of corporate governance in enhancing its business prosperity and corporate accountability with the absolute objective of realising long-term shareholders’ and stakeholders’ value.

The Group will continue to endeavor to comply with all the key principles of the Malaysian Code of Corporate Governance (“the Code”) in an effort to observe high standards of transparency, accountability and integrity. This is to sustain optimal governance with conscientious accountability for continuous effectiveness, efficiency and competitiveness of the Group.

Set out below are descriptions of how the Group applied the Principles of the Code and how the Board has complied with the Best Practices set out in the Code.

The Board comprises eight (8) members, of whom five (5) are Executive Directors and three (3) are Independent Non-Executive Directors. It is a balanced Board and comprises professionals from various backgrounds and with the relevant experience and expertise that would add value to the Group. The mix of experience is vital for the strategic success of the Group.

The presence of Independent Non-Executive Directors fulfills a pivotal role in corporate accountability. The role of the Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advice and judgement.

The Executive Chairman & Group Managing Director is Dato’ Choon Yee Seiong. There is a clear division of responsibilities. As the Chairman, he is responsible for the orderly conduct and performance of the Board. As the Group Managing Director, he is responsible for ensuring the Board’s decisions are implemented, and that the day-to-day running of the business is in tandem with the goals and policies sanctioned by the Board. The Managing Director is subjected to the control of the Board of Directors.

In furtherance of this, Dr Choong Tuck Yew as the Senior Independent Non-Executive Director assists with concerns regarding the Company where it could be inappropriate for those to be dealt with by the Executive Directors.

In discharging its fiduciary duties, the Board is assisted by the following three (3) Board Committees each entrusted with specific tasks. All the three (3) Committees do not have executive powers but report to the Board on all matters considered and their recommendations thereon. The Terms of Reference of each committee have been approved by the Board in compliance with the recommendation of the Code :

- a) Audit Committee;
- b) Nomination Committee; and
- c) Remuneration Committee.

1.2 Board Meeting

The Board of Directors of the Company subscribes to the Code. The Board has the overall responsibility for Corporate Governance, strategic direction, formulation of policies and overseeing the investment and performance of the Company. The Board met five (5) times during the financial year ended 31 July 2010 and details of attendance are in the following page:

34 1. DIRECTORS

1.1 The Board Balance

The control environment set the tone for the Group and is driven by an effective Board (“the Board”) consisting of competent individuals with appropriate specialised skills and knowledge to ensure capable management of the Group. The Board is responsible for overseeing the conduct and performance of the Group’s businesses and oversees the Group’s internal controls. The composition of independent and non-independent directors is carefully considered to ensure that the Board is well balanced.

Statement on Corporate Governance

	Total number of meetings held	Meetings attended by Director
Executive Directors		
Dato' Choon Yee Seiong (Executive Chairman & Group Managing Director)	5	5
Mr Cheong Teck Chong	5	5
Madam Choon Nee Siew	5	5
Madam Choon Yoke Ying	5	5
Madam Choon Wan Joo	5	5
Independent Non-Executive Directors		
Dr Choong Tuck Yew	5	5
Encik Fazrin Azwar Bin Md Nor	5	5
Datin Shirley Yue Shou How	5	5

1.3 Supply of Information

All Directors are provided with an agenda and Board papers containing information relevant to the business of the Board Meetings. This is issued in sufficient time to enable the Directors to obtain further explanation where necessary, in order to be properly briefed before the meeting. Minutes of the Board Committees are also tabled at the Board Meetings for information and deliberation.

The Audit Committee of the Board ensures compliance with disclosure requirements and accounting and audit policies overseeing all issues pertaining to financial and operational risks.

All the Directors have direct access to the advice and services of Senior Management and the Company Secretary in carrying out their duties. The Directors may obtain independent professional advice in furtherance of their duties, with the consent of the Board.

1.4 Directors' Training

Directors are encouraged to attend continuous education programmes and seminars to keep abreast of relevant changes in laws and regulations and the development in the industry.

During the year, the external training programmes and seminars attended by the Directors are as follows:

Madam Choon Wan Joo

- Secrets to Boost Productivity & Win the Competition, conducted by Markplus Inc.

Dr Choong Tuck Yew

- 6th Kuala Lumpur Islamic Finance Forum, conducted by Centre for Research and Training (CERT)
- 3-D Negotiation : A Strategic Tool for Board and Senior Executives, conducted by Financial Institutions Directors' Education Programme (FIDE)
- Reforming Governance and Adding Value: An Investor's Struggle, conducted by FIDE
- BNM High Level Conference on Financial Stability, conducted by Bank Negara Malaysia
- 84th Annual Conference and Seminar in Rio de Janeiro, Brazil, hosted by World Association of Detectives
- Over regulation and Other 'BS' lunch talk by David Eldon, organized by Bank Negara Malaysia
- Paradigm Change in Shaping the Future of Islamic Finance, a public lecture by Dr Abbas Mirakhor, organized by International Centre for Education in Islamic Finance (INCEIF)
- Forum on the Challenges of Implementing FRS 139, conducted by Bursa Malaysia
- Corporate Governance – Bursa Malaysia's evening talk, conducted by Bursa Malaysia
- 85th Annual Conference and Seminar in Dallas, Texas, USA hosted by World Association of Detectives
- Risk Management in Islamic Finance, conducted by FIDE
- The Public Dialogue: Bridging the Knowledge Divide – Building the Malaysian Link, conducted by Asian Strategy & Leadership Institute (ASLI)
- Leadership for Sustainable Business Growth, conducted by Bank Negara Malaysia
- The Malaysian Innovation Nation Convention, organised by Limkokwing University

Encik Fazrin Azwar Bin Md Nor

- Directors' Training on Directors' Duties and Responsibilities – Blue Ocean Strategy, conducted by Archer Consulting
- Forum on FRS 139 Financial Instruments: Recognition and Measurement, conducted by Bursa Malaysia
- Non-Executive Directors Development Series – Is it worth the Risk?, conducted by Securities Industries Development Corporation

Statement on Corporate Governance

Datin Shirley Yue Shou How

- 2010 Q-Radar “Trailblazer” Alumni Conference, conducted by Tricor Roots Consulting
- Directors’ Training on Getting Up to Speed with Governance, conducted by Institute of Internal Auditors, Malaysia (IAA, Malaysia)
- Statement on Risk Management and Internal Control, conducted by Bursa Malaysia’s Corporate Governance Week
- Supply Chain Management Audit, conducted by IAA, Malaysia
- Implementation of the New International Professional Practices Framework, conducted by IAA, Malaysia

Other than the above, during the financial year ended 31 July 2010, all the Directors have attended the briefings conducted by the Company Secretary pertaining to the Business Judgment, Disclosure of Interests in contracts and Interested Directors unable to participate in meetings.

The Directors will continue to undergo other relevant training programmes, conferences and seminars that may further enhance their skills and knowledge.

1.5 Appointments to the Board

In compliance with the Code, a Nomination Committee was established on 8 March 2004 and is entrusted with the following responsibilities:

- a) Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.
- b) Consider in making its recommendations, candidates for directorship proposed by the Group Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder.

- c) Recommend to the Board, directors to fill seats on Board Committees.
- d) Assist the Board in assessing the responsibility and commitment undertaken by the Board membership.
- e) Assess the effectiveness of the Board as a whole.
- f) Assess the effectiveness of the committees of the Board.
- g) Assess the contributions of each individual director.
- h) Review and recommend to the Board the required mix of skills and experience and other qualities the Board requires in order to function completely and efficiently.

The Board through the Nomination Committee will review annually its required mix of skill and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board.

The Nomination Committee comprises three (3) Non-Executive Directors, who are Independent Directors. The members of Nomination Committee are as follows:

Encik Fazrin Azwar Bin Md Nor

Chairman, Independent Non-Executive Director

Dr Choong Tuck Yew

Senior Independent Non-Executive Director

Datin Shirley Yue Shou How

Independent Non-Executive Director

The Nomination Committee ensures adequate training and orientation for new Directors with respect to the business structure and management of the Group, as well as the expectation of the Board with regard to their contributions to the Board and the Group. Regular continuing education programmes and seminars would be organised for the Directors to keep them abreast of the latest developments and advances in Corporate Governance.

The Nomination Committee met once during the financial year to deliberate on the above matters.



Statement on Corporate Governance

1.6 Re-election of Directors

In accordance with the Articles of Association of the Company, one-third (1/3) of the Directors are required by rotation to submit themselves for re-election by shareholders at every Annual General Meeting ("AGM").

All Directors are required to submit themselves for re-election by the shareholders at the AGM, at least once for every three years to comply with the Code.

Mr Cheong Teck Cheong and Encik Fazrin Azwar Bin Md Nor will retire in accordance with the Article 80 of the Company's Articles of Association and being eligible, have offered themselves for re-election.

Dr Choong Tuck Yew who will retire pursuant to Section 129(2) of the Companies Act, 1965 and being eligible, has offered himself for re-appointment at the forthcoming Annual General Meeting.

2. DIRECTORS' REMUNERATION

In compliance with the Code, a Remuneration Committee was established on 8 March 2004 and is entrusted with the following responsibilities:

- Recommend to the Board the remuneration of the Executive and Non-Executive Directors.
- Assist the Board in ensuring the remuneration of the Directors reflects the responsibility and commitment of the Director concerned.

The Remuneration Committee comprises four (4) Directors, the majority of whom are Independent Non-Executive Directors. The members of the Remuneration Committee are as follows:

Datin Shirley Yue Shou How

Chairperson, Independent Non-Executive Director

Dr Choong Tuck Yew

Senior Independent Non-Executive Director

Encik Fazrin Azwar Bin Md Nor

Independent Non-Executive Director

Dato' Choon Yee Seiong

Executive Chairman & Group Managing Director

The Remuneration Committee met once during the financial year ended 31 July 2010.

The details of the remuneration for Directors of the Company during the financial year ended 31 July 2010 are as follows:

Aggregate Remuneration Categorization	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Fees	228	108
Non-Fees	21	28
Salaries	5,120	-
Bonuses	1,048	-
Benefits-in-kind	176	-
Total	6,593	136

The number of Directors of the Company whose total remuneration falls within the following bands:

Range of Remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM850,001 to RM900,000	1	-
RM900,001 to RM950,000	2	-
RM1,100,001 to RM1,150,000	1	-
RM2,700,001 to RM2,750,000	1	-



Statement on Corporate Governance

3. SHAREHOLDERS

3.1 Investor Relations and Shareholders' Communication

The Board recognises the importance of timely and equal dissemination of information to shareholders and stakeholders.

The annual reports and quarterly announcements are the primary modes of communication providing the shareholders with an overview of the Group's activities and performance. Enquiries by shareholders are dealt with as promptly as practicable. The Board of Directors encourages full participation by the shareholders at every General Meeting and every opportunity is given to the shareholders to ask questions and seek clarification on the business and performance of the Group.

The Company's Investors Relations web portal is available at www.pohkong.listedcompany.com

4. ACCOUNTABILITY AND AUDIT

In reviewing all the published annual and quarterly financial statements during the financial year ended 31 July 2010, the Directors took due care and reasonable steps to ensure compliance with the applicable accounting standards in all material aspects. A statement by the Directors of their responsibilities for preparing the financial statements is set out under the Statement on Directors' Responsibility on page 49 of this Annual Report.

4.1 Internal Controls

The Statement on Internal Control furnished on pages 46 - 47 of this Annual Report provides an overview of the state of internal controls within the Group.

4.2 Relationship with the Auditors

The Company has established transparent and appropriate relationships with the Company's Auditors through the Audit Committee. The External Auditors, Messrs GEP Associates has continued to report to members of the Company on their findings which are included as part of the Company's Annual Report with respect to each year's audit on the Financial Statements.

The amount of non-audit fees paid to the External Auditors during the financial year 2010 was RM5,000 for meeting attendance allowances.

The role of the Audit Committee in relation to the External Auditors is set out in pages 42 - 44 of this Annual Report.

This statement was made in accordance with a resolution of the Board dated 22 November 2010.



Corporate Social Responsibility

Poh Kong fully supports the principles and practices of good corporate social responsibility. Our CSR initiatives are rooted in the belief that every organization owes a duty to the society in which it operates in and must act responsibly for the good of its employees, the various stakeholders and the environment. We recognize our corporate citizenship responsibility to foster mutually beneficial relationships with our communities and society is through active contributions and involvement.

The Group endeavours to align its corporate activities to social causes with the various communities, where possible, in the workplace, community, marketplace and the environment in realizing a balanced concept of sustainability.



THE WORKPLACE

Poh Kong has expended time and capital in the training and development of its employees, through various customized courses that are aimed at enhancing their personal and professional growth.

The Company also focuses on providing employees a safe, healthy and secure environment and promoting harmonious relationship and interaction among our staff to motivate them with various programmes and incentives.

The Group has a total of 1,200 employees including factory operatives in the manufacturing facility.

In-House Training

Sales and knowledge based skills training were conducted to get retail sales consultants to be more passionate about their jobs and to keep them abreast on the latest developments, as well as the latest trends in jewellery and further build a stronger, long-term relationship with their clients. In-house training has also been conducted for manufacturing, technical, design, finance and support staff to equip them to perform their jobs more efficiently and effectively.

This included continuous training courses for cashiers, product training for our sales consultants on Angel Diamonds, and the latest Schoeffel and Luca Carati Collections. The Group also put in strong emphasis and effort in constantly making sure outlet managers and assistant managers are familiarized with the Group's Standard Operating Procedures.



External Training

External consultants were also commissioned to conduct specialized courses.

Training courses rolled out in 2010 were a "Professional Image and Grooming," seminar conducted by an external consultant at Avillion, Legacy Malacca, a series of Diamond Basic Courses for sales consultants and a Diamond Advanced Course for managers, conducted by lecturers from the International Gemological Institute Ltd (I.G.I.) from Hong Kong.

The three days basic course covered the fundamentals and characteristics of diamonds for retail managers and sales staff. The ten days advanced course for managers included practical work, indepth knowledge on the identification and grading of diamonds. I.G.I. "Diamond Grader, D.G." Diplomas were also awarded at the Advanced Course.

In addition, senior employees have attended seminars related to their job scope to enhance their skills and knowledge.

During 2009/2010, more than 250 employees attended the seminars and courses.



Corporate Social Responsibility



Employees Welfare

The Company has initiated welfare programmes, such as staff engagement activities for employees to interact with each other at a social level.

Outbound tours organized have provided excellent opportunities for the staff to foster closer rapport and understanding with each other.

THE COMMUNITY

The Group provides financial aid and support, ranging from donations in cash or in kind to various societies, associations, and foundations as follows :-

Donations toward Welfare & Health Foundation

- Donation to the Welfare & Education Fund of the Ex-Policeman Association of Malaysia (Persatuan Bekas-Bekas Polis Malaysia);
- Donation in support of The Alzheimer's Disease Foundation Malaysia royal charity gala concert entitled the unforgettable "Konsert Amal DiRaja" at the Kuala Lumpur Convention Centre;

Donation towards Temple Building Fund

- Donation to the Malaysia Ceylon Saivites Association in Brickfields, Kuala Lumpur for their building fund;

Contributions towards Humanitarian Missions

- Sponsorship of the Malaysian International Gourmet Festival 2009 Chef Charity Auction to raise funds for Mercy Malaysia's (Malaysian Medical Relief Society) public service work in international humanitarian missions;
- Donation towards Yayasan Sin Chew's (Sin Chew Foundation) relief efforts for victims and survivors of the China earthquake disaster in Qinghai Province;

Contribution towards Charity Causes

- Contribution to Malaysia AEON Jusco Foundation Charity Gala Dinner 2010, a major fund raising activity where proceeds from the sales of tickets were channeled to the foundation to fund charity events;



THE MARKETPLACE

Core Product Values

In a highly competitive marketplace, Poh Kong has four underlying core business principles when it comes to our products - quality, value, trustworthiness and choice to meet the demands of customers. Our marketing success has been largely due to our enviable reputation in the manufacturing and retailing of quality products and professional customer services.

The Group's professional sales consultants have built valued and trusted business partnership with customers, and fulfilled their desires for the ultimate luxury in jewellery. Through our speciality brands and retail concept stores, we offer the highest premium quality products from the customer's perspectives.

Corporate Social Responsibility

Talent Development

In the development of talents, Poh Kong sponsored two workshop sessions Pageant Coach “Passage to Stardom,” a two-day ladies grooming course to uncover “star” quality, beauty and glamour talents among participants in Malaysia. This image building and personal development training was conducted by celebrities and beauty queens at the Seventh Heaven, Pavilion Kuala Lumpur on April 24-25 and July 24-25.

Thirty contestants participated in workshops on hair care, beauty and make-up, wine appreciation, social etiquette, fashion sense, public speaking, fitness and wellness, and modeling of clothes complemented with elegant jewellery provided by Poh Kong, the official jewellery sponsor.

THE ENVIRONMENT

Green Awareness Initiatives

The Group believes in green awareness activities and eco-friendly measures that are relatively easy to implement in reducing the carbon footprint generated by the organization’s infrastructure.

Energy Conservation Programmes

Environment-friendly lifestyles that promote green technology are practised by the Company, such as, the automatic shutdown mechanism on desktop computers while not in use, maintaining air-conditioning on the need to use basis, switching off non-essential lighting and equipment during non-operating hours, and the recycling of materials have contributed to costs savings.

Factory’s Green Journey

In factory manufacturing, we help minimise the impact on the environment by restricting the use of hazardous substances, undertaking the safe disposal of waste discharge and the monitoring of pollution levels for a clean environment.

The Company takes back gold products at end-of-use or end-of-life for responsible reuse, recycle, remanufacture or recovery of the gold in the refining process, thereby sustaining the business and preserving the environment for the future.

Shareholder’s Engagement - eDividends

Poh Kong will also implement the payment of cash dividends directly into shareholders’ bank accounts through an eDividend service by the first quarter of 2011. This service not only promotes greater efficiency of payments but reduces the environmental impact and allows the Company to reduce business costs.



Report of the Audit Committee

THE AUDIT COMMITTEE

The Audit Committee comprises three (3) Directors, namely a Senior Independent Non-Executive Director and two Independent Non-Executive Directors.

The members of the Audit Committee are as follows:

Dr Choong Tuck Yew

Chairman, Senior Independent Non-Executive Director
Member of the Malaysian Institute of Accountants

Encik Fazrin Azwar Bin Md Nor

Independent Non-Executive Director

Datin Shirley Yue Shou How

Independent Non-Executive Director



1. TERMS OF REFERENCE

1.1 Membership

The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors, the majority being independent.

The members of the Audit Committee shall elect a chairman from among their members who shall be an independent director. No alternate director shall be appointed as a member of the Audit Committee.

1.2 Qualification

At least one (1) member of the Audit Committee:

- (a) must be a member of the Malaysian Institute of Accountants; or
- (b) if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience and
 - he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
 - he/she must be a member of one (1) of the association of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
 - fulfils such other requirement as prescribed or approved by the Bursa Securities.

1.3 Meetings and Minutes

Meetings shall be held not less than four (4) times a year. The presence of external and/or internal auditors will be requested, if required, but without the presence of any Executive Directors. Other members of the Board and senior management may attend meetings upon the invitation of the Audit Committee. Both the internal and/or external auditors may request a meeting if they consider it to be necessary. The Audit Committee shall meet with the external auditors without the presence of Executive Board Members and Management at least twice a year.

The Secretary to the Audit Committee shall be the Company Secretary. The Chairman of the Audit Committee shall report on each meeting to the Board.

Report of the Audit Committee

1.4 Authority

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It shall have unrestricted access to any information pertaining to the Group, both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as and when necessary in discharging its duties.

1.5 Responsibilities and Duties

The Audit Committee undertakes, amongst others, the following responsibilities and duties:

- a) To discuss with the external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of audit;
- b) To review major audit findings arising from the interim and final external audits, the audit report and the assistance given by the Group's officers to the external auditors;
- c) To review with the external auditors, their evaluation of the system of internal controls, their management letter and management's responses;
- d) To review the following in respect of internal audit:
 - adequacy of scope, functions and resources of the firm of internal auditors (that was engaged to undertake the internal audit function) and that it has the necessary authority to carry out its work;
 - the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - review and approve any appointment or termination of senior staff members of the internal audit function; and
- e) To review the quarterly reporting to the Bursa Securities and year end annual financial statements of the Group before submission to the Board, focusing on:
 - compliance with accounting standards and regulatory requirements;
 - any major changes in accounting policies;
 - significant and unusual items and events.
- f) To review any related party transaction and conflict of interest situation that may arise within the Group including any transactions, procedure or course of conduct that raises questions of Management's integrity;
- g) To consider the appointment of the external auditors, the terms of reference of its appointment and any question of resignation and dismissal before making a recommendation to the Board;
- h) To promptly report to Bursa Securities if it is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

2. INTERNAL AUDIT FUNCTION

The Group's internal audit function is performed by in-house Internal Audit Department and three outsource internal auditors. The internal audit function is independent of the activities audited.

The total cost incurred for the internal audit function in respect of the financial year ended 31 July 2010 amounted to RM573,504. The function is performed with impartiality, proficiency and due professional care.

The Internal Audit Department reports directly to the Audit Committee and regularly reviews and appraises the Group's key operations to ensure that key risk and control concerns are being effectively managed.

Report of the Audit Committee

3. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR

During the financial year, the activities of the committee included:

- 3.1 Reviewing the quarterly financial result announcements of the Group prior to seeking the Board of Directors' approval and releasing the results to the Bursa Securities.
- 3.2 Reviewing the audit strategy and plan of the External Auditors.
- 3.3 Reviewing External Auditors' reports in relation to audit and accounting issues arising from the audit, and updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board.
- 3.4 Reviewing the annual financial statements of the Group and the Company.
- 3.5 Reviewing the Internal Audit functions and the recommendations on their findings.
- 3.6 The Audit Committee reviewed and approved the internal Audit Plan for the year 2010/2011.
- 3.7 Meetings with the External Auditors without the presence of the Executive Directors and the Management.

During the financial year ended 31 July 2010, the Audit Committee met five (5) times and the details of the attendance are as follows:

	Attendance
Dr Choong Tuck Yew	5 /5
Encik Fazrin Azwar Bin Md Nor	5 /5
Datin Shirley Yue Shou How	5 /5

This Report was made in accordance with a resolution of the Board dated 22 November 2010.





DESIGN | PRICE | LOCATION | CONVENIENCE

Choice

Statement on Internal Control

1. INTRODUCTION

The Board of Directors (“Board”) is pleased to comment on the state of Internal Control of the Group for the year ended 31 July 2010 in line with the Listing Requirements of Bursa Securities.

2. RESPONSIBILITY

The Board recognises the importance of sound systems of internal control and effective risk management practices to good corporate governance. The Board affirms its overall responsibility for maintaining sound systems of internal control within the Group covering financial, operational, compliance and risk management issues, and for reviewing regularly the adequacy and effectiveness of such systems within the Group. Sound systems of internal control will help to safeguard the Group’s assets and shareholders’ investment.

The Board, in discharging its stewardship responsibilities, is committed to identify key risks to which companies within the Group are exposed and will introduce appropriate systems to monitor and to manage such risks.

Notwithstanding that, there are, however, limitations inherent in any system of internal control, and such system is designed to manage rather than eliminate the risk that may impede the achievement of business objectives. It should be appreciated that it could therefore only provide reasonable and not absolute assurance against material misstatement. It should be further noted that the cost of control procedures should not exceed the benefits to be derived from such procedures.

3. KEY ELEMENTS OF INTERNAL CONTROL

Some of the key control procedures have been embedded in the operations of the business with sufficient assurance mechanism to safeguard the assets of the Group and to preserve shareholders’ investment. The following key elements ensure that the proper control regime is maintained:

3.1 Audit Committee

The Audit Committee reviews the Group’s accounting and reporting policies and practices, and the adequacy and effectiveness of the systems of internal control with the external auditors. The Audit Committee also ensures that there is continuous effort by management to address and resolve areas where control weaknesses exist.

The Audit Committee reviews the quarterly results of the Group and recommends adoption of such results to the Board before announcement to Bursa Securities is made.

3.2 Internal Audit

In line with good corporate governance practices, the Internal Audit function was formally set up with the assistance of an external consultant towards the end of 2004. The Audit Committee formally approved the Internal Audit Plan for the year 2010/2011. The internal auditors carried out independent reviews of systems of internal control in the key activities within the Group. The scope and coverage of internal audit assignments were prioritised based on criterias, such as its assessment of risks and control procedures.

In addition to the Group’s Internal Audit function, the Group also outsourced some aspects of the internal audit work to external parties to complement the Internal Audit work and to further enhance compliance with the Company’s internal policies and best practices.

The internal auditors aim to advise management on areas for improvement and subsequently performed follow-up reviews to determine the extent to which the recommendations have been implemented. The internal auditors report directly to the Audit Committee.



Statement on Internal Control



3.3 Risk Management

The Board is committed to identify business and other risks that are inherent in the sector in which the Group operates and to ensure the implementation of appropriate control mechanism to manage these risks. In assisting it to discharge its duties and responsibilities, the Board, through the Audit Committee, senior management and the Internal Audit function, will carry out periodical reviews of the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

3.4 Reporting and Review

The Group has in place a management reporting mechanism whereby financial information is generated for management review in a timely manner. The Executive Chairman & Group Managing Director meets regularly with the Executive Directors and Senior Management to review, discuss and resolve operational, financial, corporate and business issues.

3.5 Other Risks and Control Processes

In addition to the above, the Group also has in place the following key elements:

- An organisation structure, with clearly defined authority limits and reporting mechanism to higher levels of management and to the Board, which supports the maintenance of a strong control environment.
- Specific responsibilities have been delegated to the relevant Board committees, all of which have formalised terms of reference. These committees have the authority to examine all matters within their scope and report to the Board with their recommendations.
- Regular visits to the operating units by some members of the Board and Senior Management.

4. CONCLUSION

There were no material losses, uncertainties or contingencies reported during the current financial year as a result of weaknesses in internal control that would require mention in the Annual Report of the Group.

The Board and Management will continue to take measures to strengthen the internal control environment.

This statement was made in accordance with a resolution of the Board dated 22 November 2010.

Other Compliance Information

IN COMPLIANCE WITH THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD



- 1) Utilization of Proceeds**
No proceeds were raised by the Company.
- 2) Share Buy-Back**
There was no share buy-back of the Company's shares during the financial year.
- 3) Options or Convertible Securities**
There were no options or convertible securities issued to any parties during the financial year.
- 4) American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme**
During the financial year, the Company did not sponsor any ADR or GDR.
- 5) Imposition of Sanctions and/or Penalties**
During the financial year, there were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory authorities.
- 6) Non-Audit Fees**
Non-audit fees paid to GEP Associates for the financial year was RM5,000 for meeting attendance allowances.
- 7) Variation in Results**
There was no material variance between the results for the financial year and the unaudited results previously announced.
- 8) Profit Guarantee**
No profit guarantee was given by the Company in respect of the financial year.
- 9) Material Contracts**
There were no material contracts entered into by the Company and its subsidiaries involving Directors and/or major shareholders and/or related parties.
- 10) Revaluation of Properties**
The Group did not carry out any revaluation on properties, plant and equipment during the financial year under review.
- 11) Recurrent Related-Party Transactions**
Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 37 to the Financial Statements.

Statement On Directors' Responsibility

The Malaysian Company Law requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the results of their operations, changes in equity and of the cash flows of the Company and the Group for the period then ended. As required by the Companies Act, 1965 ("the Act") and the Listing Requirements of Bursa Securities, the financial statements have been prepared in accordance with the applicable Financial Reporting Standards in Malaysia and the provisions of the Act.

In preparing the financial statements for the year ended 31 July 2010, the Directors have :

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured applicable Financial Reporting Standards have been followed; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at all times the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Act. The Directors are also responsible for safeguarding the assets of the Group and the Company and, hence, for taking reasonable steps in the prevention and detection of fraud and other irregularities.

This Statement was made in accordance with a resolution of the Board of Directors dated 22 November 2010.



Financial Statements

DIRECTORS' REPORT	51 – 55
STATEMENT BY DIRECTORS / STATUTORY DECLARATION	56
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POH KONG HOLDINGS BERHAD	57 – 58
CONSOLIDATED BALANCE SHEET	59 – 60
CONSOLIDATED INCOME STATEMENT	61
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	62
CONSOLIDATED CASH FLOW STATEMENT	63 – 64
BALANCE SHEET	65
INCOME STATEMENT	66
STATEMENT OF CHANGES IN EQUITY	67
CASH FLOW STATEMENT	68 – 69
NOTES TO THE FINANCIAL STATEMENTS	70 – 114

Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2010.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services.

The principal activities of the Subsidiary Companies are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit for the year	32,516,897	8,123,418
Attributable to :-		
Equity holders of the Company	32,516,897	8,123,418
Minority interests	-	-
	32,516,897	8,123,418

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final dividend of 1-40 sen single tier exempt dividend amounting to RM5,744,925 in respect of financial year ended 31 July 2009 on 9 March 2010.

At the forthcoming Annual General Meeting, a single tier first and final dividend of 1-40 sen on 410,351,752 ordinary shares of RM0-50 each amounting to RM5,744,925 in respect of the current financial year ended 31 July 2010 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 July 2011.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no shares or debentures were issued.

SHARE OPTIONS

During the financial year, no share options have been granted.

Directors' Report

DIRECTORS

The Directors in office since the date of the last report are :-

DATO' CHOON YEE SEIONG
 CHEONG TECK CHONG
 CHOON NEE SIEW
 CHOON YOKE YING
 CHOON WAN JOO
 FAZRIN AZWAR BIN MD. NOR
 DR. CHOONG TUCK YEW
 DATIN YUE SHOU HOW, SHIRLEY

In accordance with Article 80 of the Company's Articles of Association, CHEONG TECK CHONG and FAZRIN AZWAR BIN MD. NOR retire from the board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DR. CHOONG TUCK YEW who retires pursuant to Section 129(2) of the Companies Act, 1965, being eligible, offers himself for re-appointment at the forthcoming annual general meeting.

DIRECTORS' INTERESTS

The following Directors who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act, 1965, interests in shares of the Company and its related corporations as stated below :-

Number of ordinary shares of RM0-50 each.....			
	At 1/8/2009	Bought	Sold	At 31/7/2010
COMPANY				
DIRECT INTEREST				
DATO' CHOON YEE SEIONG	9,228,746	-	-	9,228,746
CHEONG TECK CHONG	2,273,928	-	-	2,273,928
CHOON NEE SIEW	2,052,372	2,654,370	-	4,706,742
CHOON YOKE YING	1,857,772	-	462,700	1,395,072
CHOON WAN JOO	2,420,080	-	100,000	2,320,080
FAZRIN AZWAR BIN MD. NOR	35,000	-	-	35,000
DR. CHOONG TUCK YEW	102,500	115,000	-	217,500

INDIRECT INTEREST

DATO' CHOON YEE SEIONG	(i)	248,089,458	2,654,370	562,700	250,181,128
CHEONG TECK CHONG	(i)	239,789,648	-	-	239,789,648
CHOON NEE SIEW	(ii)	253,480,872	-	562,700	252,918,172
CHOON YOKE YING	(ii)	254,195,728	2,654,370	100,000	256,750,098
CHOON WAN JOO	(ii)	253,664,532	2,654,370	462,700	255,856,202
DR. CHOONG TUCK YEW	(i)	30,000	125,000	-	155,000

Directors' Report

DIRECTORS' INTERESTS (CONT'D)

Number of ordinary shares of RM1-00 each.....			
	At 1/8/2009	Bought	Sold	At 31/7/2010
ULTIMATE HOLDING COMPANY				
<u>DIRECT INTEREST</u>				
POH KONG SDN BHD				
DATO' CHOON YEE SEIONG	41,939,984	-	-	41,939,984
CHEONG TECK CHONG	22,963,625	-	-	22,963,625
CHOON NEE SIEW	18,595,136	743,831	-	19,338,967
CHOON YOKE YING	4,720,196	-	-	4,720,196
CHOON WAN JOO	6,102,087	330,000	-	6,432,087

- (i) Held by spouse, persons connected to the Director and Ultimate Holding Company
- (ii) Held by persons connected to the Director and Ultimate Holding Company

By virtue of their interests in the shares of the Company, DATO' CHOON YEE SEIONG, CHEONG TECK CHONG, CHOON NEE SIEW, CHOON YOKE YING, CHOON WAN JOO, FAZRIN AZWAR BIN MD. NOR and DR. CHOONG TUCK YEW are also deemed interested in the shares of all the Subsidiary Companies to the extent the Company has an interest.

The other Director in office at the end of the financial year had no interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in Note 27 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement which object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps :-

- a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and
- b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable value.

Directors' Report

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the Directors are not aware of any circumstances which would render :-

- a) the amounts written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- b) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

At the date of this report, there does not exist :-

- a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- b) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors :-

- a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;
- b) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and
- c) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ULTIMATE HOLDING COMPANY

The Ultimate Holding Company is POH KONG SDN BHD, a company incorporated in Malaysia.

54

SIGNIFICANT EVENTS

The significant events during the financial year are disclosed in Note 40 to the financial statements.

Directors' Report

AUDITORS

The Auditors, GEP Associates, have indicated their willingness to continue in office.

Signed in accordance with a resolution of the Directors dated 22 November 2010

DATO' CHOON YEE SEIONG

Petaling Jaya

Dated : 22 November 2010

CHEONG TECK CHONG

Statement By Directors

We, DATO' CHOON YEE SEIONG and CHEONG TECK CHONG, being two of the Directors of POH KONG HOLDINGS BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 59 to 114 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 July 2010 and of their financial performance and cash flows for the year then ended.

Signed in accordance with a resolution of the Directors dated 22 November 2010

DATO' CHOON YEE SEIONG

CHEONG TECK CHONG

Petaling Jaya

Dated : 22 November 2010

Statutory Declaration

I, KOH SZE HAW, being the Officer primarily responsible for the financial management of POH KONG HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 59 to 114 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
KOH SZE HAW)
at Petaling Jaya)
on 22 November 2010)

KOH SZE HAW

Before me

SELVARAJAH A/L SIVALINGAM (No. B103)
Commissoner for Oaths

Independent Auditors' Report

To The Members Of Poh Kong Holdings Berhad (586139-K) (Incorporated In Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of POH KONG HOLDINGS BERHAD, which comprise the balance sheets as at 31 July 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 59 to 114.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 July 2010 and of their financial performance and cash flows for the year then ended.

Independent Auditors' Report

To The Members Of Poh Kong Holdings Berhad (586139-K) (Incorporated In Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following :-

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its Subsidiary Companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the Subsidiary Companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) The audit reports on the accounts of the Subsidiary Companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

GEP ASSOCIATES

No : AF 1030

Chartered Accountants

Petaling Jaya

Dated : 22 November 2010

GONG WOUI TEIK

No : 741 / 04 / 12 (J)

Chartered Accountant

Consolidated Balance Sheet

As At 31 July 2010

	Note	2010 RM	2009 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	79,400,931	79,162,018
Prepaid land lease payments	6	8,472,862	7,492,853
Investment property	7	240,000	240,000
Other investments	9	532,999	532,999
Goodwill on consolidation	10	1,485,140	1,485,140
Deferred tax assets	11	122,209	53,524
		90,254,141	88,966,534
Current assets			
Inventories	12	383,614,269	356,726,857
Trade receivables	13	1,136,450	1,216,978
Non-trade receivables	14	10,389,283	15,427,938
Tax recoverable		4,614,286	4,111,266
Cash and bank balances	16	19,633,249	23,659,699
		419,387,537	401,142,738
TOTAL ASSETS		509,641,678	490,109,272
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	17	205,175,876	205,175,876
Reserves	18	105,361,296	78,589,324
		310,537,172	283,765,200
Minority interests	19	-	3,490,336
Total equity		310,537,172	287,255,536

Consolidated Balance Sheet

As At 31 July 2010

	Note	2010 RM	2009 RM
Non-current liabilities			
Advance from Ultimate Holding Company	20	15,000,000	15,000,000
Long-term borrowings	21	58,025,231	42,252,479
Deferred tax liabilities	11	5,963,189	5,638,065
		78,988,420	62,890,544
Current liabilities			
Trade payables	22	19,995,873	16,180,487
Non-trade payables	23	16,420,327	13,209,281
Amounts due to Directors	24	2,034,588	2,250,724
Short-term borrowings	21	77,600,674	103,970,927
Provision for taxation		4,064,624	4,351,773
		120,116,086	139,963,192
Total liabilities		199,104,506	202,853,736
TOTAL EQUITY AND LIABILITIES		509,641,678	490,109,272

Consolidated Income Statement

For The Year Ended 31 July 2010

	Note	2010 RM	2009 RM
Revenue	25	561,243,734	541,635,833
Cost of sales		(389,023,737)	(376,817,809)
Gross profit		172,219,997	164,818,024
Other operating income		1,893,668	3,572,133
		174,113,665	168,390,157
Selling and distribution expenses		(60,620,258)	(59,963,719)
		113,493,407	108,426,438
Administrative expenses		(58,608,999)	(59,607,470)
Profit from operations	26	54,884,408	48,818,968
Finance costs	29	(10,085,797)	(10,260,433)
Profit before taxation		44,798,611	38,558,535
Income tax expense	30	(12,281,714)	(10,138,139)
Profit for the year		32,516,897	28,420,396
Attributable to :-			
Equity holders of the Company		32,516,897	28,444,569
Minority interests		-	(24,173)
		32,516,897	28,420,396
Earnings per share attributable to equity holders of the Company (sen) :-			
Basic	31	7-92	6-93
Proposed net dividends per share (sen)	32	1-40	1-40

The accompanying Notes form an integral part of the Financial Statements.

Consolidated Statement of Changes in Equity

For The Year Ended 31 July 2010

	Note	Attributable to equity holders of the Company					Total equity RM
		Non-distributable		Distributable	Total RM	Minority interests RM	
		Share capital RM	Capital reserve RM	Retained earnings RM			
At 1 August 2008		205,175,876	4,282,866	51,606,814	261,065,556	3,514,509	264,580,065
Transfer within reserve		-	(62,000)	62,000	-	-	-
Profit for the year		-	-	28,444,569	28,444,569	(24,173)	28,420,396
At 31 July 2009		205,175,876	4,220,866	74,368,458	283,765,200	3,490,336	287,255,536
Dividends	32	-	-	(5,744,925)	(5,744,925)	-	(5,744,925)
At 1 August 2009		205,175,876	4,220,866	74,368,458	283,765,200	3,490,336	287,255,536
Profit for the year		-	-	32,516,897	32,516,897	-	32,516,897
Disposal of subsidiary	33	-	-	-	-	(3,490,336)	(3,490,336)
At 31 July 2010		205,175,876	4,220,866	101,140,430	310,537,172	-	310,537,172

The accompanying Notes form an integral part of the Financial Statements.

Consolidated Cash Flow Statement

For The Year Ended 31 July 2010

Note	2010 RM	2009 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	44,798,611	38,558,535
Adjustments for :-		
Allowance for doubtful debts	68,035	230,864
Amortisation of prepaid land lease payments	153,324	128,277
Bad debts written off	95,600	6,583
Depreciation	8,377,355	7,934,632
Dividend income	-	(599,996)
Forfeited customers' deposits	(189,243)	(86,596)
Gain on disposal of property, plant and equipment	(230,331)	(199,983)
Interest expense	10,085,797	10,260,433
Interest income	(126,487)	(98,152)
Inventories loss	568,774	2,125,806
Loss on disposal of property, plant and equipment	10,969	-
Loss on disposal of subsidiary	313,452	-
Property, plant and equipment written off	771,389	1,022,085
Reversal of allowance for doubtful debts	(279,175)	(334,131)
Reversal of impairment losses of property, plant and equipment	-	(408,153)
Short-term accumulating compensated absences	24,437	923
Operating profit before working capital changes	64,442,507	58,541,127
(Increase) / Decrease in inventories	(27,456,186)	32,433,732
(Increase) / Decrease in trade receivables	(1,082,901)	417,728
Decrease / (Increase) in non-trade receivables	651,444	(1,580,373)
Increase / (Decrease) in trade payables	3,815,386	(7,182,563)
Increase / (Decrease) in non-trade payables	3,378,152	(1,347,371)
(Decrease) / Increase in amounts due to Directors	(1,613,139)	259,946
	(22,307,244)	23,001,099
Cash generated from operations	42,135,263	81,542,226
Income tax refund	271,858	176,688
Income tax paid	(13,116,497)	(10,257,397)
Net cash generated from operating activities carried forward	29,290,624	71,461,517

Consolidated Cash Flow Statement

For The Year Ended 31 July 2010

	Note	2010 RM	2009 RM
Net cash generated from operating activities brought forward		29,290,624	71,461,517
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash inflow on disposal of subsidiary	33	3,286,290	-
Proceeds from disposal of property, plant and equipment		495,814	297,099
Purchase of leasehold land		(1,133,333)	-
Purchase of property, plant and equipment		(6,754,103)	(11,171,184)
Interest received		126,487	2,721
Dividend received		-	446,998
Fixed deposits pledged		(72,217)	(1,500,000)
Net cash used in investing activities		(4,051,062)	(11,924,366)
		25,239,562	59,537,151
CASH FLOWS FROM FINANCING ACTIVITIES			
Net loans repaid		(36,903,000)	(22,551,000)
Net term loans raised		18,172,022	7,688,778
Finance lease raised		2,109,385	1,331,172
Repayments of finance lease payables		(5,807,600)	(4,986,851)
Repayments of hire purchase payables		(1,916,814)	(1,505,321)
Interest paid		(10,085,797)	(10,260,433)
Dividend paid		(5,744,925)	(5,744,925)
Net cash used in financing activities		(40,176,729)	(36,028,580)
Net (decrease) / increase in cash and cash equivalents		(14,937,167)	23,508,571
Cash and cash equivalents brought forward		15,283,952	(8,224,619)
Cash and cash equivalents carried forward	16	346,785	15,283,952

Balance Sheet

As At 31 July 2010

	Note	2010 RM	2009 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,259,320	1,176,386
Investments in Subsidiary Companies	8	156,773,424	156,773,424
Deferred tax assets	11	122,209	53,524
		158,154,953	158,003,334
Current assets			
Trade receivables	13	4,104,617	4,317,724
Non-trade receivables	14	262,764	381,198
Amounts due by Subsidiary Companies	15	117,861,963	147,000,261
Tax recoverable		3,893,914	2,602,564
Dividend receivable		12,693,000	9,380,000
Cash and bank balances	16	847,506	9,405,576
		139,663,764	173,087,323
TOTAL ASSETS		297,818,717	331,090,657
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	17	205,175,876	205,175,876
Reserves	18	16,127,151	13,748,658
Total equity		221,303,027	218,924,534
Non-current liabilities			
Advance from Ultimate Holding Company	20	15,000,000	15,000,000
Long-term borrowings	21	46,173,197	30,474,053
		61,173,197	45,474,053
Current liabilities			
Non-trade payables	23	4,947,270	3,044,933
Amounts due to Directors	24	882,880	885,594
Amounts due to Subsidiary Companies	15	7,399,608	2,164,653
Short-term borrowings	21	2,112,735	60,596,890
		15,342,493	66,692,070
Total liabilities		76,515,690	112,166,123
TOTAL EQUITY AND LIABILITIES		297,818,717	331,090,657

The accompanying Notes form an integral part of the Financial Statements.

Income Statement

For The Year Ended 31 July 2010

	Note	2010 RM	2009 RM
Revenue	25	28,382,079	25,414,238
Cost of sales		-	-
Gross profit		28,382,079	25,414,238
Other operating income		16,913	8,996
		28,398,992	25,423,234
Selling and distribution expenses		-	-
		28,398,992	25,423,234
Administrative expenses		(12,012,725)	(11,118,672)
Profit from operations	26	16,386,267	14,304,562
Finance costs	29	(6,213,898)	(5,466,084)
Profit before taxation		10,172,369	8,838,478
Income tax expense	30	(2,048,951)	(1,994,233)
Profit after taxation		8,123,418	6,844,245

Statement of Changes in Equity

For The Year Ended 31 July 2010

	Note	Share capital RM	Retained earnings RM	Total RM
At 1 August 2008		205,175,876	12,649,338	217,825,214
Profit for the year		-	6,844,245	6,844,245
Dividends	32	205,175,876 -	19,493,583 (5,744,925)	224,669,459 (5,744,925)
At 31 July 2009		205,175,876	13,748,658	218,924,534
At 1 August 2009		205,175,876	13,748,658	218,924,534
Profit for the year		-	8,123,418	8,123,418
Dividends	32	205,175,876 -	21,872,076 (5,744,925)	227,047,952 (5,744,925)
At 31 July 2010		205,175,876	16,127,151	221,303,027

The accompanying Notes form an integral part of the Financial Statements.

Cash Flow Statement

For The Year Ended 31 July 2010

	Note	2010 RM	2009 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		10,172,369	8,838,478
Adjustments for :-			
Depreciation		330,044	195,904
Dividend income		(16,130,986)	(11,937,845)
Gain on disposal of property, plant and equipment		-	(3,247)
Interest expense		6,213,898	5,466,084
Interest income		(3,916,925)	(5,912,136)
Short-term accumulating compensated absences		36,333	(10,594)
Operating loss before working capital changes		(3,295,267)	(3,363,356)
Decrease / (Increase) in trade receivables		213,107	(1,201,184)
Decrease / (Increase) in non-trade receivables		118,434	(292,409)
Increase / (Decrease) in non-trade payables		1,866,004	(186,993)
(Decrease) / Increase in amounts due to Directors		(2,714)	270,533
		2,194,831	(1,410,053)
Cash used in operations		(1,100,436)	(4,773,409)
Income tax refund		67,336	118,512
Income tax paid		(38,336)	(67,336)
Net cash used in operating activities		(1,071,436)	(4,722,233)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		3,916,925	5,912,136
Dividend received		9,380,000	9,966,600
Proceeds from disposal of property, plant and equipment		-	14,000
Purchase of property, plant and equipment		(318,978)	(126,528)
Net cash generated from investing activities		12,977,947	15,766,208
Balance carried forward		11,906,511	11,043,975

Cash Flow Statement

For The Year Ended 31 July 2010

	Note	2010 RM	2009 RM
Balance brought forward		11,906,511	11,043,975
CASH FLOWS FROM FINANCING ACTIVITIES			
Net loans repaid		(60,000,000)	(5,000,000)
Net term loans raised		17,619,040	-
Finance lease raised		121,500	224,280
Repayments of finance lease payables		(555,063)	(161,235)
Repayments of hire purchase payables		(64,488)	(34,281)
Interest paid		(6,213,898)	(5,466,084)
Dividend paid		(5,744,925)	(5,744,925)
Increase in amounts due from / (to) Subsidiary Companies		34,373,253	14,271,974
Net cash used in financing activities		(20,464,581)	(1,910,271)
Net (decrease) / increase in cash and cash equivalents		(8,558,070)	9,133,704
Cash and cash equivalents brought forward		9,405,576	271,872
Cash and cash equivalents carried forward	16	847,506	9,405,576

The accompanying Notes form an integral part of the Financial Statements.

Notes to the Financial Statements

31 July 2010

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business are located at Unit 07-02, Level 7, Persoft Tower, 6B, Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan and No. 16-20, Jalan 52/4, 46200 Petaling Jaya, Selangor Darul Ehsan respectively.

The principal activities of the Company are investment holding and the provision of management services.

The core activities of the Subsidiary Companies are as follows :-

- Suppliers, retailers and exporter of jewellerys, precious stones and gold ornaments
- Manufacturer and dealers of jewellerys, precious stones and gold ornaments

Its Ultimate Holding Company, POH KONG SDN BHD is incorporated and domiciled in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 November 2010.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRSs") in Malaysia.

3. COMPARATIVE FIGURES

The comparative figures were extended to comply with the additional disclosure requirements of the new Financial Reporting Standards that are applicable for the financial year ended 31 July 2010.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise stated.

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and applicable FRSs in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results may differ from these estimates.

Notes to the Financial Statements

31 July 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Changes in accounting policies

On 1 August 2009, the Group and the Company adopted the following new and revised FRS, which are mandatory for financial periods beginning on or after 1 July 2009 :-

FRS 8 Operating Segments

The adoption of the above new and revised FRS, does not result in significant changes in accounting policies of the Group and of the Company, or any significant impact on the financial statements of the Group and of the Company.

The Group and the Company have not early adopted the following new and revised FRSs, Issues Committee Interpretations ("IC Int.") and amendments to FRSs which are mandatory for financial periods beginning on or after the respective dates as follows :-

a) Financial periods beginning on or after 1 January 2010

FRS 4	Insurance Contracts
FRS 7	Financial Instruments : Disclosures
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs
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. 13	Customer Loyalty Programmes
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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 132 Financial Instruments : Presentation

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)"

b) Financial periods beginning on or after 1 March 2010

Amendments to FRS 132 Financial Instruments : Presentation

c) Financial periods beginning on or after 1 July 2010

FRS 1	First-time Adoption of Financial Reporting Standards (Revised 2010)
FRS 3	Business Combinations (Revised 2010)
FRS 127	Consolidated and Separate Financial Statements (Revised 2010)
IC Int. 12	Service Concession Arrangements
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

Notes to the Financial Statements

31 July 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Changes in accounting policies (Cont'd)

c) Financial periods beginning on or after 1 July 2010 (Cont'd)

Amendments to FRS 2 Share-based Payment

Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 138 Intangible Assets

Amendments to IC Int. 9 Reassessment of Embedded Derivatives

d) Financial periods beginning on or after 1 January 2011

IC Int. 4 Determining whether an Arrangement contains a Lease

IC Int. 18 Transfers of Assets from Customers

Amendments to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 2 Group Cash-settled Share-based Payment Transactions

Amendments to FRS 7 Improving Disclosures about Financial Instruments

The adoption of the above new and revised FRSS, IC Int. and amendments to FRSS upon their effective dates are expected to have no significant impact on the financial statements of the Group and of the Company except for additional disclosure requirements.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

4.3 Significant accounting estimates and judgements

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows :-

a) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 July 2010 was RM1,485,140 (2009 : RM1,485,140). Further details are disclosed in Note 10 to the financial statements.

Notes to the Financial Statements

31 July 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Significant accounting estimates and judgements (Cont'd)

b) Income taxes

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for taxation. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

c) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

d) Useful lives of property, plant and equipment

The costs of property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over their economic useful lives. Their economic useful lives, being the period over which the assets are expected to be available for use, are reviewed and updated annually to reflect the current expectation. Changes in pattern of use, physical wear and tear, technical and commercial obsolescence and other factors could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

4.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiary Companies as at the balance sheet date. The financial statements of the Subsidiary Companies are prepared for the same reporting date as the Company.

Subsidiary Companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Intragroup balances, transactions and unrealised gains and losses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

Acquisitions of Subsidiary Companies are accounted for by applying the purchase method. The purchase method of accounting involves allocating of the acquisition to the fair value of the identifiable assets, liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statement.

Minority interests represent the portion of the profit or loss or net assets in Subsidiary Companies not held by the Group. It is measured at the minorities' share of the fair value of the Subsidiary Companies' identifiable assets and liabilities at the date of acquisition and the minorities' share of changes in the Subsidiary Companies' equity since then. Separate disclosure is made for minority interests.

Notes to the Financial Statements

31 July 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings stated at valuation are revalued at regular intervals of at least once in every five years by the Directors based on the valuation reports of independent professional valuers using the open market value basis.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying value is charged to the income statement. An increase in revaluation directly related to a previous decrease in carrying amount for that same asset that was recognised as an expense, is credited to income statement to the extent that it offsets the previously recorded decrease.

Freehold land has an unlimited useful life and therefore is not depreciated.

Building-in-progress is stated at cost and not depreciated. Depreciation on building-in-progress commences when the assets are ready for their intended use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost or the revalued amount of each asset to its residual value over the estimated useful life, at the following annual rates :-

Buildings	2 %
Equipment, furniture and fittings	10 - 20 %
Plant and machinery	10 %
Motor vehicles	20 %

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the income statement. Upon disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained earnings.

Notes to the Financial Statements

31 July 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Leases

i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exception :-

- Land held under own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

ii) Finance leases - the Group as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as disclosed in Note 4.5 to the financial statements.

iii) Operating leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

4.7 Investment property

Investment property is property which is held either to earn rental income or for capital appreciation or for both. Such property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties. In the absence of such market evidence, the valuation is performed by independent professional valuers.

Gains or losses arising from changes in the fair value of investment property are recognised in income statement in the year in which they arise.

Notes to the Financial Statements

31 July 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Investment property (Cont'd)

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Company holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in income statement in the year in which they arise.

4.8 Subsidiary Companies

Subsidiary Companies are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in Subsidiary Companies are stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in the income statement.

4.9 Other investments

Other non-current investments are stated at cost less impairment loss.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

4.10 Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Subsequent to the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

4.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of raw materials is determined using the weighted average method comprising the costs of purchase. The costs of manufactured inventories and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity. The cost of finished goods comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to the present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

Notes to the Financial Statements

31 July 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

4.13 Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

4.14 Provisions for liabilities

Provisions are recognised where there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of obligations. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.15 Borrowings

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

4.16 Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of revenue can be measured reliably.

a) Sale of goods

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

b) Dividend income

Dividend income is recognised in the income statement when the right to receive payment is established.

c) Management fee

Management fee is recognised in the income statement as it accrues.

d) Interest income

Interest income is recognised in the income statement on an accrual basis unless collection is in doubt.

e) Royalty income

Royalty income is recognised in the income statement on an accrual basis in accordance with the terms of the franchise agreement.

f) Advertising and promotion recovery

Advertising and promotion recovery is recognised in the income statement as it accrues.

Notes to the Financial Statements

31 July 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Impairment of non-financial assets

The carrying amounts of assets, other than investment property, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill that have an indefinite useful life, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the date of the acquisition, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units.

The recoverable amount of an asset is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in the income statement in the period in which it arises, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss of an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised for the asset in prior years. The reversal is recognised in the income statement, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised in the income statement, a reversal of that impairment loss is also recognised in the income statement.

4.18 Employee benefits

Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

Notes to the Financial Statements

31 July 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 Foreign currencies

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction.

At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using historical rates of the date of acquisition and non-monetary items which are carried at fair value are translated using exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement.

The principal exchange rates at the balance sheet date used for the translation of foreign currencies are as follows :-

Foreign currency	2010 RM	2009 RM
1 Euro	4-22	5-03
1 US Dollar	3-23	3-56
100 Hongkong Dollar	42-27	46-80

4.20 Borrowing costs

Borrowing costs directly attributable to the construction of qualifying assets are capitalised as part of the cost of those assets during the period of time that is required to complete and prepare the assets for their intended use.

All other interest expense and other costs incurred in connection with borrowings are expensed as incurred.

4.21 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition.

Notes to the Financial Statements

31 July 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 Share capital

a) Classification

Ordinary shares are classified as equity.

b) Share issue costs

External costs directly attributable to the issue of new shares are shown as a deduction in equity.

c) Dividends

Proposed final dividends are not recorded as a liability in the financial statements until they are approved by the shareholders at the Annual General Meeting.

4.23 Cash and cash equivalents

Cash and cash equivalents comprise bank balances, cash on hand and short-term highly liquid assets that are readily convertible to cash with insignificant risk of changes in value less bank borrowings that are not subject to fixed term of repayment.

4.24 Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, investments, receivables, payables and borrowings.

a) Financial instruments recognised in the balance sheet

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The particular recognition method adopted for financial instruments recognised in the balance sheet is disclosed in the individual accounting policy statements associated with each item.

The Group does not use any derivative financial instrument.

b) Fair values estimation for disclosure purposes

In assessing the fair values of financial instruments, the Group uses a variety of methods and make assumptions that are based on market conditions existing at each balance sheet date.

The carrying amounts for financial assets and liabilities with a maturity period of less than one (1) year are assumed to approximate their fair values.

Notes to the Financial Statements

31 July 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.25 Operating segment

Operating segment is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single segment.

5. PROPERTY, PLANT AND EQUIPMENT

GROUP

Net carrying amount	At 1/8/2009 RM	Additions RM	Transfer from / (to) RM	Written off / Disposals RM	Current depreciation RM	At 31/7/2010 RM
Freehold land	10,476,667	-	-	-	-	10,476,667
Buildings	25,428,156	2,421,667	2,099,999	-	561,187	29,388,635
Building-in-progress	2,527,950	-	(2,099,999)	-	-	427,951
Equipment, furniture and fittings	34,164,392	5,933,054	-	1,001,777	5,873,804	33,221,865
Plant and machinery	2,216,341	349,200	-	-	404,276	2,161,265
Motor vehicles	4,348,512	960,188	-	46,064	1,538,088	3,724,548
	79,162,018	9,664,109	-	1,047,841	8,377,355	79,400,931

Net carrying amount	At 1/8/2008 RM	Additions RM	Written off / Disposals RM	Current depreciation RM	At 31/7/2009 RM
Freehold land	8,610,000	1,866,667	-	-	10,476,667
Buildings	25,063,590	975,078	-	610,512	25,428,156
Building-in-progress	637,951	1,889,999	-	-	2,527,950
Equipment, furniture and fittings	29,467,024	11,323,612	1,096,535	5,529,709	34,164,392
Plant and machinery	1,890,718	671,718	-	346,095	2,216,341
Motor vehicles	3,343,509	2,475,985	22,666	1,448,316	4,348,512
	69,012,792	19,203,059	1,119,201	7,934,632	79,162,018

Notes to the Financial Statements

31 July 2010

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2010	Valuation / Cost RM	Accumulated depreciation RM	Net carrying amount RM
At valuation			
Freehold land	10,476,667	-	10,476,667
Buildings	26,045,078	1,119,840	24,925,238
At cost			
Buildings	4,521,666	58,269	4,463,397
Building-in-progress	427,951	-	427,951
Equipment, furniture and fittings	65,990,984	32,769,119	33,221,865
Plant and machinery	5,309,231	3,147,966	2,161,265
Motor vehicles	11,953,563	8,229,015	3,724,548
	124,725,140	45,324,209	79,400,931

2009	Valuation / Cost RM	Accumulated depreciation RM	Net carrying amount RM
At valuation			
Freehold land	10,476,667	-	10,476,667
Buildings	26,045,078	616,922	25,428,156
At cost			
Building-in-progress	2,527,950	-	2,527,950
Equipment, furniture and fittings	62,675,333	28,510,941	34,164,392
Plant and machinery	4,960,031	2,743,690	2,216,341
Motor vehicles	12,148,966	7,800,454	4,348,512
	118,834,025	39,672,007	79,162,018

COMPANY

Net carrying amount	At 1/8/2009 RM	Additions RM	Written off / Disposals RM	Current depreciation RM	At 31/7/2010 RM
Equipment, furniture and fittings	1,037,268	309,725	-	272,988	1,074,005
Motor vehicles	139,118	103,253	-	57,056	185,315
	1,176,386	412,978	-	330,044	1,259,320

Net carrying amount	At 1/8/2008 RM	Additions RM	Written off / Disposals RM	Current depreciation RM	At 31/7/2009 RM
Equipment, furniture and fittings	292,299	919,401	10,753	163,679	1,037,268
Motor vehicles	59,221	112,122	-	32,225	139,118
	351,520	1,031,523	10,753	195,904	1,176,386

Notes to the Financial Statements

31 July 2010

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2010	Cost RM	Accumulated depreciation RM	Net carrying amount RM
Equipment, furniture and fittings	1,629,804	555,799	1,074,005
Motor vehicles	311,093	125,778	185,315
	1,940,897	681,577	1,259,320

2009	Cost RM	Accumulated depreciation RM	Net carrying amount RM
Equipment, furniture and fittings	1,320,079	282,811	1,037,268
Motor vehicles	207,840	68,722	139,118
	1,527,919	351,533	1,176,386

- a) Included in the property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use with their carrying costs as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
- Equipment, furniture and fittings	17,273,176	15,684,262	56,923	946

- b) During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM9,664,109 (2009 : RM19,203,059) and RM412,978 (2009 : RM1,031,523) respectively of which RM2,910,006 (2009 : RM8,031,875) and RM94,000 (2009 : RM904,995) respectively were acquired by means of hire purchase and finance lease arrangements.

- c) Net carrying amount of assets acquired under hire purchase arrangements of which instalments are still outstanding at the balance sheet date :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
- Motor vehicles	3,723,149	4,344,713	183,916	135,319

Notes to the Financial Statements

31 July 2010

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- d) Net carrying amount of assets acquired under finance lease arrangements of which instalments are still outstanding at the balance sheet date :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
- Equipment, furniture and fittings	10,054,051	9,577,734	722,439	788,496

- e) Net carrying amounts of assets pledged as securities for bank borrowings (Note 21) :-

	GROUP	
	2010 RM	2009 RM
At valuation		
- Freehold land	6,648,000	6,648,000
- Buildings	11,771,892	16,759,265
At cost		
- Buildings	4,313,611	-
- Building-in-progress	-	2,099,999

- f) Land and buildings of the Group were revalued on 31 July 2008 by the Directors since the last revaluation was carried out on 1 April 2003 based on valuation performed by independent firms of professional valuers using the open market value on existing use basis.

Had the revalued land and buildings been carried at historical cost less accumulated depreciation, the net carrying amounts of the land and buildings that would have been included in the financial statements of the Group is as follows :-

	GROUP	
	2010 RM	2009 RM
- Freehold land	4,072,860	4,415,427
- Buildings	10,843,272	12,668,134

- g) The comparative accumulated depreciation and accumulated impairment losses for the freehold land and buildings of the Group have been restated to conform with the current year's presentation. The restatement has no effect on the net carrying amount of the freehold land and buildings as at 31 July 2009 and 31 July 2010.

Notes to the Financial Statements

31 July 2010

6. PREPAID LAND LEASE PAYMENTS

	GROUP	
	2010 RM	2009 RM
Long-term leasehold land		
Valuation		
At 1 August	9,171,742	8,763,589
Addition	1,133,333	-
Reclassification	-	408,153
At 31 July	10,305,075	9,171,742
Accumulated amortisation		
At 1 August	1,678,889	1,550,612
Amortisation for the year	153,324	128,277
At 31 July	1,832,213	1,678,889
Net carrying amount		
At 31 July	8,472,862	7,492,853

The long-term leasehold land of the Group has an unexpired lease period of more than 50 years.

The long-term leasehold land of the Group stated at valuation was last revalued by the Directors on 1 April 2003 based on valuation performed by an independent firm of professional valuers using the open market value on existing use.

The long-term leasehold land of the Group has been pledged for banking facilities granted.

7. INVESTMENT PROPERTY

	GROUP	
	2010 RM	2009 RM
At fair value		
Leasehold land		
At 1 August / 31 July	240,000	240,000

The leasehold land of the Group has an unexpired lease period of more than 50 years.

The fair value of the investment property of the Company as at 31 July 2010 was estimated based on Directors' assessment of the recent prices of similar properties in the vicinity. The fair value of the investment property of the Company as at 31 July 2008 was recommended by the Directors based on a valuation carried out on 31 July 2009 by an independent professional valuer on an open market value basis.

Notes to the Financial Statements

31 July 2010

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	COMPANY	
	2010 RM	2009 RM
Unquoted shares, at cost	156,773,424	156,773,424

The Subsidiary Companies are as follows :-

Name of Company	Effective equity interest		Principal activities
	2010 %	2009 %	
In Vogue Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Jungmax Property Sdn Bhd	100.00	100.00	Property investment
Kedai Emas Likwong Sdn Bhd	100.00	100.00	Dormant
Pajak Gadai Anda Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
PK Design Sdn Bhd	100.00	100.00	Suppliers and retailers of packing and utility products
PK Jewellery Export Sdn Bhd	100.00	100.00	Exporter of jewelleries, precious stones and gold ornaments
+ ^ Poh Kong Diamond Industry Limited	-	51.00	Manufacturer and distributor of loose diamonds and investment holding
Poh Kong International Sdn Bhd	100.00	100.00	Investment holding
Poh Kong Jewellers (Ampang Point) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Bandar Utama) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Bangsar) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Banting) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Batu Pahat) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Franchise) Sdn Bhd	100.00	100.00	Provision of management services

Notes to the Financial Statements

31 July 2010

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Effective equity interest		Principal activities
	2010 %	2009 %	
Poh Kong Jewellers (Gold Seremban) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Ipoh) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Jaya) Sdn Bhd	100.00	100.00	Manufacturer and dealers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Jln. Taman Malacca) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Kajang) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Kinta City) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Klang) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Kuantan) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (M) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Malacca) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Maluri) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Meru) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Muar) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (MV) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Old Klang Road) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments

Notes to the Financial Statements

31 July 2010

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Effective equity interest		Principal activities
	2010 %	2009 %	
Poh Kong Jewellers (Peringgit) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Permas Jaya) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (PHT) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Puchong) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Selayang) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Seremban) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Shah Alam) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (SS2) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Subang Parade) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Summit) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (The Mall) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (The Mines) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Tmn Universiti J.B.) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Wangsamaju) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments

Notes to the Financial Statements

31 July 2010

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Effective equity interest		Principal activities
	2010 %	2009 %	
Poh Kong Jewellery Manufacturer Sdn Bhd	100.00	100.00	Manufacturer and dealers of jewellerys, precious stones and gold ornaments
Poh Kong Properties Sdn Bhd	100.00	100.00	Property investment
Precious Jewellery Sdn Bhd	100.00	100.00	Investment holding

+ Subsidiary Company not audited by GEP Associates

^ The country of incorporation is Hong Kong

All companies in the Group are incorporated in Malaysia except as otherwise disclosed.

9. OTHER INVESTMENTS

	GROUP	
	2010 RM	2009 RM
Unquoted shares, at cost	299,999	299,999
Others	233,000	233,000
	532,999	532,999

10. GOODWILL ON CONSOLIDATION

	GROUP	
	2010 RM	2009 RM
Purchased goodwill		
At 1 August / 31 July	1,485,140	1,485,140

Impairment tests for goodwill

10.1 Allocation of goodwill

Goodwill has been allocated to the Group's cash generating units ("CGUs"), all operating in Malaysia, according to the business segment as follows :-

	GROUP	
	2010 RM	2009 RM
Trading	1,485,140	1,485,140

Notes to the Financial Statements

31 July 2010

10. GOODWILL ON CONSOLIDATION (CONT'D)

10.2 Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the applicable growth rates and discount rates.

The following describes each key assumption on which the management has based its cash flow projections to undertake impairment testing of goodwill :-

i) Discount rate

The discount rates used are determined based on the weighted average cost of capital applicable to the Group.

ii) Growth rate

The growth rates used are consistent with the long-term average growth rate of the Group.

10.3 Sensitivity to changes in assumption

With regard to the assessment of value-in-use of the trading unit, the management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

11. DEFERRED TAX ASSETS / (LIABILITIES)

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
At 1 August	(5,584,541)	(5,501,588)	53,524	120,771
Recognised in income statement	(256,439)	(82,953)	68,685	(67,247)
At 31 July	(5,840,980)	(5,584,541)	122,209	53,524

Presented after appropriate offsetting as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Deferred tax assets	122,209	53,524	122,209	53,524
Deferred tax liabilities	(5,963,189)	(5,638,065)	-	-
	(5,840,980)	(5,584,541)	122,209	53,524

Notes to the Financial Statements

31 July 2010

11. DEFERRED TAX ASSETS / (LIABILITIES) (CONT'D)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows :-

Deferred tax assets of the Group :-

	Unabsorbed capital allowances RM	Unutilised tax losses RM	Total RM
At 1 August 2009	135,369	75,780	211,149
Recognised in income statement	130,619	37,270	167,889
At 31 July 2010	265,988	113,050	379,038
At 1 August 2008	104,747	198,044	302,791
Recognised in income statement	30,622	(122,264)	(91,642)
At 31 July 2009	135,369	75,780	211,149

Deferred tax liabilities of the Group :-

	Capital allowances RM	Revaluation of assets RM	Total RM
At 1 August 2009	(3,093,133)	(2,702,557)	(5,795,690)
Recognised in income statement	(424,328)	-	(424,328)
At 31 July 2010	(3,517,461)	(2,702,557)	(6,220,018)
At 1 August 2008	(3,101,822)	(2,702,557)	(5,804,379)
Recognised in income statement	8,689	-	8,689
At 31 July 2009	(3,093,133)	(2,702,557)	(5,795,690)

Deferred tax assets of the Company :-

	Unabsorbed capital allowances RM	Unutilised tax losses RM	Total RM
At 1 August 2009	106,286	-	106,286
Recognised in income statement	163,522	-	163,522
At 31 July 2010	269,808	-	269,808
At 1 August 2008	83,014	82,099	165,113
Recognised in income statement	23,272	(82,099)	(58,827)
At 31 July 2009	106,286	-	106,286

Notes to the Financial Statements

31 July 2010

11. DEFERRED TAX ASSETS / (LIABILITIES) (CONT'D)

Deferred tax liabilities of the Company :-

	Capital allowances RM
At 1 August 2009	(52,762)
Recognised in income statement	(94,837)
At 31 July 2010	(147,599)
At 1 August 2008	(44,342)
Recognised in income statement	(8,420)
At 31 July 2009	(52,762)

Deferred tax assets have not been recognised in respect of the following items :-

	2010 RM	GROUP 2009 RM
Unutilised tax losses	139,261	232,865
Unabsorbed capital allowances	97,980	43,711
	237,241	276,576

The unutilised tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the Subsidiary Companies in which those items arose. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other Subsidiary Companies in the Group and they have arisen in Subsidiary Companies that have a recent history of losses.

The recognition of the deferred tax assets is dependant on future taxable profits in excess of profits arising from the reversal of existing taxable temporary differences. The evidence used to support this recognition is the management's budget, which shows that it is probable the deferred tax assets would be realised in future years.

12. INVENTORIES

	2010 RM	GROUP 2009 RM
At cost		
Raw material	4,008,030	4,244,835
Work-in-progress	11,165,634	10,313,659
Finished goods		
- Jewelleries, precious stones and gold ornaments	368,005,593	341,463,711
- Packing and utility products	435,012	704,652
	368,440,605	342,168,363
	383,614,269	356,726,857

During the financial year, the cost of inventories recognised as an expense in the Group amounted to RM389,023,737 (2009 : RM376,817,809).

Notes to the Financial Statements

31 July 2010

13. TRADE RECEIVABLES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Trade receivables	1,519,009	1,810,677	4,104,617	4,317,724
Less : Allowance for doubtful debts	(382,559)	(593,699)	-	-
	1,136,450	1,216,978	4,104,617	4,317,724

Included in the accounts are amounts due by :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Subsidiary Companies	-	-	4,104,617	4,317,724

The amounts due are unsecured, interest free and without any fixed term of repayment.

The Group's normal trade credit terms range from 30 days to 85 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or group of debtors.

14. NON-TRADE RECEIVABLES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Other receivables	574,766	6,520,226	11,739	109,759
Deposits	8,117,831	6,988,543	26,149	10,450
Prepayments	1,696,686	1,919,169	224,876	260,989
	10,389,283	15,427,938	262,764	381,198

15. AMOUNTS DUE BY / (TO) SUBSIDIARY COMPANIES

COMPANY

The amounts due are unsecured and without any fixed term of repayment.

Notes to the Financial Statements

31 July 2010

16. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Fixed deposits with licensed banks	4,999,897	4,927,036	-	-
Short-term deposits	-	8,000,000	-	8,000,000
Cash on hand and at banks	14,633,352	10,732,663	847,506	1,405,576
Cash and bank balances	19,633,249	23,659,699	847,506	9,405,576
Less : Bank overdraft (Note 21)	(14,287,913)	(3,449,413)	-	-
Fixed deposits pledged	(4,998,551)	(4,926,334)	-	-
Cash and cash equivalents	346,785	15,283,952	847,506	9,405,576

The weighted average effective interest rates of deposits as at balance sheet date were as follows :-

	GROUP		COMPANY	
	2010 %	2009 %	2010 %	2009 %
Short-term deposits with licensed bank	-	1.53	-	1.53
Fixed deposits with licensed banks	1.74	2.03	-	-

Included in fixed deposits of the Group are an amount of RM4,998,551 (2009 : RM4,926,334) pledged to licensed banks for banking facilities granted.

Fixed deposits with licensed banks have an average maturity period of 120 (2009 : 119) days.

17. SHARE CAPITAL

	GROUP AND COMPANY	
	2010 RM	2009 RM
Ordinary shares		
Authorised :- 1,000,000,000 ordinary shares of RM0-50 each	500,000,000	500,000,000
Issued and fully paid :- 410,351,752 ordinary shares of RM0-50 each	205,175,876	205,175,876

Notes to the Financial Statements

31 July 2010

18. RESERVES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
NON-DISTRIBUTABLE RESERVE				
Capital reserve				
At 1 August	4,220,866	4,282,866	-	-
Transfer within reserve	-	(62,000)	-	-
At 31 July	4,220,866	4,220,866	-	-
DISTRIBUTABLE RESERVE				
Retained earnings	101,140,430	74,368,458	16,127,151	13,748,658
	105,361,296	78,589,324	16,127,151	13,748,658

a) Capital reserve

Capital reserve of the Group relates to the revaluation of freehold land and buildings of certain Subsidiary Companies in 2003 and 2008.

b) Retained earnings

The Company has elected for the irrevocable option under the Finance Act 2007 to disregard the 108 balance as at 31 December 2007. Hence, the Company will be able to distribute dividends out of its entire retained earnings as at 31 July 2010 under the single tier system.

19. MINORITY INTERESTS

GROUP

This consists of share capital and the proportion of reserves attributable to minority shareholders in Subsidiary Company.

20. ADVANCE FROM ULTIMATE HOLDING COMPANY

GROUP AND COMPANY

The advance is unsecured, without any fixed term of repayment and bears effective interest at 6.60% (2009 : 6.60%) per annum.

Notes to the Financial Statements

31 July 2010

21. BORROWINGS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Short-term borrowings				
Secured				
Bank overdraft (Note 21.1)	14,287,913	3,449,413	-	-
Bankers' acceptance (Note 21.2)	41,902,000	18,805,000	-	-
Revolving credit (Note 21.2)	3,000,000	3,000,000	-	-
Short-term loan (Note 21.2)	11,094,249	11,292,711	-	-
Term loans (Note 21.3)	2,235,189	825,139	1,580,876	-
Hire purchase payables (Note 21.4)	1,425,843	1,706,183	70,756	51,952
Finance lease payables (Note 21.5)	3,655,480	4,892,481	461,103	544,938
Unsecured				
Commercial Papers (Note 21.6)	-	20,000,000	-	20,000,000
Medium Term Notes (Note 21.6)	-	40,000,000	-	40,000,000
	77,600,674	103,970,927	2,112,735	60,596,890
Long-term borrowings				
Secured				
Term loans (Note 21.3)	25,110,967	8,150,533	16,038,164	-
Hire purchase payables (Note 21.4)	1,766,022	2,456,696	84,408	73,700
Finance lease payables (Note 21.5)	1,148,242	1,645,250	50,625	400,353
Unsecured				
Medium Term Notes (Note 21.6)	30,000,000	30,000,000	30,000,000	30,000,000
	58,025,231	42,252,479	46,173,197	30,474,053

21.1 Bank overdraft

Bank overdraft facilities incur weighted average effective interest at 7.62% (2009 : 7.41%) per annum for the Group. The securities for bank overdraft are as disclosed in Note 21.2 to the financial statements.

Notes to the Financial Statements

31 July 2010

21. BORROWINGS (CONT'D)

21.2 Bankers' acceptance, revolving credit and short-term loan

The bank overdraft, bankers' acceptance, revolving credit and short-term loan facilities of the Group are secured by a combination of the following :-

- corporate guarantees and indemnity from the Company;
- a legal charge over properties of certain Subsidiary Companies; and
- a negative pledge on certain Subsidiary Companies' assets.

The bankers' acceptance and revolving credit facilities incur weighted average effective interest rates at 4.21% (2009 : 3.59%) and 6.38% (2009 : 5.50%) per annum respectively.

21.3 Term loans

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Repayable within twelve months	2,235,189	825,139	1,580,876	-
Repayable after twelve months	25,110,967	8,150,533	16,038,164	-
	27,346,156	8,975,672	17,619,040	-

The term loans of the Group and Company are secured by way of :-

- a legal charge over properties of certain Subsidiary Companies; and
- corporate guarantees and indemnity from the Company.

Term loan facilities incur weighted average effective interest at 6.66% (2009 : 5.15%) per annum.

The maturity structure of the term loans are as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Amount repayable :-				
Within one year	2,235,189	825,139	1,580,876	-
After one year but within two years	2,312,731	851,102	1,704,450	-
After two years but within three years	2,462,975	743,761	1,837,684	-
After three years but within four years	2,553,134	682,089	1,981,333	-
After four years but within five years	2,737,509	534,018	2,136,210	-
After five years	15,044,618	5,339,563	8,378,487	-
	27,346,156	8,975,672	17,619,040	-

Notes to the Financial Statements

31 July 2010

21. BORROWINGS (CONT'D)

21.4 Hire purchase payables

The amounts owing to hire purchase creditors of the Group and of the Company are repayable as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Minimum hire purchase payments :-				
- not later than one year	1,587,597	1,887,120	78,744	57,120
- later than one year but not later than five years	1,998,056	2,737,168	95,853	80,914
Future finance charges	3,585,653 (393,788)	4,624,288 (461,409)	174,597 (19,433)	138,034 (12,382)
Present value of hire purchase payments	3,191,865	4,162,879	155,164	125,652
Present value of hire purchase payments :-				
- not later than one year	1,425,843	1,706,183	70,756	51,952
- later than one year but not later than five years	1,766,022	2,456,696	84,408	73,700
Less : Amount repayable within one year	3,191,865 (1,425,843)	4,162,879 (1,706,183)	155,164 (70,756)	125,652 (51,952)
Amount repayable after one year	1,766,022	2,456,696	84,408	73,700

Hire purchase facilities incur weighted average effective interest at 2.87% (2009 : 2.81%) per annum.

The maturity structure of the hire purchase facilities are as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Amount repayable :-				
Within one year	1,425,843	1,706,183	70,756	51,952
After one year but within two years	847,801	1,272,735	40,552	51,952
After two years but within three years	604,900	585,626	18,804	21,748
After three years but within four years	266,213	409,160	18,804	-
After four years but within five years	47,108	189,175	6,248	-
	3,191,865	4,162,879	155,164	125,652

Notes to the Financial Statements

31 July 2010

21. BORROWINGS (CONT'D)

21.5 Finance lease payables

The amounts owing to finance lease creditors of the Group and of the Company are repayable as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Minimum lease payments :-				
- not later than one year	3,980,965	5,333,125	502,373	593,868
- later than one year but not later than five years	1,248,283	1,793,395	54,980	436,397
Future finance charges	5,229,248 (425,526)	7,126,520 (588,789)	557,353 (45,625)	1,030,265 (84,974)
Present value of lease payments	4,803,722	6,537,731	511,728	945,291
Present value of lease payments :-				
- not later than one year	3,655,480	4,892,481	461,103	544,938
- later than one year but not later than five years	1,148,242	1,645,250	50,625	400,353
Less : Amount repayable within one year	4,803,722 (3,655,480)	6,537,731 (4,892,481)	511,728 (461,103)	945,291 (544,938)
Amount repayable after one year	1,148,242	1,645,250	50,625	400,353

Finance lease facilities incur weighted average effective interest at 4.46% (2009 : 4.50%) per annum.

The maturity structure of the finance lease facilities are as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Amount repayable :-				
Within one year	3,655,480	4,892,481	461,103	544,938
After one year but within two years	1,148,242	1,645,250	50,625	400,353
	4,803,722	6,537,731	511,728	945,291

Notes to the Financial Statements

31 July 2010

21. BORROWINGS (CONT'D)

21.6 Murabahah Commercial Papers / Medium Term Notes

The Murabahah Commercial Papers / Medium Term Notes programme of up to RM200 million is hereafter referred to as “RM200 million Islamic CPs/MTNs programme”.

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Commercial Papers	-	20,000,000	-	20,000,000
Medium Term Notes	30,000,000	70,000,000	30,000,000	70,000,000
	30,000,000	90,000,000	30,000,000	90,000,000
Amount repayable within one year				
- Commercial Papers	-	20,000,000	-	20,000,000
- Medium Term Notes	-	40,000,000	-	40,000,000
	-	60,000,000	-	60,000,000
Amount repayable after one year				
- Medium Term Notes	30,000,000	30,000,000	30,000,000	30,000,000
	30,000,000	90,000,000	30,000,000	90,000,000

The RM200 million Islamic CPs/MTNs programme is based on Islamic financing principles in accordance with Syariah concept and principle of Murabahah.

The proceeds of the RM200 million Islamic CPs/MTNs programme shall be utilised for the following purposes :-

- to finance the expenses relating to the RM200 million Islamic CPs/MTNs programme;
- to repay the shareholders and / or Directors' advances made prior to the issuance of the Commercial Papers (“CPs”) / Medium Term Notes (“MTNs”) to the Company and/or its Subsidiary Companies (“the Group”) of not exceeding RM17.8 million;
- to refinance the existing credit facilities of the Group; and
- to finance present and future investments, working capital and capital expenditure requirements of the Group.

Upon the redemption / repayment of any CPs / MTNs during the tenure of the RM200 million Islamic CPs/MTNs programme, the Company is allowed to utilise the unutilised portion to meet items (c) and (d) above.

The CPs and MTNs bear an weighted average effective interest rate of 5.80% (2009 : 5.80%) and 7.33% (2009 : 7.19%) per annum respectively.

The CPs/MTNs programme contains covenants which require the Group to maintain its debt to equity ratio.

Notes to the Financial Statements

31 July 2010

21. BORROWINGS (CONT'D)

21.6 Murabahah Commercial Papers / Medium Term Notes (Cont'd)

The maturity structure of the RM200 million Islamic CPs/MTNs programme are as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Amount repayable :-				
Within one year	-	60,000,000	-	60,000,000
After one year but within two years	30,000,000	-	30,000,000	-
After two years but within three years	-	30,000,000	-	30,000,000
After three years but within four years	-	-	-	-
	30,000,000	90,000,000	30,000,000	90,000,000

22. TRADE PAYABLES

GROUP

The normal trade credit terms granted to the Group range from 7 days to 180 days.

23. NON-TRADE PAYABLES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Other payables	5,588,218	4,248,008	1,779,111	917,510
Accruals	8,948,493	7,159,205	3,168,159	2,127,423
Deposits	7,500	-	-	-
Customers' deposits	1,876,116	1,802,068	-	-
	16,420,327	13,209,281	4,947,270	3,044,933

24. AMOUNTS DUE TO DIRECTORS

GROUP AND COMPANY

The amounts due are unsecured, interest free and without any fixed term of repayment.

Notes to the Financial Statements

31 July 2010

25. REVENUE

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Revenue is categorised as follows :-				
Advertising and promotion recovery	-	-	5,432,880	4,851,296
Dividend income	-	-	16,130,986	11,937,845
Interest income	20,766	2,020	3,916,925	5,912,136
Management fee	-	-	2,901,288	2,712,961
Sale of goods	561,222,968	541,633,813	-	-
	561,243,734	541,635,833	28,382,079	25,414,238

26. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Allowance for doubtful debts	68,035	230,864	-	-
Amortisation of prepaid land lease payments	153,324	128,277	-	-
Auditors' remuneration				
- current year's provision	294,350	287,700	15,000	14,350
- underprovision for prior year	-	2,200	-	-
Bad debts written off	95,600	6,583	-	-
Depreciation	8,377,355	7,934,632	330,044	195,904
Directors' fee				
- current year's provision	336,000	321,000	108,000	93,000
- overprovision for prior year	(10,000)	-	(10,000)	-
Directors' other emoluments	6,217,044	6,493,160	2,860,535	2,842,534
Hostel rental	454,622	489,512	36,000	36,000
Inventories loss	568,774	2,125,806	-	-
Lease rental	229,362	52,930	229,362	52,930
Loss on disposal of property, plant and equipment	10,969	-	-	-
Loss on disposal of subsidiary	313,452	-	-	-
Loss on foreign exchange	-	7,749	-	-
Property, plant and equipment written off	771,389	1,022,085	-	-
Shop rental	19,037,808	18,860,649	145,200	55,200
Staff costs	53,616,975	52,095,845	4,435,815	4,311,590

Notes to the Financial Statements

31 July 2010

26. PROFIT FROM OPERATIONS (CONT'D)

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
and crediting :-				
Advertising and promotion recovery	-	-	5,432,880	4,851,296
Car rental income	-	-	3,600	750
Dividend income	-	599,996	16,130,986	11,937,845
Forfeited customers' deposits	189,243	86,596	-	-
Gain on disposal of property, plant and equipment	230,331	199,983	-	3,247
Insurance claim	275,002	2,257,492	-	-
Interest income	126,487	98,152	3,916,925	5,912,136
Management fee received	-	-	2,901,288	2,712,961
Realised gain on foreign exchange	282,310	3,279	-	-
Rental income	15,700	-	-	-
Reversal of allowance for doubtful debts	279,175	334,131	-	-
Reversal of impairment losses of property, plant and equipment	-	408,153	-	-
Royalty income	36,000	33,432	-	-

27. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Executive Directors				
- Salaries and other emoluments	5,141,344	5,412,660	2,382,835	2,356,034
- Bonus	1,048,000	1,044,000	450,000	450,000
- Benefits-in-kind	175,614	164,058	29,860	-
- Fees	228,000	228,000	-	-
	6,592,958	6,848,718	2,862,695	2,806,034
Non-Executive Directors				
- Fees	108,000	93,000	108,000	93,000
- Non-fees	27,700	36,500	27,700	36,500
	135,700	129,500	135,700	129,500
Total Directors' remuneration	6,728,658	6,978,218	2,998,395	2,935,534

Notes to the Financial Statements

31 July 2010

28. STAFF COSTS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Salaries, bonus and allowances	44,997,950	43,336,774	3,514,971	3,365,637
EPF and SOCSO	4,020,181	3,929,547	435,931	421,846
Other staff related expenses	4,598,844	4,829,524	484,913	524,107
	53,616,975	52,095,845	4,435,815	4,311,590

29. FINANCE COSTS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Interest expense on borrowings	9,358,326	9,634,307	6,157,049	5,448,101
Hire purchase and finance lease charges	727,471	626,126	56,849	17,983
	10,085,797	10,260,433	6,213,898	5,466,084

30. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Income tax :-				
Current year's provision	12,541,146	10,032,956	2,111,576	1,957,053
(Over) / Underprovision in prior year	(515,871)	22,230	6,060	(30,067)
	12,025,275	10,055,186	2,117,636	1,926,986
Deferred tax :-				
Under / (Over) provision in prior year	157,060	(309,703)	23,845	28,794
Relating to origination / (reversal) of temporary differences	99,379	392,656	(92,530)	38,453
	256,439	82,953	(68,685)	67,247
	12,281,714	10,138,139	2,048,951	1,994,233

Notes to the Financial Statements

31 July 2010

30. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit before taxation	44,798,611	38,558,535	10,172,369	8,838,478
Taxation at Malaysian statutory tax rate at 25%	11,199,653	9,639,634	2,543,092	2,209,620
Expenses not deductible for tax purposes	1,378,123	798,991	70,714	212,502
Income not subject to tax	-	-	(594,760)	(426,616)
Effect of different in tax rate	-	(9,154)	-	-
Effect of offsetting deferred tax liabilities against deferred tax assets	(20,495)	(15,050)	-	-
Deferred tax assets not recognised during the year	201,824	119,252	-	-
Utilisation of previously unrecognised tax assets	(118,580)	(108,061)	-	-
(Over) / Underprovision of taxation in prior year	(515,871)	22,230	6,060	(30,067)
Under / (Over) provision of deferred tax in prior year	157,060	(309,703)	23,845	28,794
	12,281,714	10,138,139	2,048,951	1,994,233

Tax savings recognised during the year arising from :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Utilisation of current year tax losses	1,027,430	716,800	1,027,430	716,800
Utilisation of tax losses brought forward from previous years	24,337	82,348	-	-
Utilisation of current year capital allowances	1,612,001	1,713,365	-	-
Utilisation of unabsorbed capital allowances brought forward from previous years	104,030	25,713	-	-

Subject to the agreement by the Inland Revenue Board, the unutilised tax losses and unabsorbed capital allowances available for utilisation against future taxable profits are approximated to be as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Unutilised tax losses	1,036,196	1,259,400	-	-
Unabsorbed capital allowances	742,908	776,100	269,808	425,100

Notes to the Financial Statements

31 July 2010

31. EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share is calculated by dividing the Group's net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2010	2009
Net profit attributable to shareholders (RM)	32,516,897	28,444,569
Weighted average number of ordinary shares in issue	410,351,752	410,351,752
Basic earnings per share (sen)	7-92	6-93

32. DIVIDENDS

	GROUP AND COMPANY	
	2010 RM	2009 RM
Final dividend of 1-40 (2009 : 1-40) sen single tier exempt dividend	5,744,925	5,744,925

At the forthcoming Annual General Meeting, a single tier first and final dividend of 1.40 sen on 410,351,752 ordinary shares of RM0-50 each amounting to RM5,744,925 in respect of the current financial year ended 31 July 2010 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 July 2011.

33. LOSS ON DISPOSAL OF SUBSIDIARY

On 14 October 2009, Poh Kong International Sdn Bhd, a wholly-owned Subsidiary Company had disposed off its equity interest comprising 1,020,000 ordinary shares of US\$1-00 each in its Subsidiary Company, Poh Kong Diamond Industry Limited ("PKDI") to Yau Kung Wan and Bhagat Darshan Jivatlal representing 51% of PKDI's share capital for a total cash consideration of US\$1,035,468. The loss was due to the translation of foreign currency.

The results of PKDI on the date of disposal were deemed the same on the financial year ended 31 July 2009 as there were no movements since then. The results of PKDI were as follows :-

	2010 RM	2009 RM
Revenue	-	499,890
Cost of sales	-	(443,716)
Administration expenses	-	(118,162)
Loss before tax	-	(61,988)
Income tax	-	12,656
Loss for the year	-	(49,332)
Attributable to :-		
Equity holders of the Company	-	(25,159)
Minority interest	-	(24,173)
	-	(49,332)

Notes to the Financial Statements

31 July 2010

33. LOSS ON DISPOSAL OF SUBSIDIARY (CONT'D)

The net assets of PKDI at the date of disposal were as follows :-

	2010 RM	2009 RM
Trade receivables	1,278,969	1,278,969
Other receivables	4,387,211	4,387,211
Tax recoverable	29,195	29,195
Cash and bank balances	182,529	182,529
Amount due by directors	1,397,003	1,397,003
Other payables	(2,300)	(2,300)
Net assets disposed	7,272,607	7,272,607
Minority interest	(3,490,336)	
Loss on disposal of subsidiary	(313,452)	
Proceeds from disposal of subsidiary	3,468,819	
Less : Cash and cash equivalents of subsidiary disposed	(182,529)	
Net cash inflow on disposal of subsidiary	3,286,290	

34. COMMITMENTS

	2010 RM	GROUP 2009 RM
Capital expenditure in respect of purchase of property, plant and equipment :-		
- Contracted but not provided for	1,817,730	1,817,730

35. OPERATING LEASE ARRANGEMENTS

The Group as lessee

The Group has entered into several tenancy agreements for the rental of retail space and staff housing, resulting in future rental commitments which may, subject to certain terms in the agreements, be revised accordingly or upon its maturity based on prevailing market rates.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as liabilities are as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Future minimum rental payments :-				
Not later than one year	14,195,625	14,007,621	4,200	25,200
Later than one year and not later than five years	7,985,698	7,956,298	-	4,200
	22,181,323	21,963,919	4,200	29,400

Notes to the Financial Statements

31 July 2010

36. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Secured				
Guarantees given in support of banking facilities granted to Subsidiary Companies	-	-	115,851,253	112,791,253
Unsecured				
Guarantees given to third party in respect of leasing and hire purchase facilities granted to :-				
- the Company	8,000,000	6,500,000	8,000,000	6,500,000
- Subsidiary Companies	-	-	578,400	578,400

37. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes all the Directors of the Company.

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year :-

Related parties

Relationship

Poh Kong Sdn Bhd
Lian Sin Tang Sdn Bhd

Ultimate Holding Company
Company connected to a Director of the Company

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
a) Dividend income received from :-				
- Subsidiary Companies	-	-	16,130,986	11,937,845
- Lian Sin Tang Sdn Bhd	-	599,996	-	-
b) Interest income received from :-				
- Subsidiary Companies	-	-	3,896,159	5,912,136
c) Management fee received from :-				
- Subsidiary Companies	-	-	2,901,288	2,712,961

Notes to the Financial Statements

31 July 2010

37. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
d) Car rental received from :-				
- Subsidiary Company	-	-	3,600	750
e) Sale of goods to :-				
- Certain Directors of the Company	43,209	278,267	-	-
- Directors of Subsidiary Companies	458,319	91,402	-	-
f) Hostel rental paid to :-				
- Certain Directors of the Company	80,400	110,400	36,000	36,000
- Directors of Subsidiary Companies	10,200	10,200	-	-
g) Disposals of used motor vehicles to :-				
- Certain Directors of the Company	-	54,400	-	-
- Directors of Subsidiary Companies	-	20,000	-	-
h) Interest expense paid to :-				
- Ultimate Holding Company	990,000	990,000	990,000	990,000

i) Compensation of key management personnel :-

The remuneration of Directors and other members of key management during the financial year is as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Short-term employee benefits	11,114,166	11,291,178	4,009,017	3,956,184
Included in the total compensation of key management personnel are :-				
Directors' remuneration	6,553,044	6,814,160	2,968,535	2,935,534

38. OPERATING SEGMENT

a) Business Segments

The Group is organised into three major business segments :-

- i) Trading - suppliers and retailers of jewellerys, precious stones and gold ornaments
- ii) Manufacturing - manufacturer and dealers of jewellerys, precious stones and gold ornaments
- iii) Others - investment holding

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties. Inter-segment pricing is determined based on terms mutually agreed between the respective companies.

Notes to the Financial Statements

31 July 2010

38. OPERATING SEGMENT (CONT'D)

As at 31 July 2010

	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Consolidated RM
Revenue					
External sales	559,919,332	1,272,443	51,959	-	561,243,734
Inter-segment sales	201,594,112	213,342,419	32,172,431	(447,108,962)	-
Total revenue	761,513,444	214,614,862	32,224,390	(447,108,962)	561,243,734
Results					
Segment results	58,542,865	10,378,947	20,020,994	(34,038,398)	54,904,408
Unallocated corporate expenses					(20,000)
Finance costs					54,884,408
Income tax expense					(10,085,797)
					(12,281,714)
Profit after taxation					32,516,897
Minority interests					-
Net profit for the year					32,516,897
Assets					
Segment assets	524,970,967	82,678,354	327,666,628	(430,410,766)	504,905,183
Unallocated corporate assets					4,736,495
Consolidated total assets					509,641,678
Liabilities					
Segment liabilities	236,053,792	15,648,946	19,447,019	(190,925,548)	80,224,209
Unallocated corporate liabilities					118,880,297
Consolidated total liabilities					199,104,506
Other information					
Capital expenditure					9,664,109
Depreciation					8,377,355
Amortisation of prepaid land lease payments					153,324
Non-cash expenses other than depreciation, amortisation and impairment losses					863,861
Non-cash income					551,633

Notes to the Financial Statements

31 July 2010

38. OPERATING SEGMENT (CONT'D)

As at 31 July 2009

	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Consolidated RM
Revenue					
External sales	534,352,689	7,281,124	2,020	-	541,635,833
Inter-segment sales	175,786,426	169,590,867	28,179,847	(373,557,140)	-
Total revenue	710,139,115	176,871,991	28,181,867	(373,557,140)	541,635,833
Results					
Segment results	48,067,172	9,475,573	16,824,469	(25,528,246)	48,838,968
Unallocated corporate expenses					(20,000)
					48,818,968
Finance costs					(10,260,433)
Income tax expense					(10,138,139)
					28,420,396
Profit after taxation					24,173
Minority interests					
Net profit for the year					28,444,569
Assets					
Segment assets	496,528,903	69,335,841	356,374,276	(436,294,538)	485,944,482
Unallocated corporate assets					4,164,790
Consolidated total assets					490,109,272
Liabilities					
Segment liabilities	245,837,444	15,844,773	11,258,807	(230,189,934)	42,751,090
Unallocated corporate liabilities					160,102,646
Consolidated total liabilities					202,853,736
Other information					
Capital expenditure					19,203,059
Depreciation					7,934,632
Amortisation of prepaid land lease payments					128,277
Non-cash expenses other than depreciation, amortisation and impairment losses					1,253,872
Non-cash income					742,284

b) Geographical Segments

No geographical segment is presented as the Group operates principally in Malaysia.

Notes to the Financial Statements

31 July 2010

39. FINANCIAL INSTRUMENTS

a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, credit, foreign exchange, liquidity and price risks. The Group operates within clearly defined guidelines that are approved by the Board.

i) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing financial instruments. The investments in financial assets are mainly short-term in nature and have been mostly placed in fixed deposits which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates on financial assets and liabilities are disclosed in their respective notes. As at 31 July 2010, the Group has not entered into any hedging instruments arrangement to minimise its exposure to interest rate volatility.

ii) Credit risk

Credit risk, or the risk of counterparties defaulting is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

iii) Foreign exchange risk

The Group is exposed to various currencies mainly US Dollar, Euro and Hongkong Dollar. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Foreign exchange exposure in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

iv) Liquidity risk

The Group manages its debt maturity portfolio, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash and cash convertible investment to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and prudently balances its portfolio with some short-term funding so as to achieve overall costs effectiveness.

Notes to the Financial Statements

31 July 2010

39. FINANCIAL INSTRUMENTS (CONT'D)

a) Financial risk management objectives and policies (Cont'd)

v) Price fluctuation risk

The Company is exposed to the fluctuation of gold price risk arising from purchase of gold from suppliers. There are no hedging transactions entered into for price volatility in gold.

b) Fair values

It is not practical to estimate the fair value of the Group's investment in unquoted shares because of the non-availability of a market price and the inability to estimate fair value without incurring excessive costs.

It is not practical to estimate the fair values of the amounts due from / (to) Subsidiary Companies and advance from Ultimate Holding Company, principally due to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The aggregate net fair value of financial liabilities which are not carried at fair value on the balance sheet of the Group and of the Company as at the end of the financial year are represented as follows :-

	2010		2009	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
GROUP				
Financial liabilities				
Trade payables	979,076	986,681	3,042,934	2,989,514
Borrowings (excluding bank overdraft)	113,342,405	107,189,417	132,073,383	126,523,638
Hire purchase payables	3,191,865	2,931,843	4,162,879	4,121,508
Finance lease payables	4,803,722	4,803,722	6,537,731	6,537,731
COMPANY				
Financial liabilities				
Borrowings (excluding bank overdraft)	47,619,040	43,268,354	90,000,000	90,000,000
Hire purchase payables	155,164	154,714	125,652	124,604
Finance lease payables	511,728	511,728	945,291	945,291

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments :-

- Cash and cash equivalents, trade and other receivables / payables and short-term borrowings, except as otherwise disclosed.

The carrying amounts approximate fair values due to the relatively short-term maturity of these financial instruments.

Notes to the Financial Statements

31 July 2010

39. FINANCIAL INSTRUMENTS (CONT'D)

b) Fair values (Cont'd)

ii) Borrowings

The fair values of borrowings are estimated using discounted cash flow analysis, based on the current interest rates for similar types of borrowing arrangements.

iii) Medium term notes

The fair value of medium term notes is estimated based on the quoted market prices for the same or similar issue as at balance sheet date.

40. SIGNIFICANT EVENTS

- i) On 14 August 2009, Poh Kong Jewellers Sdn Bhd, a wholly-owned Subsidiary Company entered into a Sale and Purchase Agreement with Wong Fong Wah (P) and Cheah Mun Choo (P), Wong Tuck Meng and Wong Tuck Hoong to acquire a piece of leasehold land held under HS(D) 153914, PT 10, Bandar Petaling Jaya, Daerah Petaling, Selangor Darul Ehsan, measuring approximately 174.1875 square metres together with a three and a half storey shop erected thereon and bearing postal address of No. 10, Jalan 52/4, 46200 Petaling Jaya, Selangor Darul Ehsan at a purchase consideration of RM3,400,000.
- ii) On 20 August 2009, the Company had accepted a credit facility of a fixed loan granted by a bank for an amount of RM3,060,000 to partly finance the balance price of a three and a half storey shop erected thereon and bearing postal address of No. 10, Jalan 52/4, 46200 Petaling Jaya, Selangor Darul Ehsan.

Analysis of Shareholdings

As At 29 November 2010

Authorised Share Capital	:	RM500,000,000
Paid-up & Issued Share Capital	:	RM205,175,876
Class of Share	:	Ordinary Share of RM0.50 each
Voting Right	:	1 vote per Ordinary Share

ANALYSIS OF SHAREHOLDINGS AS AT 29 NOVEMBER 2010

Size of shareholdings	No. of Shareholders	%	No. of Shareholdings	%
1 - 99	76	1.99	3,932	0.00
100 - 1,000	210	5.49	125,958	0.03
1,001 - 10,000	1,815	47.40	11,036,866	2.69
10,001 - 100,000	1,494	39.03	48,023,870	11.70
100,001 - 20,517,586 (*)	232	6.06	111,952,240	27.28
20,517,587 and above (**)	1	0.03	239,208,886	58.30
Total	3,828	100.00	410,351,752	100.00

Remark : * - Less than 5% of issued holdings
** - 5% and above of issued holdings

30 LARGEST SHAREHOLDERS AS AT 29 NOVEMBER 2010

No.	Name	No. of Ordinary Shares of RM0.50 each	% of Shares
1	Poh Kong Sdn. Bhd.	239,208,886	58.29
2	Dato' Choon Yee Seiong	9,141,246	2.23
3	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Teo Siew Lai	8,760,300	2.13
4	Teo Kwee Hock	6,852,100	1.67
5	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Teo Kwee Hock	5,306,700	1.29
6	Choon Nee Siew	4,706,742	1.15
7	Nitin Manubhai Amin	2,544,800	0.62
8	Cimsec Nominees (Tempatan) Sdn. Bhd. CIMB Bank For Tan Ang Tong @ Anthony Tan	2,446,200	0.60
9	Choon Wan Joo	2,320,080	0.57
10	Haw Yoo Hoon	2,114,400	0.52
11	Cheong Teck Chong	1,960,328	0.48

Analysis of Shareholdings

As At 29 November 2010

30 LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. of Ordinary Shares of RM0.50 each	% of Shares
12	Datin Hon Wee Fong	1,814,666	0.44
13	Hon Wei Sun	1,775,900	0.43
14	Ng Boon Thiam	1,743,350	0.42
15	Tan Lee Hwa	1,450,000	0.35
16	Tan Tuan Chai	1,431,500	0.35
17	Beh Soo Lang	1,400,000	0.34
18	HSBC Nominees (Asing) Sdn. Bhd. HSBC-FS I For Mgh Investment Fund Limited	1,400,000	0.34
19	Choon Yoke Ying	1,395,072	0.34
20	Koperasi Polis Diraja Malaysia Berhad	1,333,900	0.33
21	Teoh Boon Beng @ Teoh Eng Kuan	1,230,000	0.30
22	Cimsec Nominees (Tempatan) Sdn. Bhd. CIMB For Lim Ka Kian	1,050,000	0.26
23	ChinChoo Investment Sdn. Berhad	1,000,000	0.24
24	Affin Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tan Roy Soon	882,000	0.21
25	Swee Kong Yoon	856,100	0.21
26	Public Nominees (Asing) Sdn. Bhd. Pledged Securities Account For Tan Chee Wee	780,000	0.19
27	Phuan We Ping	691,600	0.17
28	Siow Der Ming	616,118	0.15
29	Wong Sing Wah	597,800	0.15
30	Koay Eng Loh	590,500	0.13
	Total	307,400,288	74.91

Analysis of Shareholdings

As At 29 November 2010

Substantial Shareholders as per the Register of Substantial Shareholders as at 29 November 2010

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Poh Kong Sdn Bhd	239,208,886	58.29	-	-
Dato' Choon Yee Seiong	9,228,746	2.25	249,517,528 ⁽¹⁾	60.81
Choon Nee Siew	4,706,742	1.15	252,254,572 ⁽⁴⁾	61.47
Cheong Teck Chong	2,273,928	0.55	239,789,648 ⁽²⁾	58.44
Choon Wan Joo	2,320,080	0.57	255,192,602 ⁽⁵⁾	62.19
Datin Hon Wee Fong	1,814,710	0.44	250,702,444 ⁽³⁾	61.09
Choon Yoke Ying	1,395,072	0.34	256,086,498 ⁽⁵⁾	62.41
Choon Yee Bin	30	^	257,068,034 ⁽⁶⁾	62.65
Mohd Annuar Choon Bin Abdullah	30	^	256,924,534 ⁽⁶⁾	62.61
Choon Yee Fook	82	^	256,896,482 ⁽⁷⁾	62.60
Choong Bee Chu	35,000	0.01	256,886,066 ⁽⁹⁾	62.60
Chong Siew Loi @ Chong Kim Loi	103,012	0.03	241,482,814 ⁽¹⁰⁾	58.85
Cheong Poh See	57,750	0.01	246,196,556 ⁽¹¹⁾	59.99
Cheong Chee Kong	7,000	^	246,247,306 ⁽¹¹⁾	60.00
Choon Ching Yih	1,896	^	256,894,668 ⁽⁸⁾	62.60
Cheong Chee Khoon	-	-	246,254,306 ⁽¹¹⁾	60.00
Choon King Han	35,000	0.01	250,252,342 ⁽¹²⁾	60.98
Pang Cheow Mooi	413,000	0.10	241,482,814 ⁽¹³⁾	58.85
Elizabeth Choon Ee Ling	-	-	250,287,342 ⁽¹²⁾	60.99

Notes:-

- Deemed interested by virtue of the shareholding of his spouse, child, siblings and his substantial shareholding in Poh Kong Sdn Bhd ("PKSB") pursuant to Sections 6A and 122A of the Act.
- Deemed interested by virtue of the substantial shareholding of his spouse, sibling and children's direct shareholding in PKHB and his substantial shareholding in PKSB pursuant to Sections 6A of and 122A the Act.
- Deemed interested by virtue of the shareholding of her spouse, child, sibling and her substantial shareholding in PKSB pursuant to Sections 6A and 122A of the Act.
- Deemed interested by virtue of the shareholding of her siblings, children and her substantial shareholding in PKSB pursuant to Sections 6A and 122A of the Act.
- Deemed interested by virtue of the shareholding of her spouse, siblings and her substantial shareholding in PKSB pursuant to Sections 6A and 122A of the Act.
- Deemed interested by virtue of the shareholding of his spouse, siblings and his substantial shareholding in PKSB pursuant to Sections 6A and 122A of the Act.
- Deemed interested by virtue of the shareholding of his siblings and his substantial shareholding in PKSB pursuant to Sections 6A and 122A of the Act.
- Deemed interested by virtue of the shareholding of her siblings and her substantial shareholding in PKSB pursuant to Sections 6A and 122A of the Act.
- Deemed interested by virtue of the shareholding of her spouse, siblings, children and her substantial shareholding in PKSB pursuant to Sections 6A and 122A of the Act.
- Deemed interested by virtue of her brother's direct shareholding in PKHB and her substantial shareholding in PKSB pursuant to Sections 6A of and 122A the Act.
- Deemed interested by virtue of the shareholding of his/her siblings and parent's substantial shareholding in PKSB pursuant to Sections 6A and 122A of the Act.
- Deemed interested by virtue of the shareholding of his/her parent's substantial shareholding in PKSB pursuant to Sections 6A and 122A of the Act.
- Deemed interested by virtue of her spouse's direct shareholding in PKHB and the substantial shareholding in PKSB by virtue of Sections 6A and 122A of the Act.
- ^ Negligible

Analysis of Shareholdings

As At 29 November 2010

Directors' Shareholdings as per the Register of Directors' Shareholdings as at 29 November 2010

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Choon Yee Seiong	9,228,746	2.25	249,517,528 ⁽¹⁾	60.81
Cheong Teck Chong	2,273,928	0.55	239,789,648 ⁽²⁾	58.44
Choon Nee Siew	4,706,742	1.15	252,254,572 ⁽³⁾	61.47
Choon Yoke Ying	1,395,072	0.34	256,086,498 ⁽⁴⁾	62.41
Choon Wan Joo	2,320,080	0.57	255,192,602 ⁽⁴⁾	62.19
Fazrin Azwar Bin Md. Nor	35,000	0.00	-	-
Dr. Choong Tuck Yew	217,500	0.05	155,000 ⁽⁵⁾	0.04

Notes :-

1. Deemed interested by virtue of the shareholding of his spouse, child, siblings and his substantial shareholding in Poh Kong Sdn Bhd ("PKSB") pursuant to Sections 6A and 122A of the Act.
2. Deemed interested by virtue of the substantial shareholding of his spouse, sibling and children's direct shareholding in PKHB and his substantial shareholding in PKSB pursuant to Sections 6A of and 122A the Act.
3. Deemed interested by virtue of the shareholding of her siblings, children and her substantial shareholding in PKSB pursuant to Sections 6A and 122A of the Act.
4. Deemed interested by virtue of the shareholding of her spouse, siblings and her substantial shareholding in PKSB pursuant to Sections 6A and 122A of the Act.
5. Deemed interested by virtue of the shareholding of his spouse's direct shareholding in PKHB.
- ^ Negligible.

List of Properties

Held By The Group As At 31 July 2010

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG JEWELLERS SDN BHD							
Lot 10, PN3792, Section 9 Township of Petaling Jaya District of Kuala Lumpur Selangor Darul Ehsan	Single storey detached house incorporating attic floor	Leasehold (Expiring in 2053)	Residential	1,024.6 square metres	Approximately 38 years	769,102	27.12.94
No.7, Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan							
Lot 10, PN7185, Section 25 Township of Petaling Jaya District of Petaling Selangor Darul Ehsan	4 - storey shopoffice	Leasehold (Expiring in 2058)	Shophouse	174.1875 square metres	Approximately 38 years	2,294,212	5.1.95
No.20, Jalan 52/4, 46200, Petaling Jaya Selangor Darul Ehsan							
G-23 & G-25 Ground Floor, Amcorp Mall 46050 Petaling Jaya Selangor Darul Ehsan	Commercial shoplot	Leasehold (Expiring in 2088)	Shopping Complex Lot	G-23: 517 sq ft G-25: 495 sq ft	12 years	2,316,554	20.6.95
G27 and G53 Star Parade, Alor Setar	Commercial shoplot	Leasehold (Master Title Expiring in 2088 - pending issuance of strata title)	Shopping Complex Lot	G27:463 sq ft G28:452 sq ft	13 years	1,152,000	4.2.03
H.S.(D) 153914, PT10, Bandar Petaling Jaya Daerah Petaling Selangor Darul Ehsan	4 - storey shopoffice	Leasehold (Expiring in 2067)	Shophouse	174.1875 square metres	Approximately 38 years	3,346,460	14.8.09
No.10, Jalan 52/4, 46200, Petaling Jaya Selangor Darul Ehsan							

POH KONG JEWELLERS (JAYA) SDN BHD

Lot 11, HS(D) 164904 Township of Petaling Jaya District of Petaling Selangor Darul Ehsan	An intermediate unit of single-storey terrace house	Leasehold (Expiring in 2068)	Residential	153.285 square metres	Approximately 38 years	177,125	22.9.92
No.11, Jalan 14/15 (Jln Dato Jamil Rais) Seksyen 14, 46100 Petaling Jaya Selangor Darul Ehsan							

List of Properties

Held By The Group As At 31 July 2010

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG JEWELLERS (SS2) SDN BHD							
Lot 25674, HS(D) 87319 Bandar Petaling Jaya District of Petaling Selangor Darul Ehsan	An intermediate unit of 3-storey shophouse	Freehold	Shophouse	156.07 square metres	Approximately 33 years	2,246,667	15.5.89
No.21, Jalan SS2/55 47300 Petaling Jaya Selangor Darul Ehsan							
Lot 25673, HS(D) 174414 Bandar Petaling Jaya District of Petaling Selangor Darul Ehsan	An intermediate unit of 3-storey shophouse	Freehold	Shophouse	156.07 square metres	Approximately 33 years	2,702,000	28.8.08
No.23, Jalan SS2/55 47300 Petaling Jaya Selangor Darul Ehsan							
POH KONG JEWELLERS (SUBANG PARADE) SDN BHD							
PT 16955, HS(M) 9168 Mukim of Damansara District of Petaling Selangor Darul Ehsan	An intermediate unit of double-storey terrace house	Leasehold (Expiring in 2095)	Residential	160 square metres	Approximately 15 years	350,896	11.7.97
No.36, Jalan PJS 9/26 Bandar Sunway 46150 Petaling Jaya Selangor Darul Ehsan							
PT 1113(Lot 7027) HS(D) 6774 Mukim of Damansara District of Petaling Selangor Darul Ehsan	An intermediate unit of double-storey terrace house	Freehold	Residential	163.5 square metres	Approximately 25 years	344,000	10.6.95
No.87, Jalan SS17/2 47500 Subang Jaya Selangor Darul Ehsan							
Lot G-19, Ground Floor Subang Parade 47500 Subang Jaya Selangor Darul Ehsan	Commercial shoplot	Freehold	Shopping Complex Lot	139.3 square metres	Approximately 26 years	2,592,000	26.1.99

List of Properties

Held By The Group As At 31 July 2010

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG JEWELLERS (AMPANG POINT) SDN BHD							
Lot 26451 PN807/M7/4/241 Mukim of Ampang District of Hulu Langat Selangor Darul Ehsan	Apartment	Leasehold (Expiring in 2088)	Residential	95 square metres	18 years	144,000	15.7.97
No.33, 3rd Floor, Block Melor Apartment Desa 288 Persiaran Memanda 1 Taman Dato' Ahmad Razali 68000 Ampang, Selangor.							
POH KONG JEWELLERY MANUFACTURER SDN BHD							
PT 17654, HS(D) 142709 Mukim of Damansara District of Petaling Selangor Darul Ehsan	Double-storey detached with basement	Freehold	Office cum Factory	7,570.31 square metres	9.5 years	12,309,594	1.9.95
Lot 1, Jalan Astaka U8/81 Seksyen U8 40150 Shah Alam, Selangor							
PT 3867, HS(M) 10549 Mukim of Sungai Buluh District of Petaling Selangor Darul Ehsan	Agricultural land with a detached building	Leasehold (Expiring in 2070)	Residential	0.6146 hectare	21 years	1,412,075	15.8.97
No.276, Jalan 4D, Kampung Baru Subang, Shah Alam, Selangor							
POH KONG JEWELLERS (THE MINES) SDN BHD							
Unit No.8-10, 8th Floor Pangsapuri Seri Indah Jalan Sungai Besi Indah 3 Taman Sungai Besi Indah Section U6 43300 Sri Kembangan Selangor	Condominium	Leasehold (Master Title Expiring in 2090 - pending issuance of strata title)	Residential	108.41 square metres	10 years	124,800	17.2.01

List of Properties

Held By The Group As At 31 July 2010

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG JEWELLERS (THE MALL) SDN BHD							
No.33-A-8-7, 8th Floor Villa Putra Condominium Jalan Tun Ismail 50480 Kuala Lumpur	Condominium	Freehold	Residential	107.13 square metres	16 years	247,928	27.3.00
No.33-A-17-5, 17th Floor Villa Putra Condominium Jalan Tun Ismail 50480 Kuala Lumpur	Condominium	Freehold	Residential	106.65 square metres	16 years	265,898	6.4.96
POH KONG JEWELLERS (OLD KLANG ROAD) SDN BHD							
No 1C-9-20, 9th Floor Pearl Point Condominium Jalan Sepadu 3, Block C Batu 5, Jalan Kelang Lama 58000 Kuala Lumpur	Condominium	Freehold	Residential	100 square metres	13 years	189,864	21.11.94
POH KONG PROPERTIES SDN BHD							
LG-48, Lower Ground Floor The Summit, Subang USJ 47600 Subang Jaya Selangor Darul Ehsan	Commercial shoplot	Freehold	Shopping Complex Lot	51.19 square metres	13 years	791,745	6.2.95
G-13, Ground Floor Summit Parade 83000 Batu Pahat Johor Darul Takzim	Commercial shoplot	Freehold	Shopping Complex Lot	100 square metres	17 years	860,000	30.8.94
G-14, Ground Floor Mahkota Parade Jalan Merdeka 75000 Melaka	Commercial shoplot	Leasehold (Expiring in 2090)	Shopping Complex Lot	83.98 square metres	18 years	1,500,000	3.3.99
G-29, Ground Floor Mahkota Parade Jalan Taman 75000 Melaka	Commercial shoplot	Leasehold (Expiring in 2090)	Shopping Complex Lot	103.96 square metres	18 years	1,360,000	13.3.99

List of Properties

Held By The Group As At 31 July 2010

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG PROPERTIES SDN BHD							
Parcel No. GF119 and GF120 Ground Floor Queensbay Shopping Mall	Commercial shoplot	Leasehold (Expiring in 2095)	Shopping Complex Lot	GF119: 565 sq ft GF120: 565 sq ft	4 years	2,760,000	10.6.96
L1-050 and L-051 Plaza Rakyat, Shopping Mall Section 56 Town of Kuala Lumpur	Commercial shoplot -pending completion	Leasehold (Expiring in 2092)	Under Construction	L1-050: 510 sq ft L1-051: 348 sq ft	N/A	427,951	31.7.96
Lot 27 and G28 Ground Floor Kuantan Parade, Jalan Haji, Abdul Rahman, 25000 Kuantan	Commercial shoplot -pending completion of acquisition	Leasehold (Expiring in 2092)	Shopping Complex Lot	GF27: 451 sq ft GF28: 484 sq ft	Approximately 12 years	2,099,999	21.4.08
POH KONG JEWELLERS (MALACCA) SDN BHD							
6352, PN11986 Mukim of Bukit Baru District of Melaka Tengah Melaka	An intermediate unit of single- storey terrace house	Leasehold (Expiring in 2086)	Residential	130 square metres	Approximately 18 years	150,754	15.8.97
302-L, Taman Bukit Baru 75450 Bukit Beruang Melaka							
KEDAI EMAS LIKWONG SDN BHD							
PT 16, HS(D) 143184 Township of Petaling Jaya District of Petaling Selangor Darul Ehsan	4-storey shopoffice	Leasehold (Expiring in 2059)	Shophouse	174.1875 square metres	Approximately 38 years	2,417,900	6.6.00
No.16, Jalan 52/4 46200 Petaling Jaya Selangor Darul Ehsan							

List of Properties

Held By The Group As At 31 July 2010

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
PRECIOUS JEWELLERY SDN BHD							
Lot 18, HS(D) 142695 (formerly QT(R)84/60) Section 25 (formerly PJ 24/60) Township of Petaling Jaya District of Petaling Selangor Darul Ehsan	4-storey shopoffice	Leasehold (Expiring in 2060)	Shophouse	174.1875 square metres	Approximately 38 years	2,500,000	17.2.89
No.18, Jalan 52/4 46200 Petaling Jaya Selangor							
JUNGMAX PROPERTY SDN BHD							
Lot PT31176, HS(M)23999 Mukim and District of Kelang Selangor Darul Ehsan	Agricultural land	Leasehold (Expiring in 2092)	Agricultural land zoned for residential land use	2.00 acres	N/A	240,000	24.11.98
POH KONG JEWELLERS (KLANG) SDN BHD							
PT 5999, HS(D) 57880, Mukim Kapar, District of Klang Selangor Darul Ehsan	Single storey terrace house	Freehold	Residential	0.0121 Hectare	N/A	130,000	30.7.02
No.30, Jalan Sungai Keramat 7A Taman Klang Utama 42100 Klang Selangor Darul Ehsan							
PT 71, HS(D) 38993 Mukim Kapar, District of Klang Selangor Darul Ehsan	Double storey bungalow	Leasehold (Expiring in 2088)	Residential	1,649.4395 square metres	N/A	1,577,776	30.7.02
No.8, Jalan 9/5E 40100 Shah Alam Selangor Darul Ehsan							
POH KONG JEWELLERS (SEREMBAN) SDN BHD							
1262 Lorong S2 A35/1 Central Park Seremban 2 70300 Seremban Negeri Sembilan	Double storey house	Freehold	Residential	154 square metres	Approximately 10 years	154,742	12.11.09

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of **POH KONG HOLDINGS BERHAD** (Company No. 586139-K) will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 6 January 2011 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 July 2010 together with the Reports of the Directors and Auditors thereon.
2. To declare a First and Final Single Tier Tax Exempt Dividend of 1.40 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2010. Resolution 1
3. To approve the payment of Directors' fees for the financial year ended 31 July 2010. Resolution 2
4. To re-elect the following Directors retiring under Article 80 of the Articles of Association:-
 - a) Cheong Teck Chong Resolution 3
 - b) Fazrin Azwar Bin Md. Nor Resolution 4
5. To re-appoint Dr Choong Tuck Yew who retires in accordance with Section 129(2) of the Companies Act, 1965. Resolution 5
6. To re-appoint GEP Associates as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 6

SPECIAL BUSINESS

7. To consider and, if thought fit, pass with or without modifications, the following Resolutions

ORDINARY RESOLUTION

- **Authority to Directors to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965**

Resolution 7

“**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum of the issued and paid-up share capital of the Company for the time being, subject always to the approvals of the relevant regulatory authorities.”

SPECIAL RESOLUTION

- **Proposal Amendment to the Articles of Association**

Resolution 8

“**THAT** the existing Article 128 in the Articles of Association of the Company be deleted in its entirety and the following be substituted in lieu thereof:

Any dividend or other money payable in cash in respect of a share may be paid by cheque or warrant sent through the post directed to the registered address of the member or person entitled thereto, or, if several persons are entitled in consequence of the death or bankruptcy of the holder, to any one of such persons or to such persons and such address as such persons may by writing direct or by directly crediting the dividend entitlement into the member's bank account as provided to the Central Depository from time to time. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or such person as the holder may direct and payment of the cheque or the direct crediting shall be a good discharge to the Company. Every such cheque or warrant shall be sent or directly credited to the member's bank account at the risk of the person entitled to the money represented thereto. Where the members have provided to the Central Depository the relevant contact details for purposes of electronic notifications, the Company shall notify them electronically once the Company has paid the cash dividends into the member's bank account.”

ANY OTHER BUSINESS

8. To transact any other business of the Company for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

Notice of Annual General Meeting

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a First and Final Single Tier Tax Exempt Dividend of 1.40 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2010 will be payable on 9 March 2011 to Depositors registered in the Record of Depositors at the close of business on 11 February 2011 .

A Depositor shall qualify for entitlement only in respect of:

- a. Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 11 February 2011 in respect of ordinary transfers; and
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

NG YIM KONG (LS 0009297)

Company Secretary

Petaling Jaya

13 December 2010

Notes:-

1. A member of the Company entitled to attend and vote at the Meeting may appoint a proxy or proxies (or being a corporate member, a corporate representative) to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or executed must be deposited at the Company Secretary's Office at Strategy Corporate Secretariat Sdn Bhd, Unit 07-02, Level 7, Persoft Tower, 6B Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. **Explanatory Note on Ordinary Business**

Re-appointment of Director over 70 years of age

The proposed Ordinary Resolution No. 5 under item 5 of the Agenda is in accordance with Section 129(6) of the Companies Act, 1965 which requires that a separate resolution be passed to re-appoint Dr Choong Tuck Yew who is over 70 years of age as Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company. This resolution must be passed by a majority of not less than three-fourth of such Members of the Company as being entitled to vote in person or where proxies are allowed, by proxy at the Annual General Meeting of the Company.

Notice of Annual General Meeting

6. Explanatory Notes on Special Business

(a) Authority to Directors to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965

The proposed Resolution 7 under item 7 of the Agenda, if passed will give the Directors of the Company from the date of the above Meeting, authority to allot and issue ordinary shares for the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

The general mandate sought to grant authority to Directors to allot and issue shares is a renewal of the mandate that was approved by the shareholders at the Seventh Annual General Meeting held on 20 January 2010. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Seventh Annual General Meeting because there was no need for any fund raising activity for the purpose of investment, acquisition or working capital.

(b) Proposed Amendment of the Articles of Association.

The proposed Resolution 8 under item 7 of the Agenda is to amend Article 128 of the Company's Articles of Association in line with the amendments to the Listing Requirements of Bursa Malaysia Securities Berhad in relation to the implementation of eDividend.

Statement Accompanying

Notice of Eighth Annual General Meeting

Details of the Directors who are standing for election or re-election at the Eighth Annual General Meeting of Poh Kong Holdings Berhad are laid out in pages 15 to 20 of this Annual Report.

- i. Cheong Teck Chong
- ii. Fazrin Azwar Bin Md. Nor
- iii. Dr Choong Tuck Yew

POH KONG HOLDINGS BERHAD

13 December 2010

Dear Shareholder

Re : eDividend (Electronic Dividend) service

We are pleased to inform you that Poh Kong Holdings Berhad (“the Company”) will be providing eDividend to shareholders to be implemented by the first quarter of 2011. The eDividend refers to the payment of cash dividends by a listed issuer directly into the shareholders’ bank accounts. One of the main objectives of implementing eDividend is to promote greater efficiency of the payment system which is aligned to the national agenda of migrating to electronic payment.

1. **Benefits of eDividend**

- 1.1 eDividend extends to all companies listed on Bursa Malaysia Securities Berhad (“listed issuers”) and provides, amongst others, faster access to your cash dividends, eliminates the inconvenience of having to deposit the dividend cheques and problems such as misplaced, lost or expired cheques and unauthorized deposit of dividend cheques.
- 1.2 For those shareholders who have previously opt for direct crediting of dividend entitlement via GIRO Service with the Company, you will still need to register for eDividend to enjoy the following additional benefits:-
 - (a) the convenience of a one-off registration for entitlement to eDividend from all listed issuers; and
 - (b) the option to consolidate the dividends from all your Central Depository System (“CDS”) accounts into one bank account for better management.

2. **Registration for eDividend**

- 2.1 Registration for eDividend will commence on 19 April 2010 for a period of 1 year until 18 April 2011, at no cost to the shareholders. If you register after the 1 year period, an administrative charge will be imposed.

To register for eDividend, you are required to provide to Bursa Malaysia Depository Sdn Bhd (“Bursa Depository”) through your stock broker, your bank account number and other information by completing the prescribed form. This form can be obtained in due course from your stock broker’s office where your CDS account is maintained, or downloaded from Bursa Malaysia’s website at <http://www.bursamalaysia.com>.

- 2.2 You need to submit to your stock broker’s office where your CDS account is maintained, the duly completed prescribed form and the following for registration:-
 - (a) Individual depositor : Copy of identification documents i.e. NRIC, Passport, Authority Card or other acceptable identification documents. Original documents must be produced for your stock broker’s verification.

Corporate depositor:- Certified true copy of the Certificate of Incorporation/Certificate of Registration; and
 - (b) Copy of your bank statement / bank savings book / details of your bank account obtained from your banks website that has been certified by your bank / copy of letter from your bank confirming your bank account particulars. For individuals, original documents must be produced for your stock broker’s verification. For corporate entities, a certified true copy is to be submitted.

If the CDS account is held in the name of a nominee, the nominee will register for the eDividend.

2.3 If you are not able to be present at your stock broker's office to submit the prescribed form and supporting documents, please ensure that the signing of the prescribed form and the supporting documents have been witnessed by an acceptable witness specified by Bursa Depository. In this regard, an acceptable witness includes an Authorised Officer of your stock broker, a Dealer's Representative, a notary public and an Authorised Officer of the Malaysia Embassy/High Commission.

3. Notification of eDividend payment after registration

3.1 You are encouraged to provide in the prescribed form to Bursa Depository both your mobile phone number and email address, if any. This is to enable the Company to issue electronic notification to you either e-mail or sms, at the discretion of the Company, once the Company has paid the cash dividend out of its account. Please note that if you provide only your mobile phone number, you may only be notified of the cash dividend payment when you receive your dividend warrant or tax certificate.

4. Additional information for shareholders

4.1 Your savings or current account, must be an active bank account, maintained with a local bank under your name or in the case of a joint account, has your name as one of the account holders. It must also be a bank account with a financial institution that is a member of the Malaysian Electronic Payment System Inter-Bank GIRO (IBG) set out below, which can be found on this website: http://www.meps.com.my/faq/interbank_giro.asp?id=2#answer

- | | |
|--|---|
| 1. Affin Bank Berhad | 13. EON Bank Berhad |
| 2. Alliance Bank Malaysia Berhad | 14. Hong Leong Bank Berhad |
| 3. AmBank (M) Berhad | 15. HSBC Bank Malaysia Berhad |
| 4. Bank Islam Malaysia Berhad | 16. JP Morgan Chase Bank Berhad |
| 5. Bank Muamalat Malaysia Berhad | 17. Kuwait Finance House (Malaysia) Berhad |
| 6. Bank Kerjasama Rakyat Malaysia Berhad | 18. Malayan Banking Berhad |
| 7. Bank of America | 19. OCBC Bank (Malaysia) Berhad |
| 8. Bank Simpanan Nasional Berhad | 20. Public Bank Berhad |
| 9. Bank Pertanian Malaysia Berhad (Agrobank) | 21. RHB Bank Berhad |
| 10. CIMB Bank Berhad | 22. Standard Chartered Bank Malaysia Berhad |
| 11. Citibank Berhad | 23. The Royal Bank of Scotland Berhad |
| 12. Deutsche Bank Berhad | 24. United Overseas Bank (Malaysia) Bhd |

4.2 Your bank account particulars and other related information is protected under the Securities Industry (Central Depositories) Act 1991 which strictly prohibits the disclosure of such information to any person unless you expressly authorise the disclosure of your bank account particulars and other related information to persons necessary to facilitate the eDividend such as the Company, the share registrar and the appointed paying banks.

4.3 Once you have registered for eDividend, any cash dividend entitlement of which the book closure date is announced by the Company on or after 1 January 2011, shall be paid to you via eDividend.

We look forward to a successful implementation of eDividend through your active participation, and to serving you better as our valued shareholders. If you have any query relating to our eDividend service, please do not hesitate to contact our share registrars, Symphony Share Registrars Sdn Bhd, at 03-7841 8000.

130 Thank you

Yours faithfully
Dato' Choon Yee Seiong
Executive Chairman & Group Managing Director

POH KONG HOLDINGS BERHAD

(Company No.: 586139-K)

(Incorporated in Malaysia)

FORM OF PROXY

I/We _____
of _____
being a member/members of **POH KONG HOLDINGS BERHAD** hereby appoint * the Chairman of the meeting or _____
of _____
or failing whom _____
of _____

as my/our Proxy(ies) to vote for me/us and on my/our behalf at the Eighth Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 6 January 2011 at 10.00 a.m. and at any adjournment thereof for/against * the resolution(s) to be proposed thereat.

*My/*our Proxy(ies) is/are to vote as indicated below:-

No.	Resolutions	For	Against
1.	To declare a First and Final Single Tier Tax Exempt Dividend of 1.40 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2010.		
2.	To approve the payment of Directors' fees for the financial year ended 31 July 2010.		
3.	To re-elect Mr. Cheong Teck Chong retiring under Article 80 of the Articles of Association		
4.	To re-elect Encik Fazrin Azwar Bin Md. Nor retiring under Article 80 of the Articles of Association		
5.	To re-appoint Dr Choong Tuck Yew who retires in accordance with Section 129(2) of the Companies Act, 1965.		
6.	To re-appoint Messrs. GEP Associates as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
7.	To authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		
8.	To approve the Proposed Amendment to the Articles of Association		

[Please indicate with (X) in the spaces provided how you wish your vote to be cast. If no specific direction as to voting is given, the Proxy will vote or abstain at his(her) discretion]

Dated this _____ day of _____ 2010/2011

Number of shares held :

[Signature/Common Seal of Shareholder]

[* Delete if not applicable]

Notes:-

- A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote on his(her) behalf. A proxy may but need not be a Member of the Company and the provisions of Section 149 (1)(b) of the Companies Act, 1965 shall not apply to the Company.
- Where a Member appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportions of his(her) holdings to be represented by each proxy.
- The Proxy Form shall be signed by the appointor or his(her) attorney duly authorised in writing or, if the Member is a corporation, either under its common seal or under the hand of an officer or attorney so authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Unit 07-02, Level 7, Persoft Tower, 6B Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for the Meeting or any adjournment thereof.

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Stamp

The Company Secretary

Poh Kong Holdings Berhad (586139-K)
Unit 07-02, Level 7, Persoft Tower
6B Persiaran Tropicana
47410 Petaling Jaya, Selangor Darul Ehsan

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