



**POH KONG®**  
POH KONG HOLDINGS BERHAD  
(586139-K)

**POH KONG**

**POH KONG  
GALLERY**

*Trax*  
Jewellery for the new generation

**DIAMOND & GOLD**



**diamond**  
BOUTIQUE

**JADE GALLERY**  
THE ONE & ONLY GEMSTONE GALLERY  
by Poh Kong

**ORO BIANCO**  
by POH KONG

[www.pohkong.com.my](http://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 2011



Annual Report *2011*

# 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



### Headquarters:

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

Tel: 603-7958 8999, 7956 3450

Fax: 603- 7957 2404, 7958 8398

www.pohkong.com.my

#### 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

- Jusco, Bukit Raja Shopping Centre Tel: 603-3343 8863
- Shaw Centre Point Tel: 603-3344 2488
- G05, 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

#### RAWANG

- AEON Anggun Rawang Shopping Centre

#### 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
- Carrefour Hypermarket Tel: 606-763 1627

#### 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
- Mydin, Kompleks Bukit Jambul Tel: 606-641 3976

#### 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



## 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
- 1 Utama Shopping Centre Tel: 603-7734 1286

#### DIAMOND & GOLD

- 1 Utama Shopping Centre (Oval), PJ Tel: 603-7710 7260
- Tesco Hypermart, 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 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
- Tesco Seremban Jaya Tel: 606-678 0298
- Tesco Putra Nilai Tel: 606-799 9626

#### 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



QUALITY | PRODUCT | SERVICE | EXCELLENCE | CRAFTSMENSHIP |

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# 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)**  
Block F2 Dataran Prima,  
25-3 Jalan PJU 1/42A  
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 8151

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad (Bursa Securities)

## POH KONG

Website: [www.pohkong.com.my](http://www.pohkong.com.my)  
Web Portal: [www.pohkong.listedcompany.com](http://www.pohkong.listedcompany.com)  
Facebook: [www.facebook.com/pohkongjewellers](http://www.facebook.com/pohkongjewellers)



TRUST | REPUTATION | COMMITMENT | HONESTY | TRANSPARENCY |

# CORPORATE STRUCTURE



## Poh Kong Holdings Berhad 100%

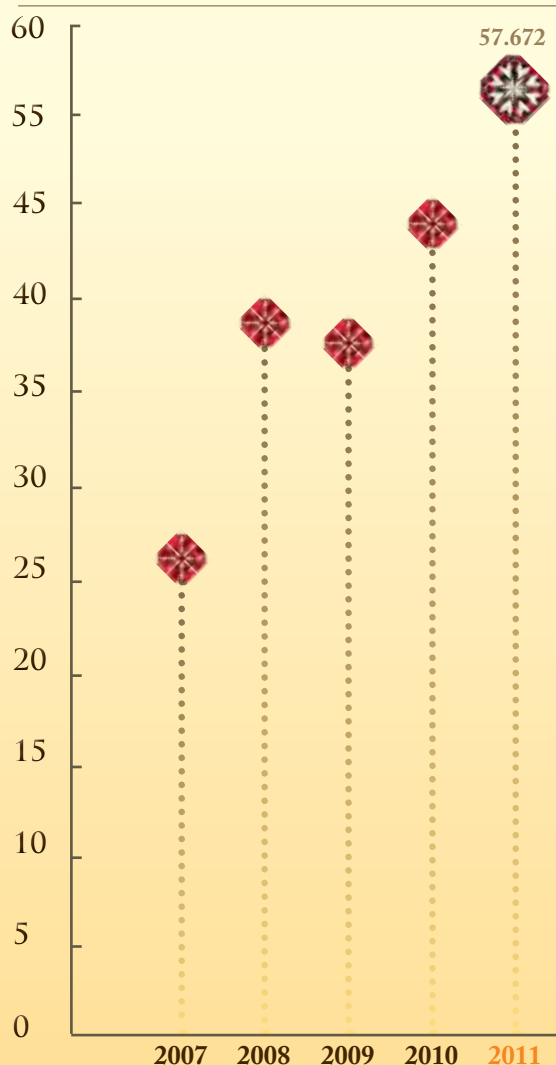
Poh Kong Jewellers (Ampang Point) S/B	Poh Kong Jewellers (Puchong) S/B
Poh Kong Jewellers (Bandar Utama) S/B	Poh Kong Jewellers (Selayang) S/B
Poh Kong Jewellers (Bangsar) S/B	Poh Kong Jewellers (Seremban) S/B
Poh Kong Jewellers (Banting) S/B	Poh Kong Jewellers (Shah Alam) S/B
Poh Kong Jewellers (Batu Pahat) S/B	Poh Kong Jewellers (SS 2) S/B
Poh Kong Jewellers (Gold Seremban) S/B	Poh Kong Jewellers (Subang Parade) S/B
Poh Kong Jewellers (Ipoh) S/B	Poh Kong Jewellers (Summit) S/B
Poh Kong Jewellers (Jaya) S/B	Poh Kong Jewellers (The Mall) S/B
Poh Kong Jewellers (Jln Taman Malacca) S/B	Poh Kong Jewellers (The Mines) S/B
Poh Kong Jewellers (Kajang) S/B	Poh Kong Jewellers (Tmn Universiti, J.B.) S/B
Poh Kong Jewellers (Kinta City) S/B	Poh Kong Jewellers (Wangsamaju) S/B
Poh Kong Jewellers (Klang) S/B	Poh Kong Jewellers S/B
Poh Kong Jewellers (Kuantan) S/B	Poh Kong Jewellery Manufacturer S/B
Poh Kong Jewellers (M) S/B	Poh Kong Properties S/B
Poh Kong Jewellers (Malacca) S/B	Precious Jewellery S/B
Poh Kong Jewellers (Maluri) S/B	Poh Kong International S/B
Poh Kong Jewellers (Meru) S/B	Poh Kong Jewellers (Franchise) S/B
Poh Kong Jewellers (Muar) S/B	In Vogue S/B
Poh Kong Jewellers (MV) S/B	Jungmax Property S/B
Poh Kong Jewellers (Old Klang Road) S/B	Kedai Emas Likwong S/B
Poh Kong Jewellers (Peringgit) S/B	Pajak Gadai Anda S/B
Poh Kong Jewellers (Permas Jaya) S/B	PK Design S/B
Poh Kong Jewellers (PHT) S/B	PK Jewellery Export S/B

# 5 YEAR GROUP FINANCIAL HIGHLIGHTS

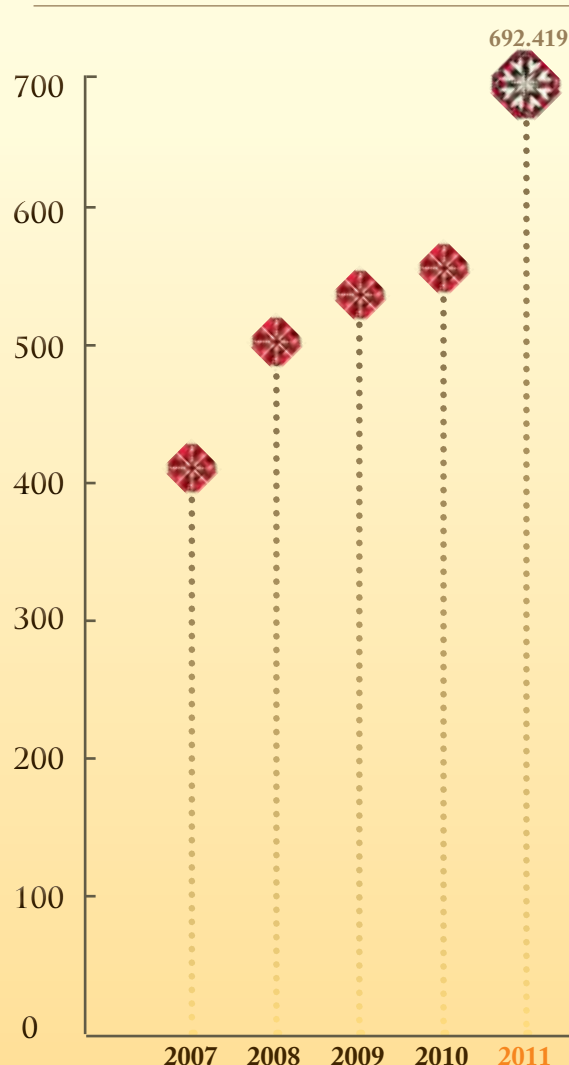
FYE 31 July - RM'000

	2007	2008	2009	2010	2011
Revenue	414,239	509,354	541,636	561,244	692,419
Profit before taxation	25,365	39,956	38,558	44,799	57,672
Taxation	(6,949)	(11,190)	(10,138)	(12,282)	(16,467)
Profit after taxation	18,416	28,766	28,420	32,517	41,205
Profit attributable to:-					
Equity owners of the Company	18,405	28,686	28,444	32,517	41,205
Non-Controlling Interests	11	80	(24)	-	-
	18,416	28,766	28,420	32,517	41,205

PROFIT BEFORE TAXATION (RM Million)



REVENUE (RM Million)





# 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 DE taking up a retail space of 1,500 sq ft and a workforce 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.

## 1988

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

## 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 nation-wide.

## 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.

# CORPORATE MILESTONES

## 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.
- Poh Kong sponsored the Miss Poh Kong Glamour subsidiary title 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.
- 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 subsidiary jewellery title 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.

# CORPORATE MILESTONES



- 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.

## 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.
- 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 with 8TV which staged the grand finals on June 29.
- Poh Kong was appointed the sole brand carrier for Schoeffel when it opened its first specialty flagship boutique in the world for the German based international luxury pearl company at Pavilion Kuala Lumpur on Oct 4.
- Several subsidiaries Poh Kong Jewellers Sdn Bhd were presented the Fair Price Shop Awards 2007 - 2008 in the jewellery category by the Minister of Domestic Trade & Consumer Affairs in recognition of the Group's outstanding contribution to the country's economy.
- 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 Finals in Bukit Tinggi, Klang on Dec 23.
- In conjunction with this event, Poh Kong officially opened its largest Diamond & Gold specialty 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 in diamonds and gems for brides at the Mid Valley Megamall.

## CORPORATE MILESTONES

- Tranz co-sponsored the Gary Chaw "Welcome To My World" Asia live concert at Putra Indoor Stadium and made a special appearance at the fashion parade of bridal gowns at the Mid Valley Megamall's centre court.
- 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, 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 their International Showroom in 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.
- 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 KL 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 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, Sungei Besi on Oct 10.

# CORPORATE MILESTONES



- 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, KL 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 jewellery title in conjunction with the Miss Tourism International World Final at the Sunway Pyramid Shopping Mall, Bandar Sunway on Dec 26.

## 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 in-house brands, the Tranz Collection gold jewellery for the young and trendy generation, and the Anggun Collection which had elegant and sophisticated flower motif designs, in the Malaysian Pavilion (Matrade booth) at the Shanghai World Expo 2010 from May 1 to Oct 31.
- 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.
- Dato' Eddie Choon, PKHB Executive Chairman & Group Managing Director, received the Malaysian Retailer-Chains Association's "Achievers Book 2010" Award on Oct 29 for being one of the outstanding and leading entrepreneurs in the industry and in pioneering a successful business model for Poh Kong.
- 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- 2011 in the jewellery category from the Ministry of Domestic Trade, Co-operatives and Consumerism on Dec 6 in recognition of the Company's outstanding contributions to the country's economy.
- Poh Kong sponsored the Miss Poh Kong Glamour 2010 subsidiary jewellery title in conjunction with the opening of the Poh Kong Gallery flagship store in Pavilion Kuala Lumpur on Dec 28.
- Poh Kong also launched Poh Kong's 35th Anniversary 'Shining Years' Customers Rewards campaign logo (Dec 29 to Aug 31, 2011) at the Pavilion Kuala Lumpur on Dec 28.

# CORPORATE MILESTONES

## 2011

- Poh Kong Holdings Berhad (PKHB) held its 8th Annual General Meeting for shareholders at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Kuala Lumpur on Jan 6.
- In conjunction with its 35th Anniversary, Poh Kong sponsored a charity golf tournament organized by the Malaysian Ladies Golf Association (MALGA) at the Glenmarie Golf & Country Club, Shah Alam on Feb 16.
- The Poh Kong-MALGA Charity Golf 2011 offered four 'hole-in-one' reward of RM35,000 each to golfers and donated a total of RM35,000 to four deserving charities in Malaysia as part of its CSR programme.
- Poh Kong as the main sponsor of the "Romance in Fate" Bridal Fair 2011 promoted its Love Collection and Happy Love oriental jewellery to couples and visitors at the MidValley Exhibition hall from Feb 25 -27.
- Twelve road shows were organized in conjunction with Poh Kong's 35th Anniversary to thank its customers and supporters at various venues in the Klang Valley, Penang, Ipoh, Seremban, Malacca and Johore from February to September.
- Schoeffel previewed its latest luxury pearls jewellery in an enchanting Japanese-themed afternoon cocktail hosted by Poh Kong, the brand carrier in Malaysia, for patrons and supporters in Hilton Kuala Lumpur on Jul 19.
- Poh Kong unveiled its range of exquisite and popular Anggun Series gold jewellery with the latest and elegant Alamanda Collection, to the media at Tamarind Springs, Ampang, Kuala Lumpur on Jul 21.
- Several subsidiaries of the Poh Kong Group in the country received the Fair Price Shop Awards in the jewellery category from YB Dato' Seri Ismail Sabri bin Yaakob, Minister of Domestic Trade, Co-operatives and Consumerism in recognition of the Company's outstanding contributions to the country's economy on Sept 22.
- Poh Kong was one of the sponsors of the HELP University College Tri-Factor Glam Night, organized by their students in a prestigious fashion competition for three awards in modelling, fashion photography and fashion designing on Oct 22.
- Poh Kong's privileged guests and patrons were invited to the preview of Luca Carati's latest range of dazzling jewellery collections at the Hilton Kuala Lumpur on Nov 1.



# CORPORATE HIGHLIGHTS



## 28 DECEMBER 2010 POH KONG'S TRIPLE EVENTS CELEBRATION

Poh Kong had a fitting finale to a year-end 2010 by sponsoring their annual Miss Poh Kong Glamour beauty queen title, the unveiling of its 35th Anniversary "Shining Years" logo, and officially launching Poh Kong Gallery at Pavilion Kuala Lumpur.

- **Miss Poh Kong Glamour 2010**

Ms Silvia Maria from Bolivia won the Miss Poh Kong Glamour subsidiary title in the jewellery category of the Miss Tourism International World Finals 2010 beauty pageant.

She received a sash, trophy, and jewellery from Poh Kong worth RM10,000 in the competition which saw 50 beauty queens showcasing Poh Kong's range of exclusive gold, diamonds, pearls and gemstones jewellery in a fashion parade.

- **Unveiling Poh Kong's 35th Anniversary Logo**

Poh Kong took the opportunity to unveil the logo to announce its 35th Anniversary that kick-started a series of activities to commemorate the occasion.

The 35th Anniversary Customer Rewards Promotion ran from 29 December 2010 to 31 August 2011, and offered customers a RM35 cash voucher for every RM350 spent on diamonds and gems, to reward and thank customers for their loyal support.

- **Official Launch of Poh Kong Gallery**

Poh Kong officially launched the Poh Kong Gallery at Pavilion, Kuala Lumpur to cater to an increasingly discerning and sophisticated customers base.

The Gallery carries renown international jewellery brands, such as Schoeffel, Luca Carati, Verdi Gioielli and Poh Kong's own unique collection of diamonds and gems.



Miss Poh Kong Glamour Silvia Maria hoisted her trophy in victory after the prizes presentation by Dato' Eddie Choon (right), PKHB Executive Chairman & Group Managing Director. On the left was emcee Dato' Mahadzir Lokman.



Poh Kong Directors jointly put their hands together to symbolically lit a crystal fountain to unveil Poh Kong's 35th Anniversary Logo.

Poh Kong Directors and guests -of-honour participated in a "ribbon cutting" to officially launch Poh Kong Gallery. From left to right were Mr Francis Cheong, Ms Alice Choon, Ms Joyce Yap, Chief Executive Officer for Retail, Pavilion Kuala Lumpur, Dato' Eddie Choon, Miss Poh Kong Glamour Silvia Maria, Datin Jennifer Choon, and Ms Irene Choon.



## 6 JANUARY 2011 8th ANNUAL GENERAL MEETING

Poh Kong Holdings Berhad (PKHB) held its 8th Annual General Meeting for shareholders at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Kuala Lumpur.



The 8th Annual General Meeting.

# CORPORATE HIGHLIGHTS

## 16 FEBRUARY 2011 POH KONG - MALGA CHARITY GOLF

In conjunction with its 35th Anniversary Celebrations, Poh Kong sponsored the MALGA Charity Golf 2011 tournament and four 'hole-in-one' each worth RM35,000 at the Glenmarie Golf & Country Club in Shah Alam.

About 60 golfers participated in the charity golf event organized by the Malaysian Ladies Golf Association (MALGA) to raise funds for a charitable home for the elderly in Ampang, handicapped children in Ipoh, caring association in Kajang, and for the under-privileged in Kelantan.

See details under Poh Kong's CSR activities on pages 42 to 46.



MALGA Charity Golf tournament participants gave their thumbs-up before tee-off.



A-board displays of the four 'hole-in-one' sponsored under various Poh Kong brands.



Dato' Eddie Choon (left), PKHB's Executive Chairman & Group Managing Director, and his golf partners before the match. Others (left to right) were Tan Sri A. Razak Ramli, Mr Khoo Cho Yam, and Mr Yit Chow Chin.

## 25- 27 FEBRUARY 2011 'ROMANCE IN FATE' BRIDAL FAIR 2011

Poh Kong was the main sponsor of the "Romance in Fate" Bridal Fair 2011 held at the MidValley Exhibition hall to provide information about latest wedding trends and packages to couples and visitors.

Poh Kong promoted the Love Collection and Happy Love traditional oriental jewellery, that included wedding bands, necklaces, bracelets and earrings in gold and diamonds. The fair, organised by Feminine Magazine, also highlighted a fashion show with wedding attires in modern, contemporary and local costumes.



The launch of the Bridal Fair with organisers and sponsors of the event. Director Mr Siow Der Ming (fifth from left) represented the Company.



Couples and visitors reviewed jewellery at Poh Kong counters.



# CORPORATE HIGHLIGHTS



## FEBRUARY – SEPTEMBER 2011 35th ANNIVERSARY ROADSHOWS

Twelve nationwide road shows were organized in conjunction with Poh Kong's 35th Anniversary to thank its customers and supporters at various venues in the Klang Valley, Penang, Ipoh, Seremban, Malacca and Johor.

Many activities, games and prizes were offered to entertain shoppers at the shopping malls featuring jewellery fashion shows that highlighted the latest Tranz Collection, Anggun Series in the Alamanda Collection, diamonds and gems.



35th Anniversary road show at Queensbay Mall, Penang.



35th Anniversary road show at Kinta City Shopping Centre, Ipoh.



35th Anniversary road show at Jusco, Seremban 2.



35th Anniversary road show at Subang Parade, Subang Jaya.



35th Anniversary road show at Tebrau City Shopping Centre, Johor Bahru.



35th Anniversary road show at Sunway Pyramid Shopping Mall, Bandar Sunway.



35th Anniversary road show at MidValley Megamall, Centre Court, KL.



35th Anniversary road show at 1 Utama Shopping Centre, PJ.



# CORPORATE HIGHLIGHTS



35th Anniversary road show at Maybank Headquarters, KL.



Models displayed Anggun Series gold jewellery at Mahkota Parade, Malacca.



Model with a pair of earrings, ring and necklace in Lavender Jade with diamonds at Mahkota Parade, Malacca.



35th Anniversary road show at The Store, Sungai Buloh.

## 19 JULY 2011 SCHOEFFEL INTRODUCES SPRING-SUMMER JEWELLERY

Schoeffel previewed its latest luxury pearls jewellery in an enchanting Japanese-themed afternoon cocktail hosted by Poh Kong, the brand carrier in Malaysia, for patrons and supporters in Hilton Kuala Lumpur.

The new jewellery pieces were an Eastern-Oriental inspiration that utilised shimmering white South Sea pearls, Tahitian pearl strands decorated with diamond filigree blossoms and bright metallic baroque pearls displayed in an avant-garde setting.



A model with pearl necklace and earrings from the Spring/Summer show.



Models parading the new Schoeffel collection in elegant chiffon gowns flanked by (from left to right) Ms Alice Choon, PKHB Executive Director, Datin Jennifer Choon, Poh Kong Jeweller Director, Dato' Eddie Choon, PKHB Executive Chairman & Group Managing Director, and Mr Joseph Lim, Schoeffel Manager for Asia-Pacific.

# CORPORATE HIGHLIGHTS



## 21 JULY 2011 'ANGGUN SERIES' MEDIA LAUNCH EVENT

Poh Kong unveiled its range of exquisite and popular Anggun Series gold jewellery with the latest and elegant Alamanda Collection, to the media at Tamarind Springs, Ampang, Kuala Lumpur.

The Anggun-Alamanda Collection is a brand new range of traditional floral ornamentation in 916 gold that includes the pendant, bracelet, ring, necklace, and earrings that come in various sizes, ideal for mixing and matching with other fashion accessories.



Ms Christine Choon, PKHB Executive Director, briefing the media at the launch.



Models in elegant Asian costumes looked best in Anggun Series jewellery. Flanked in the centre were Ms Christine Choon and Mr Jacky Choon, Assistant Managing Director, Poh Kong Jewellery Manufacturer Sdn Bhd.

## 22 SEPTEMBER 2011

### FAIR PRICE SHOP AWARDS 2011

Several subsidiaries of the Poh Kong Group in the country received the Fair Price Shop Awards in the jewellery category from the Minister of Domestic Trade, Co-operatives and Consumerism in recognition of the Company's outstanding contributions to the country's economy.



Mr Abert Gan, Poh Kong Jewellers (Seremban) Sdn Bhd's branch manager, posed with YB Dato' Seri Ismail Sabri bin Yaakob, Minister of Domestic Trade, Co-operatives and Consumerism after the award presentation in Putrajaya.



Representatives of companies and organisations in a group photograph with YB Dato' Seri Ismail Sabri.

# CORPORATE HIGHLIGHTS

## 22 OCTOBER 2011 HELP UNIVERSITY COLLEGE TRI-FACTOR GLAM NIGHT

Poh Kong was one of the sponsors in the HELP University College Tri-Factor Glam Night, organized by their students in a prestigious fashion competition for three awards in modelling, fashion photography and fashion designing.

The highlight of the evening was a fashion show contest which saw the skills and expertise of teams competing in the three creative categories for cash prizes.



Participants of the Tri-Factor Glam Night displayed their creativity in modeling and fashion design.



Photographers took their best shots of the models.

## 1 NOVEMBER 2011 LUCA CARATI PRODUCT PREVIEW

Poh Kong's privileged guests and patrons were invited to the preview of Luca Carati's latest range of dazzling jewellery collections at the Hilton Kuala Lumpur.

Luca Carati, one of Italy's oldest and most prestigious luxury jewellers from its jewellery capital in Valenza, is exclusive to Poh Kong in Malaysia.



A model dressed in black with Luca Carati's luxury diamonds in classic designs.



Elegant models in Luca Carati timeless jewellery posed with (third from left to right) Ms Marleine Nehman, Sales Manager, Luca Carati for Far and Middle East, Dato' Eddie Choon, PKHB Executive Chairman & Group Managing Director, Datin Jennifer Hon, Poh Kong Jewellers Director, Ms Alice Choon, PKHB Executive Director, and Ms Maria Braggio Marcalli, Shareholder of I.G.I.M. the holding company of Luca Carati.

# BOARD OF DIRECTORS



**YG BHG DATO' CHOON YEE SEIONG**

Executive Chairman and 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

### YG BHG DATO' CHOON YEE SEIONG | Executive Chairman and Group Managing Director

Yg Bhg Dato' Choon Yee Seiong, age 57 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. A visionary entrepreneur, he has built his business on the life-long principles of determination, hardwork, honesty, and delivering good quality products. He was one of the founders of the Company in 1976 and has headed the Poh Kong Group since its inception as Poh Kong Jewellers Sdn Bhd (PKJ).

He is responsible for the overall strategic and marketing directions, management policies, expansion and operations of PKHB. It is his simple values and business lessons passed on from generation to generation that has made Poh Kong a phenomenal success it is today. Dato' Choon 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 99 outlets making it the largest jewellery chain store and leading jeweller in Malaysia.

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. In 2011, he led the Group in celebrating Poh Kong's 35th Anniversary with a Customer Rewards Campaign, a charity golf tournament, jewellery road shows nationwide, and appreciation dinner for our loyal and dedicated employees.

He has won prestigious awards for his outstanding achievements as an entrepreneurial jeweller and as Executive Chairman & Group Managing Director. These 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 recognition in the "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.

Dato' Choon was Founder President of the MRCA in 1992, that has 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 62 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. All his children are also shareholders of the Company.



## MADAM CHOON NEE SIEW Executive Director

Madam Choon Nee Siew, age 56 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 siblings 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. All her children are also the shareholders of the Company.

# PROFILE OF BOARD OF DIRECTORS

## MADAM CHOON YOKE YING

### Executive Director

Madam Choon Yoke Ying, age 54 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 50 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 Wan Joo'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.

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 YEW

### Senior Independent Non-Executive Director

Dr Choong Tuck Yew, age 73 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, OSK-UOB Islamic Fund 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 and 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 45 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 position as an Independent Non- Executive Director of 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 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 62 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, and a Member of the Nomination Committee and the 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.



# 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 2011 (“FYE 2011”).**

## **ECONOMIC & RETAIL OUTLOOK**

Despite the debts burden issue in the United States, sovereign debts crisis in Europe and uncertainties in global markets, the Malaysian economy is expected to meet the Gross Domestic Product (GDP) growth of about 5% in 2012.

Prime Minister YAB Dato' Seri Najib Tun Abdul Razak, who is also Finance Minister of the country, said that Malaysia can achieve an economic growth of between 5% and 6% this year via systematic government planning, matured policies and effective implementation.\*

Malaysia's growth will be driven largely by domestic factors and will be enhanced by strong economic fundamentals coupled with pragmatic macroeconomic policies and implementation of private investment projects under the Economic Transformation Programme (ETP) by the Government.\*\*

Poh Kong is optimistic that the steady economic growth would lead to higher consumer confidence and rise in domestic consumption, including retail spending on gold, diamonds and gemstones.

Retail Group Malaysia Sdn Bhd (RGM), an independent retail research firm, and Malaysian Retailer-Chains Association (MRCA), have forecasted local retail sales to grow at 6.5% in 2011 compared to 8.4% in 2010. RGM projected total sales turnover in 2011 at RM81.59 billion compared with RM75.3

billion in the previous year. MRCA has foreseen that consumers are expected to maintain their spending level this year, even with the decline in purchasing power and retailers facing rising costs of goods and operations.\*\*\*

These data forecasts portend well for the future of Poh Kong, a homegrown Company that has become the largest jewellery retail chain store in Malaysia since 1998 according to Malaysia Book of Records. Celebrating its 35th Anniversary this year, Poh Kong is a household name synonymous with gold, diamonds, gemstones and continues to change consumers lives in fulfilling their dreams and desires to look dazzling and beautiful.

Sources:

\* *Reported in Bernama, 20 November 2011*

\*\* *Reported in StarSpecial Economic Report, 8 October 2011, Page 2*

\*\*\* *Reported in Business Times, 7 November 2011, Page B3*



# CHAIRMAN'S STATEMENT

## REVIEW OF FINANCIAL PERFORMANCE

For the financial year ended 31 July 2011 (FYE 2011), the Group achieved a revenue of RM692.4 million compared with RM561.2 million in the previous year. FYE2011 revenue was higher by 23.4 % or an increment of RM131.2 million over FYE2010.

Poh Kong's increase in revenue was partly attributed to the Group's 35th Anniversary Promotions that resulted in higher sales from new and existing stores and from an upsurge in the prices of gold. The Group's liquidity profile was enhanced by its gold, diamonds and gemstones inventories which have increased from RM383.6 million in FYE2010 to RM443.7 million in FYE2011.

The Group also achieved a record profit before tax of RM57.7 million for FYE 2011, an increase of RM12.9 million or a 28.8% growth against RM44.8 million for FYE2010. The increase in profit before tax was mainly due to higher sales revenue and an improvement in operations efficiency.

As at 31 July 2011, the Group's net assets recorded an increase of RM35.5 million at RM346.0 million over the previous year of RM310.5 million.

On 27 October 2011, Poh Kong received approval from the Securities Commission for undertaking a proposed Islamic Commercial Papers/ Islamic Medium Term Notes (ICP/IMTN) Programme of up to RM150 million in nominal value, to be guaranteed by Danajamin Nasional Berhad, for a tenure of seven years (2011/2018).

On 3 November 2011, RAM Ratings Services Berhad (RAM) reinforced Poh Kong's reputation as Malaysia's largest jewellery retail chain store. It has assigned long and short term ratings of AAA(fg) and P1 to the Group's proposed ICP/IMTN Programme.

The AAA(fg) rating of the proposed ICP/IMTN reflects the unconditional and irrevocable guarantee extended by Danajamin Nasional Berhad ("Danajamin", AAA/Stable/P1), which enhances the credit profile of the debt issue beyond Poh Kong's inherent and stand-alone credit strength.

On 22 November 2011, Poh Kong issued RM50.0 million in nominal value of IMTN under the ICP/IMTN Programme and

shall have a tenure of seven (7) years, maturing on 22 November 2018. The proceeds from the issuance of the IMTN shall be utilised by Poh Kong for the following Shariah-compliant purposes:

- (i) To finance group wide restructuring programme; and
- (ii) To refinance existing borrowings.

## RETAILING, BRANDING AND MARKETING SUPPORT

Poh Kong, an integrated one-stop jeweller, from manufacturer to retailer of gold, diamonds and precious stones, continues to build its market share by enhancing and differentiating its product offerings to its targeted market segments.

We continue to focus daily on our four core business philosophy of quality, value, trust and choice of its products. Product and service excellence are hallmarks which result in increased sales revenue and profitability. Honesty, reliability, and reputation are also among the most important traits upheld by the Company. It also actively evaluates various initiatives and opportunities to attract new and loyal customers through the introduction of new product lines/designs and enhanced customer service. Poh Kong provide choices of different retail concepts to meet the various needs of consumers.

Despite intense competition, the creative and technical units of the Poh Kong Product Development Team are constantly challenged to design new jewellery collections and individual designs to cater to a diverse customer base.

The key to Poh Kong's retailing success lies in their excellent customer service and customer retention of new and loyal customers who have patronised the many outlets from generation to generation.

Poh Kong commits fully to the design, craftsmanship, quality and competitive pricing. The professional retail sales teams are supported by advertising, public relations, promotions and events marketing. All these brand building campaigns at multi-level platforms provide various touch-points in fulfilling the promise of product quality and customers' shopping experience.

# CHAIRMAN'S STATEMENT



Continuously, the Group made additional investments to enhance and to improve its merchandise mix, and to refurbish existing stores to give the brands an uplift in image.

Poh Kong has created housebrands, such as Tranz Collections, Happy Love, Anggun Series, The Art of Auspicious Jewellery, and Bunga Raya Gold Bars. It is the licensee for Disney Collections, sole distributor for Schoeffel luxury pearls from Germany, Luca Carati and Verdi Gioielli from Italy, Angel Diamonds from Belgium, Cocoro from Japan and carries many more exquisite jewellery pieces from all over the world.

It leverages on its strong retail network to reach the mass market and simultaneously, on the image differentiation of its brands and retail concept stores to meet the needs of different customers. Retail concept stores include Poh Kong, Diamond & Gold, Poh Kong Gallery, Diamond Boutique, Jade Gallery, Tranz Boutique and Oro Bianco white gold jewellery.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Poh Kong Group is firmly committed to the principles and practice of corporate social responsibility (CSR) which has become a culture of the Company in fulfilling its social objectives of giving back to society. The Group subscribes to the universal belief that every organization owes a duty to act responsibly for the good of its employees, marketplace, community and the environment.

Poh Kong demonstrated its corporate citizenship on its 35th Anniversary this year with various activities for its employees, customers and caring for society based on the principles of CSR and business sustainability.

The Group's CSR activities are set out on pages 42 to 46 of this Annual Report.

## FUTURE PROSPECTS

It is still uncertain to what extent the world economy will be affected by the heightened debt burdens in the USA and some EuroZone Countries in the coming year. However, the global economy is expected to improve with the economic reforms.

The Board is optimistic of a positive performance in view of the full year forecast of about 5% in the Malaysian economy in 2011 that will be underpinned by strong domestic demand and implementation of key initiatives in the Government's ETP.

Poh Kong's major revenue is derived from gold with the remainder from gemstones. The demand for gold is expected to be resilient over the long term due to its intrinsic values and Asian cultures of giving gold jewellery as customary gifts or for auspicious occasions. Poh Kong expects retail sales to be robust, due to the festive spending seasons, and customers purchase of gold-based jewellery, gold bars and wafers as a hedge against inflation, and global currency risks.

As at to date, the Company operates 99 retail outlets nationwide and will actively look for viable business opportunities to expand and grow its market share. Poh Kong is the leading player and will continue to reinforce its market position as the largest jewellery retail chain store.

Going forward, Poh Kong will utilize proceeds raised from the ICP/IMTN Programme to grow its business as follows:

- Up to RM100 million to finance group wide restructuring programme which involves refinancing of existing borrowings and restructuring costs of the Poh Kong Group, and
- Up to RM50 million to finance capital expenditure of the Poh Kong Group which includes opening of new branches and purchase of manufacturing equipment.

Barring unforeseen circumstances, the Board forecasts positive performance of the Group in the FYE 2012.

## EARNINGS PER SHARE

The basic earnings per share for the financial year ended 31 July 2011 stands at 10.04 sen (2010: 7.92 sen).

# CHAIRMAN'S STATEMENT

## DIVIDEND

The Board of Directors recommend a first and final single tier dividend of 1.40 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 July 2011 (2010 : 1.40 sen single tier dividend per ordinary share of RM0.50 each).

The proposed dividend is subject to shareholders' approval at the 9th Annual General Meeting to be held on 10 January 2012.

## ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to express my appreciation to my fellow Board of Directors for their guidance and support during the course of the year. To the Management and Staff, I thank you for your loyalty, commitment and dedication towards the Group.

I would also like to thank our shareholders, valued customers, business partners, Government authorities, bankers, financiers and suppliers for their continuing confidence and support.

DATO' CHOON YEE SEIONG  
EXECUTIVE CHAIRMAN & GROUP MANAGING DIRECTOR

19 December 2011



## 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 2011 (“FYE2011”).**

## TINJAUAN EKONOMI & RUNCIT

Di sebalik bebanan hutang di Amerika Syarikat, krisis hutang kerajaan di Eropah dan ketidaktentuan dalam pasaran global, ekonomi Malaysia dijangka akan mencapai pertumbuhan Keluaran Dalam Negeri Kasar (KDNK) sebanyak lebih kurang 5% pada tahun 2012.

YAB Perdana Menteri Dato’ Seri Najib Tun Abdul Razak, yang juga Menteri Kewangan negara, berkata bahawa Malaysia boleh mencapai pertumbuhan ekonomi antara 5% dan 6% tahun ini melalui perancangan kerajaan yang sistematik, dasar-dasar matang dan pelaksanaan yang berkesan.\*

Sebahagian besar pertumbuhan Malaysia akan dipacu oleh faktor-faktor domestik dan akan dipertingkatkan oleh asas-asas ekonomi yang kukuh berserta dengan dasar-dasar makroekonomi yang pragmatik dan pelaksanaan projek-projek pelaburan swasta di bawah Program Transformasi Ekonomi (ETP) oleh Kerajaan.\*\*

Poh Kong berasa optimis bahawa pertumbuhan ekonomi yang teguh akan membawa kepada keyakinan pengguna yang lebih tinggi dan peningkatan dalam penggunaan domestik, termasuk perbelanjaan runcit ke atas emas, intan berlian dan batu permata.

Retail Group Malaysia Sdn Bhd (RGM), sebuah firma penyelidikan runcit bebas, dan Persatuan Rantaian Peruncit Malaysia (MRCA), telah meramalkan jualan runcit tempatan akan

meningkat sebanyak 6.5% pada tahun 2011 berbanding dengan 8.4% pada tahun 2010. RGM mengunjurkan jumlah dagangan jualan keseluruhan pada tahun 2011 sebanyak RM81.59 bilion berbanding dengan RM75.3 bilion pada tahun lepas. MRCA meramalkan bahawa pengguna dijangka akan mengekalkan tahap perbelanjaan mereka tahun ini, meskipun berlaku kemerosotan dalam kuasa membeli dan keadaan peruncit yang berdepan dengan kenaikan kos barangan dan operasi.\*\*\*

Data ramalan ini merupakan petanda baik bagi masa hadapan Poh Kong, sebuah Syarikat tempatan yang telah menempa nama sebagai rantaian kedai runcit barang kemas terbesar di Malaysia sejak tahun 1998 menurut “Malaysia Book of Records”. Meraikan Ulang Tahunnya yang ke-35 tahun ini, Poh Kong merupakan jenama sebutan ramai yang sinonim dengan emas, intan berlian, batu permata dan sentiasa mengubah kehidupan pengguna dalam memenuhi impian dan hasrat mereka untuk kelihatan cantik dan menawan.

Sumber:

\* *Dilaporkan dalam Bernama, 20 November 2011*

\*\* *Dilaporkan dalam Laporan Ekonomi StarSpecial, 8 Oktober 2011, Muka Surat 2*

\*\*\* *Dilaporkan dalam Business Times, 7 November 2011, Muka Surat B3*



# PENYATA PENGERUSI

## ULASAN MENGENAI PRESTASI KEWANGAN

Bagi tahun kewangan berakhir 31 Julai 2011 (FYE 2011), Kumpulan telah mencapai hasil sebanyak RM692.4 juta berbanding dengan RM561.2 juta dalam tahun sebelumnya. Hasil FYE2011 adalah lebih tinggi sebanyak 23.4% atau peningkatan sebanyak RM131.2 juta berbanding FYE2010.

Sebahagian daripada peningkatan hasil Poh Kong adalah berpunca daripada Promosi Ulang Tahun Ke-35 Kumpulan yang menyumbang kepada jualan lebih tinggi daripada kedai-kedai baru dan kedai sedia ada serta akibat kenaikan mendadak harga emas. Profil liquiditi Kumpulan telah ditingkatkan oleh inventori emas, intan berlian dan batu permata yang telah meningkat daripada RM383.6 juta pada FYE2010 kepada RM443.7 juta pada FYE2011.

Kumpulan juga telah mencapai keuntungan sebelum cukai terbaik sebanyak RM57.7 juta bagi FYE 2011, meningkat sebanyak RM12.9 juta atau pertumbuhan 28.8% berbanding RM44.8 juta bagi FYE2010. Sebahagian besar daripada peningkatan dalam keuntungan sebelum cukai berpunca daripada hasil jualan yang lebih tinggi dan peningkatan dalam kecekapan operasi.

Pada 31 Julai 2011, aset bersih Kumpulan mencatat peningkatan sebanyak RM35.5 juta kepada RM346.0 juta berbanding tahun sebelumnya sebanyak RM310.5 juta.

Pada 27 Oktober 2011, Poh Kong telah menerima kelulusan daripada Suruhanjaya Sekuriti bagi melaksanakan cadangan Program Islamic Commercial Papers/ Islamic Medium Term Notes (ICP/IMTN) berjumlah sehingga RM150 juta dalam nilai nominal, yang akan dijamin oleh Danajamin Nasional Berhad, bagi tempoh selama tujuh tahun (2011/2018).

Pada 3 November 2011, RAM Ratings Services Berhad (RAM) telah mengukuhkan reputasi Poh Kong sebagai rantai kedai runcit barang kemas terbesar Malaysia. Ia telah memberikan penarafan jangka panjang dan jangka pendek AAA(fg) dan P1 kepada cadangan Program ICP/IMTN Kumpulan. Penarafan AAA(fg) ke atas cadangan ICP/IMTN mencerminkan jaminan tidak bersyarat dan tidak boleh batal yang diberi oleh Danajamin Nasional Berhad ("Danajamin", AAA/Stable/P1), yang meningkatkan profil kredit terbitan hutang yang melebihi kekukuhan kredit sedia ada dan kredit berdiri sendiri Poh Kong.

Pada 22 November 2011, Poh Kong telah menerbitkan RM50.0 juta dalam nilai nominal IMTN di bawah Program ICP/IMTN dan akan mempunyai tempoh selama tujuh (7) tahun, akan matang pada 22 November 2018. Perolehan daripada terbitan IMTN akan digunakan oleh Poh Kong bagi tujuan pematuhan Shariah berikut:

- (i) Untuk membiayai program penyusunan semula kumpulan secara menyeluruh; dan
- (ii) Untuk membiayai semula pinjaman sedia ada.

## PERUNCITAN, PENJENAMAAN DAN SOKONGAN PEMASARAN

Poh Kong, adalah saudagar emas sehenti bersepadu, daripada pengilang kepada peruncit emas, intan berlian dan batu permata, berterusan membina bahagian pasarnya dengan meningkatkan dan membezakan penawaran produknya kepada segmen-segmen pasaran sasarannya.

Kami sentiasa memberi tumpuan setiap hari ke atas empat falsafah perniagaan teras kami iaitu kualiti, nilai, kepercayaan dan pilihan produk. Kecemerlangan produk dan perkhidmatan adalah ciri utama yang membawa kepada peningkatan hasil jualan dan keberuntungan. Kejujuran, kebolehppercayaan, dan reputasi juga antara ciri paling penting yang didukung oleh Syarikat. Syarikat juga secara aktif menilai pelbagai inisiatif dan peluang untuk menarik pelanggan-pelanggan baru dan pelanggan setia melalui pengenalan barisan/rekaan produk baru dan mempertingkatkan perkhidmatan pelanggan. Poh Kong menyediakan pilihan pelbagai konsep runcit untuk memenuhi pelbagai keperluan pengguna.

Sungguhpun menghadapi persaingan sengit, unit-unit kreatif dan teknikal dalam Pasukan Pembangunan Produk Poh Kong sentiasa dicabar untuk mereka bentuk koleksi-koleksi barang kemas baru dan reka bentuk individual bagi memenuhi keperluan kumpulan pelanggan yang terpelbagai.

Kunci kejayaan peruncitan Poh Kong terletak pada kecemerlangan khidmat pelanggannya dan pengekalan pelanggan baru dan pelanggan setia yang sentiasa mengunjungi kedai-kedai Poh Kong dari generasi ke generasi.



# PENYATA PENGERUSI



Poh Kong memberi sepenuh komitmen kepada reka bentuk, mutu ketukangan, kualiti dan peletakan harga yang berdaya saing. Pasukan jualan runcit profesional disokong oleh pengiklanan, perhubungan awam, promosi dan pemasaran acara. Semua kempen pembinaan jenama ini di platform berbilang peringkat menyediakan pelbagai titik sentuhan dalam memenuhi kualiti produk yang dijanjikan dan pengalaman membeli-belah pelanggan.

Seterusnya, Kumpulan telah membuat pelaburan tambahan untuk meningkatkan dan menambah baik campuran barangan dagangannya, dan untuk memperbaharui kedai-kedai sedia ada bagi menaikkan imej jenama.

Poh Kong telah mewujudkan jenama pilihan ramai, seperti Tranz Collections, Happy Love, Anggun Series, The Art of Auspicious Jewellery, dan Bunga Raya Gold Bars. Ia adalah pemegang lesen bagi Disney Collections, pengedar tunggal bagi mutiara mewah Schoeffel dari Jerman, Luca Carati dan Verdi Gioielli dari Itali, Angel Diamonds dari Belgium, Cocoro dari Jepun dan membawa banyak lagi kilauan barang kemas yang sangat cantik dari seluruh dunia.

Ia mengambil peluang ke atas rangkaian runcitnya yang teguh untuk mencapai pasaran massa dan serentak dengan itu, ke atas pembezaan imej jenama dan kedai konsep runcitnya bagi memenuhi keperluan pelbagai pelanggan. Kedai-kedai konsep runcit termasuk Poh Kong, Diamond & Gold, Poh Kong Gallery, Diamond Boutique, Jade Gallery, Tranz Boutique dan barang kemas emas putih Oro Bianco.

## TANGGUNGJAWAB SOSIAL KORPORAT (CSR)

Kumpulan Poh Kong benar-benar komited kepada prinsip dan amalan tanggungjawab sosial korporat (CSR) yang telah menjadi budaya Syarikat dalam memenuhi objektif sosialnya iaitu memberi sumbangan bermakna kepada masyarakat. Kumpulan berpegang teguh kepada kepercayaan sejagat bahawa setiap organisasi berkewajipan untuk bertindak dengan rasa tanggungjawab ke arah kebaikan kakitangannya, tempat pasaran, masyarakat dan alam sekitar.

Poh Kong telah membuktikan warga korporatnya semasa Ulang Tahunnya yang ke-35 tahun ini, dengan pelbagai aktiviti untuk kakitangan, pelanggan dan keprihatinannya kepada masyarakat berdasarkan prinsip-prinsip CSR dan kelestarian perniagaan.

Aktiviti-aktiviti CSR Kumpulan dikemukakan pada muka surat 42 - 46 Laporan Tahunan ini.

## PROSPEK MASA HADAPAN

Ekonomi dunia dilihat masih lagi tidak menentu yang sedikit sebanyak akan dipengaruhi oleh bebanan hutang yang semakin meningkat di USA dan beberapa Negara Zon Eropah dalam tahun mendatang. Walau bagaimanapun, ekonomi global dijangka akan bertambah baik selaras dengan pembaharuan ekonomi.

Lembaga berasa optimis terhadap prestasi positif mengambil kira ramalan tahun keseluruhan sebanyak lebih kurang 5% dalam ekonomi Malaysia pada tahun 2011 yang akan didorong oleh permintaan domestik yang kukuh dan pelaksanaan inisiatif-inisiatif penting dalam ETP Kerajaan.

Hasil utama Poh Kong diperoleh daripada emas sementara hasil selebihnya diperoleh daripada batu permata. Permintaan bagi emas dijangka akan mampu bertahan bagi tempoh jangka panjang disebabkan nilai intrinsiknya dan budaya masyarakat Asia yang memberikan barang kemas emas sebagai hadiah kelaziman atau untuk saat-saat istimewa. Poh Kong menjangkakan jualan runcit akan bertambah teguh, disebabkan perbelanjaan musim perayaan, dan pelanggan-pelanggan membeli barang kemas berasaskan emas, jongkong emas dan kepingan emas sebagai pelindung nilai terhadap inflasi, dan risiko mata wang global.

Sehingga kini, Kumpulan Poh Kong mengendalikan 99 kedai runcit di seluruh negara dan akan secara aktif mencari peluang-peluang perniagaan yang berdaya maju bagi mengembangkan dan meluaskan bahagian pasarnya. Poh Kong adalah pengusaha terkemuka dan akan terus mengukuhkan kedudukan pasarnya sebagai rantaian kedai runcit barang kemas terbesar.



# PENYATA PENERUSI

Maju ke hadapan, Poh Kong akan menggunakan perolehan yang diperolehi daripada Program ICP/IMTN untuk mengembangkan perniagaannya seperti berikut:

- Sebanyak RM100 juta untuk membiayai program penyusunan semula seluruh kumpulan yang melibatkan pembiayaan semula pinjaman sedia ada dan kos penyusunan semula Kumpulan Poh Kong, dan
- Sebanyak RM50 juta untuk membiayai perbelanjaan modal Kumpulan Poh Kong yang termasuk pembukaan cawangan-cawangan baru dan pembelian peralatan pengilangan.

Dalam ketiadaan keadaan di luar jangkaan, Lembaga meramalkan prestasi Kumpulan kekal positif bagi FYE2012.

## PEROLEHAN SETIAP SAHAM

Perolehan asas setiap saham bagi tahun kewangan berakhir 31 Julai 2011 adalah sebanyak 10.04 sen (2010: 7.92 sen).

## DIVIDEN

Lembaga Pengarah mengesyorkan dividen satu tier pertama dan akhir sebanyak 1.40 sen setiap saham biasa bernilai RM0.50 sesaham berhubung dengan tahun kewangan berakhir 31 Julai 2011 (2010: 1.40 sen dividen satu tier setiap saham biasa bernilai RM0.50 sesaham).

Cadangan dividen adalah tertakluk kepada kelulusan pemegang-pemegang saham pada Mesyuarat Agung Tahunan Ke-9 yang akan diadakan pada 10 Januari 2012.

## PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan penghargaan kepada rakan-rakan Lembaga Pengarah atas bimbingan dan sokongan mereka sepanjang tahun ini. Kepada Pengurusan dan Kakitangan, terima kasih saya ucapkan atas kesetiaan, komitmen dan dedikasi anda kepada Kumpulan.

Saya juga ingin mengucapkan terima kasih kepada pemegang-pemegang saham kami, pelanggan-pelanggan yang dihormati, rakan-rakan niaga, pihak berkuasa Kerajaan, jurubank, pembiaya dan pembekal atas keyakinan dan sokongan berterusan mereka.

DATO' CHOON YEE SEIONG  
PENERUSI EKSEKUTIF & PENGARAH URUSAN KUMPULAN

19 Disember 2011



## 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 2011 年 7 月 31 日之财政年(“2011 财政年”)的年度报告和已审计财务报告。

### 经济和业务概述

尽管受到美国债务负担，欧洲主权债务危机和全球市场不明朗的影响，预料马来西亚经济可在 2012 年取得 5% 的国内生产总值(GDP)成长率。

我国首相兼财政部长拿督斯里纳吉表示，通过系统化的政府策划，成熟的政策和有效的落实，马来西亚可在今年取得 5% 至 6% 的经济成长率。\*

马来西亚的成长推动力主要来自国内因素，并将受到强劲的经济基本面，以及务实宏观政策及在政府经济转型计划(ETP)下落实之私人投资项目的激励。\*\*

宝光控股乐观地认为，稳健的经济成长会加强消费人的信心和刺激国内消费增长，尤其是带动黄金，钻石和宝石的零售消费。

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)，皆预测国内零售业将于 2011 年取得 6.5% 的成长率，2010 年则为 8.4%。RGM 预测 2011 年的零售营业总额为 RM815.9 亿，前一年为 RM753 亿。MRCA 则预测，即使购买力降低，而零售商也面对货品和营运成本增加问题，预料消费人将维持他们的消费水平。\*\*\*



这些预测数据显示宝光的前景乐观，根据马来西亚纪大全的记录，作为一家本土公司的宝光自 1998 年以来一直是马来西亚最大的珠宝零售连锁店。在今年庆祝成立 35 周年的宝光是一个家喻户晓的名字，更是黄金，钻石，宝石等的代名词，并继续改变消费人的生活，即让他们实现显得雍容华贵和美丽大方的梦想和愿望。

资料来源：

\* 2011 年 11 月 20 日的马新社报道

\*\* 2011 年 10 月 8 日的 StarSpecial Economic Report 第版报道

\*\*\* 2011 年 11 月 7 日的 Business Times 第 B3 版报道

# 主席报告

## 财务表现检讨

在截至 2011 年 7 月 31 日的财政年(“2011 财政年”), 宝光集团取得 RM6 亿 9 千 2 百 40 万的营业额, 相比之下, 前一年为 RM5 亿 6 千 1 百 20 万。2011 财政年的营业额比 2010 财政年增长了 23.4% 或 RM1 亿 3 千 1 百 20 万。

宝光的营业额增加可局部归功于本集团的 35 周年促销活动使到新分店及和现有分店取得更高销售额, 以及金价高涨。本集团的资金流动状况也因为金饰, 钻石和宝石的存货价值由 2010 财政年的 RM3 亿 8 千 3 百 60 万增至 2011 财政年的 RM4 亿 4 千 3 百 70 万而改善。

本集团也在 2011 财政年取得破纪录的 RM5 千 7 百 70 万扣税前盈利, 即比 2010 财政年的 RM4 千 4 百 80 万激增 RM1 千 2 百 90 万或 28.8%。扣税前盈利增加主要是因为营业额增加和营运效率改善。

截至 2011 年 7 月 31 日, 本集团的净资产增加 RM3 千 5 百 50 万而达到 RM3 亿 4 千 6 百万, 前一年为 RM3 亿 1 千零 50 万。

在 2011 年 10 月 27 日, 宝光获得证券委员会批准进行一项建议发售回教式商业票据/回教式中期票据(ICP/IMTN)计划, 面值高达 RM1 亿 5 千万, 由 Danajamin Nasional 有限公司担保, 期限为 7 年(2011/2018 年)。

在 2011 年 11 月 3 日, RAM 评级服务有限公司(RAM)巩固了宝光集团作为马来西亚最具规模连锁零售金钻行的盛誉。它已授予本集团建议之 ICP/IMTN 计划 AAA(fg) 和 P1 长期和中期评级。该建议之 ICP/IMTN 计划的 AAA(fg) 评级反映了 Danajamin Nasional 有限公司所给予的无条件兼不可撤销担保(“Danajamin”, AAA/Stable/P1), 这提升了该债券的信誉地位而超逾宝光原有和独立的信誉实力。在 2011 年 11 月 22 日, 宝

光在该 ICP/IMTN 计划下发售了面值 RM5 千万的 IMTN, 其期限为 7 年, 于 2018 年 11 月 22 日届满。宝光将把这项发行 IMTN 所得充作以下符合回教教义的用途:

- (i) 融资整个集团的重组计划; 以及
- (ii) 重新融资现有的借贷。

## 零售, 品牌建立和行销支援

宝光是一家综合一站式珠宝商, 从事首饰, 珠宝和宝石的制造至零售业务, 并通过为不同的目标市场提升和多样化其产品, 以持续扩大其市场份额。

我们继续在日常运作上专注于四个核心营业原则, 即素质, 价值, 信誉和产品选择。卓越的产品和服务乃是带来更高营业额和利润的标志。诚实, 可靠和声誉则是本公司秉承的其中一些最重要的美德。我们也积极评估各项倡议和机会, 以通过推介新产品系列/设计及更佳顾客

服务来吸引新和忠诚的顾客。宝光提供不同的零售概念选择以迎合消费人的各种需求。

尽管面对激烈的竞争, 宝光产品开发组的创意和技术单位不断迎向挑战, 以设计出新珠宝系列和个别设计以满足多元化的顾客群。宝光的零售成功关键有赖于它的卓越顾客服务和保留新和忠诚的顾客, 他们世代以来皆光顾我们的多家分店。

宝光全力投入于设计, 手工, 品质和竞争性定价。专业零售团队则获得广告, 公共关系, 促销和项目行销活动的支援。这些在多层次平台展开的品牌建立运动在履行产品素质和顾客购物体验之承诺方面呈献了不同的功效。

本集团不断增加投资以提升和改善其商品种类, 以及装修既有分店, 以提升各品牌的形象。宝光以

创造一些专属的品牌，例如 Tranz 系列，Happy Love, Anggun 系列，The Art of Auspicious Jewellery，以及 Bunga Raya Gold Bars。它持有 Disney 系列的执照，并且是来自德国的 Schoeffel 豪华珍珠，来自意大利的 Luca Carati 和 Verdi Gioielli，来自比利时的 Angel 钻石，来自日本的 Cocoro 的独家经销商，以及代表来自世界各地的更多高级珠宝首饰。

它充份利用本身强大的零售网络以覆盖广大的市场，与此同时也为其品牌和零售概念商店树立独特形象，以迎合不同顾客的需求。其零售概念商店包括 Poh Kong, Diamond & Gold, Poh Kong Gallery, Diamond Boutique, Jade Gallery, Tranz Boutique 和 Oro Bianco 白金珠宝。

## 企业社会责任(CSR)

宝光集团坚守履行企业社会责任(CSR)的原则和做法，这已成为本公司履行取之社会，用之社会目标的文化。本集团认同一项放诸四海皆准的信念，即每一家机构都有责任守护其雇员，市场，社区和环境。

宝光在今年庆祝 35 周年纪念时通过为其雇员，顾客举办各项活动以履行其企业公民义务，并根据企业社会责任和商业永续性原则而关怀社会。

本集团的各种企业社会责任活动已列于本年度报告的第 42 至 46 页。

## 未来展望

在目前，世界经济在来年受到美国和一些欧元区国家债台高筑危机影

响的程度尚未明朗化。然而，全球经济预料将随着经济改革而改善。

董事会对正面的表现感到乐观，预料马来西亚经济

可在 2011 年取得大约 5% 全年成长率，这可归功于强劲的国内需求和在政府的经济转型计划下落实的一些关键倡议。

宝光的主要营业额是来自黄金，其余则来自宝石。黄金需求量预料将长期保持坚挺，这是基于它的内在价值和在嫁娶寿筵上馈赠金饰珠宝的传统亚洲文化。

宝光预测零售营业额将保持强劲，因为佳节消费季节来临，而顾客将购买黄金珠宝，金块和金片以应对通货膨胀和全球货币风险。

至今，本公司在全国各地总共拥有 99 家零售分店，并将积极探讨可行的商业机会以扩大和提升市场份额。宝光是业界领袖和将继续巩固它作为最具规模珠宝零售连锁店的市场地位。

展望未来，宝光将运用发售 ICP/IMTN 计划所得以扩充其业务如下：

- 运用不超过 RM1 亿以融资整个集团的重组计划，包括重新融资宝光集团现有的借贷和重组成本；以及
- 运用不超过 RM5 千万以融资宝光集团的资本开销，包括开设新分行和采购制造配备。

若无出现不可预见的情况，董事会预测本集团可在 2012 财政年取得正面表现。



# 主席报告

## 每股收益

截至 2011 年 7 月 31 日之财政年的基本每股收益是 10.04 分(2010 年: 7.92 分)。

## 股息

董事会建议在截至 2011 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股息 (2010 年: 每一 RM0.50 普通股 1.40 分的单层次首期和终期股息)。

此建议股息须在 2012 年 1 月 10 日举行的第 9 届年度大会上获得股东通过。

## 鸣谢

我谨代表董事会感激诸位董事会成员在本年内不吝赐教和给予支持。对于管理层和员工们, 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, 尊贵的顾客, 来往商家, 政府当局, 银行, 融资机构和供应商一直以来对本集团具有信心和给予支持。

拿督钟义翔  
执行主席兼集团董事经理

2011 年 12 月 19 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.

## 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.

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 Meetings

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 2011 and details of attendance are as below:



# STATEMENT ON CORPORATE GOVERNANCE

	Total number of Meetings held	Meetings attended by Director
<b>Executive Directors</b>		
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
<b>Independent Non-Executive Directors</b>		
Dr Choong Tuck Yew	5	5
Encik Fazrin Azwar Bin Md Nor	5	4
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

- "Going World Class with the New Chapter of Marketing," conducted by Philip Kotler Center for ASEAN Marketing and Markplus Inc.

### Dr Choong Tuck Yew

- "18th Annual Convention," hosted by Toastmasters International District 51 in Penang.
- "Anti-Money Laundering," briefing organized by OSK Investment Bank Bhd.
- "Mid Term Board Meeting," of the World Association of Detectives in Lochau, Austria.
- "Insurance Insights Programme," conducted by Financial Institutions Directors' Education Programme (FIDE).
- "2nd CEO Conference," organized by OSK Investment Bank Bhd.
- "70th Institute of Internal Auditors (IAA) International Conference 2011," hosted by IAA Malaysia.
- "Audit Committee Forum," organized by IAA Malaysia.
- "Nomination and Remuneration Committee Programme," conducted by FIDE.
- "Board Risk Management Committee Programme," conducted by FIDE.
- "86th Annual Conference of the World Association of Detectives," in Hong Kong.
- "IT Governance and Risk Management Programme," conducted by FIDE.

### Encik Fazrin Azwar Bin Md Nor

- "Effective Defense and International Law: Opportunities and Challenges," training seminar-organized by the BAR Council.
- "Policies, Incentives and Investment Opportunities in the Manufacturing and Services Sectors in Malaysia," seminar jointly organized by MIDA and the BAR Council.
- "Green Technology Financing Programme," organized by Malaysia Debt Ventures Berhad.
- Talk by John H Stout on "The Board's Responsibility for Corporate Culture – Selected Governance Concerns and Tools for Addressing Corporate Culture and Board Performance," organized by Bursa Malaysia.
- "Sweden Malaysia Innovation Days – Innovation Forum," organized by Embassy of Sweden, in



cooperation with the Special Innovation Unit of the Prime Minister's Office.

- "The CFO and Conflicts of Interest," a talk by Rick Payne, organized by ICAEW and Bursa Malaysia.
- "Bridging a Gap in Developing CSR Capacity," a talk by Richard Welford, Chairman CSR Asia, organized by CSR Asia and Bursa Malaysia.
- Talk by H.E. Shaukat Aziz, former Prime Minister of Pakistan, in the "Sime Darby Lecture Series," hosted by Sime Darby.
- "2nd International Greentech & Eco Products Exhibition & Conference Malaysia," organized by Malaysian Green Technology Corporation.
- "Independent Directors are a Myth," an Oxford Union CG Style Debate, hosted by Securities Commission-Bursa Malaysia Corporate Governance Week.
- Would it have made any difference –Cause and Effect in Commercial Law," at the 25th Sultan Azlan Shah Lecture.
- "Risk Management and Internal Controls – Are the Boards aware what they are up against?" hosted by Securities Commission-Bursa Malaysia Corporate Governance Week.

#### **Datin Shirley Yue Shou How**

- "Assessing Risks and Control Environment," conducted by Bursa Malaysia.
- "2011 Performance, Governance, Risks and Compliance Summit," conducted by Tricor Roots Consulting.
- "Half-Day Governance Programme on Risks and Control Environment," conducted by Bursa Malaysia.

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.

Madam Choon Yoke Ying and Madam Choon Wan Joo will retire in accordance with the Article 80 of the Company's Articles of Association and not seeking 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.

The Remuneration Committee met once during the financial year ended 31 July 2011.

The details of the remuneration for Directors of the Company during the financial year ended 31 July 2011 are as follows:

Aggregate Remuneration Categorization	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Fees	248	108
Non-Fees	28	62
Salaries	5,851	-
Bonuses	930	-
Benefits-in-kind	152	-
<b>Total</b>	<b>7,209</b>	<b>170</b>

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	-	1
RM50,001 to RM100,000	-	2
RM850,001 to RM900,000	1	-
RM1,000,001 to RM1,050,000	1	-
RM1,200,001 to RM1,250,000	1	-
RM1,250,001 to RM1,300,000	1	-
RM2,800,001 to RM2,850,000	1	-

## 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



# 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.

Shareholders and members of the public can also obtain information on the annual and quarterly reports and the announcements made by accessing Bursa Securities' and the Company's website. Poh Kong is a member of the Malaysian Investor Relations Association (MIRA). The Company's Investors Relations web portal is available at [www.pohkong.listedcompany.com](http://www.pohkong.listedcompany.com).

## 4. ACCOUNTABILITY AND AUDIT

### 4.1 Financial Reporting

In reviewing all the published annual and quarterly financial statements during the financial year ended 31 July 2011, 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 54 of this Annual Report.

### 4.2 Internal Control

The Statement on Internal Control furnished on pages 51 to 52 of this Annual Report provides an overview of the state of internal control within the Group.

### 4.3 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 2011 was RM5,000 for meeting attendance allowances.

The role of the Audit Committee in relation to the External Auditors is set out on pages 47 to 49 of this Annual Report.

This statement was made in accordance with a resolution of the Board dated 24 November 2011.



# CORPORATE SOCIAL RESPONSIBILITY

Poh Kong Group's CSR initiatives are in line with Bursa Malaysia's framework centered towards the workplace, marketplace, community and environment. As a socially responsible company, our corporate citizenship is integrated into a sustainable business model that goes beyond shareholders interests, for the betterment of society. Our CSR programme embraces responsibility for the Company's actions and encourages a positive impact through its activities by its employees, caring for consumers, giving back to the under privileged through societal welfare work and environmental protection.

The Group aligns its corporate activities to social causes with the various target publics as we endeavor to create a more caring community and make a significant difference in the lives of many in society. In this respect, Poh Kong recognizes its CSR is to foster mutually beneficial relationships with our stakeholders and society through active participation and help improve the living standards of the surrounding communities.

## THE WORKPLACE

### Volunteers' Day



Poh Kong employees visited Rumah Orang Tua Kampung Baru, Sungei Way and House of Victory in Jalan Klang Lama.

The Group encourages employees to participate in social activities outside the Company's workplace. Poh Kong was proud that some of its employees volunteered to visit two old folks homes "House of Victory" in Jalan Klang Lama, KL and Old Folks Home in Sungei Way, PJ in April.

About 40 employees brought cheer and smiles to the lives of the elderly in both homes in helping to clean up their premises, bringing food and cookies, watching them enjoy their meals and in a spirit of giving, also made some monetary contributions.

### 35th Anniversary Staff Appreciation Dinner



Dato' Eddie Choon, PKHB's Executive Chairman & Group Managing Director, in his opening speech at the 35 Anniversary Staff Appreciation Dinner in One World Hotel.



Poh Kong Directors jointly cut the giant cake to celebrate the 35th Anniversary in Eastin Hotel

# CORPORATE SOCIAL RESPONSIBILITY



Top three winners of the "So You Think You Can Sing" Karaoke Competition with Directors of Poh Kong at the Eastin Hotel.



Karaoke contest winners : "Champion of the Champions" Chia Wai Khoon (third from left) received a Samsung Galaxy Tab prize from Dato' Eddie Choon. Other contestants were (from left) Harris Faril Daley and Dennis Ooi Aun Keng at One World Hotel, 1 Utama.



Employees toasted to Poh Kong.

Poh Kong celebrated its 35th Anniversary with grand dinners held at Sunway Resort Hotel & Spa, Bandar Sunway, One World Hotel, 1 Utama, and the Eastin Hotel, Petaling Jaya to accommodate all its staff in October.

About 1,200 employees from corporate headoffices, manufacturing plant and branches nationwide met on different dates and venues to enjoy a truly remarkable evening of camaraderie and fellowship with good food, drink, and entertainment.

The special dinners were made merrier with songs and dances by guest artistes, and loads of prizes won in lucky draws, karaoke singing competition and best dressed couples contest according to the various colourful themes.

Poh Kong's Directors, jewellery suppliers and invited guests also attended the fun-filled function which ended on a high note as employees left with goodie bags and prizes.

## Self-Development Seminars



The "Grooming & Customer Service Seminar" with employee participants.

Poh Kong took the opportunity to sponsor "Grooming and Customer Service Seminars" for its employees prior to the 35th Anniversary Staff Appreciation dinners in Sunway Resort Hotel & Spa and Eastin Hotel in October.

The knowledge based practical training seminars were conducted for retail sales consultants to instill more awareness of the soft skills and techniques to improve their competencies in creating customer satisfaction. The seminars also allowed greater interaction and networking and sharing of best practices in the industry.

Course contents included beauty and fitness tips, fashion sense and image, personal hygiene, listening and face-to-face communication skills, body language and teams building.

# CORPORATE SOCIAL RESPONSIBILITY

## External Training Course



“Basic Diamond Grading & Jewellery Sales” courses that were organized for employees by an external consultant.

In 2011, Poh Kong commissioned a specialist consultant from China to conduct a series of “Basic Diamond Grading & Jewellery Sales” courses as training for retail sales and service consultants in May. The training resulted in employees refreshed with ideas and energised with motivation from an effective speaker and trainer.

Mr Yao Yuan, Chief Representative of the International Gemological Institute Ltd (I.G.I.) from Shanghai held a three-day intensive course each comprising of six employee sessions at the Company’s headoffices.

Sixty five employees benefited from the basic course which covered the fundamentals and characteristics of diamonds, identification and grading of diamonds, care and maintenance of diamonds. The course also included practical work and sales of diamonds, such as Angel Diamonds from Belgium, Luca Carati from Italy, and Cocoro from Japan.

## THE MARKETPLACE

Poh Kong continues with its efforts to serve its customers through a nation wide retail network of branches to reach the mass market and to provide convenience and accessibility. The majority of Poh Kong’s outlets are located in shopping malls to provide customers a conducive environment and enhance their shopping experience.

The Group’s professional retail sales consultants have built valued and trusted business partnership with customers, and are a class above others in the jewellery business. Through our speciality brands and retail concept stores, we offer the highest premium quality products in contemporary lifestyle jewellery.

Customer service consultants are trained to provide exemplary customer service standards and satisfaction for even the most discerning customer. The Company has flexible customer payment schemes, such as easy installment plans for qualified customers and other financing schemes.

## THE COMMUNITY

Poh Kong practices good corporate citizenship and believes in giving back to the community . We make donations to many charitable bodies and contribute to many deserving organisations, impoverished welfare homes and communities in conjunction with our 35th Anniversary.

The Group’s CSR channeled financial aid and support, either in cash or kind to a variety of old folks homes, societies, associations, NGO’s and foundations this year.

# CORPORATE SOCIAL RESPONSIBILITY



## Towards Welfare, Health, Children & Women's Shelter

- Donation to the National Council of Unions of Government Employees in Malaysia (Majlis Kebangsaan Kesatuan Pekerja-Perkerja Kerajaan Malaysia);
- Donation in support of The National Cancer Society Malaysia;
- Donation to Women's Aid Organisation;
- Donation to a home for children, old folks and women's welfare (Persatuan Kebajikan Ti-Ratana);
- Donation to Kiwanis Kidney Dialysis & Stroke Foundation in conjunction with their Mother's Day Dinner fund raising;
- Donation to Kechara Kitchen Society for the homeless;

## Towards Arts & Culture

- Donation to Artisan Centre & Gallery in Kuala Lumpur (Pusat Seni & Galeri);

## Towards Charity Golf Events



Cheque donations that were presented to four charities in Ampang, Kajang, Ipoh and Kelantan after the Poh Kong-MALGA Charity Golf at the Glenmarie Golf & Country Club.

- Donation to the National Stroke Association of Malaysia (Nasam) for the Nasam Ampang Charity Golf fundraising event;
- Donation to Kajang Home Care Association (Persatuan Rumah Caring Kajang, Selangor) in conjunction with Poh Kong-MALGA Charity Golf;
- Donation to the Training Foundation for Special Needs in Ipoh, a privately funded shelter (Yayasan Latihan Insan Istimewa) in conjunction with Poh Kong- MALGA Charity Golf ;
- Donation to Home for the Elderly in Ampang, Kuala Lumpur (Ampang Rumah Orang-Orang Tua), the welfare arm of Jade Leaves Welfare and Cultural Association of Selangor and Kuala Lumpur, in conjunction with Poh Kong -MALGA Charity Golf ;

# CORPORATE SOCIAL RESPONSIBILITY

- Donation to Kelantan Foundation for Disabled Persons (Yayasan Orang Kurang Upaya Kelantan) in conjunction with Poh Kong- MALGA Charity Golf;

## Towards Association Funds Raising

- Contribution to Girls Guide Association of Perlis (Persatuan Pandu Putri Perlis) in conjunction with their gala funds raising dinner;
- Contribution to The Kuala Lumpur and Selangor Chinese Assembly Hall's children education fund;
- Contribution to Royal Commonwealth Society Malaysia Scholarship Foundation in conjunction with their funds raising dinner;
- Contribution to the Malaysian Retailer-Chains Association (MRCA);
- Contribution to Yik Seng Amateur Musical Society's 50th Anniversary Celebrations Concert and Charity Dinner;
- Contribution to the Association of Women in Business FEM (Persatuan Pertubuhan Wanita Dalam Perniagaan FEM);

## Towards Humanitarian and Charity Causes

- Contribution to Malaysia AEON Foundation for a major fund raising activity where proceeds were channeled as relief funds for Japan's earthquake and tsunami victims and survivors;
- Contribution to Malaysia AEON Foundation for the Malaysian Batik Charity Gala Dinner 2011 to raise funds for needy Malaysian children and disadvantaged youths;

## THE ENVIRONMENT

### Green Awareness

In contributing to the environment, Poh Kong believes in green awareness activities and eco-friendly measures that reduces the carbon footprint generated by the organization's infrastructure and working towards reducing wastage.

### Energy Conservation

Through the combined effort and dedication of each employee, environment-friendly lifestyles that promote green technology are practised. This include using light-emitting diode bulbs (LEDs) for energy saving lighting, the automatic shutdown of desktop computers while not in use, maintaining air-conditioning at comfortable, but lower temperatures, switching off non-essential lights and equipment, and the recycling of materials have all reduced costs savings.

### On a Green Quest

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.

Poh Kong believes in minimum wastage and is working towards a zero waste discharge policy in the jewellery manufacturing process. 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.

The Company's aim is to provide and maintain a clean environment for sustainable development for current and future generations. It strives to fulfill the social, environmental and ethical obligation which is vital in global environmental sustainability.



# 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

- fulfills such other requirement as prescribed by the Bursa Securities.

### 1.3 Meeting 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 Executive Board members present 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.

### 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 necessary in the discharge of 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;

# REPORT OF THE AUDIT COMMITTEE

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
- take cognisance of resignations of Internal Audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

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 interests situation that may arise within the Group including any transactions, procedure or course of conduct that raises questions of management 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 two 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 2011 amounted to RM307,242. The function is performed with impartiality, proficiency and due professional care.

The Internal Audit Department reports directly to the Audit Committee Chairman, 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 2011/2012.
- 3.7 Meetings with the External Auditors without the presence of the Executive Directors and the Management.

During the financial year ended 31 July 2011, 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	4/5
Datin Shirley Yue Shou How	5/5

This Report was made in accordance with a resolution of the Board dated 24 November 2011.





VALUE | PREFERENCE | PROFIT | WORTH | RETURN-ON-INVESTMENT |

# STATEMENT ON INTERNAL CONTROL



## 1. INTRODUCTION

The Board of Directors ("Board") is pleased to comment on the Statement of Internal Control of the Group for the year ended 31 July 2011 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 2011/2012. 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 24 November 2011.



# 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, Warrant or Convertible Securities

There were no options, warrant 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 2011, 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 dated 24 November 2011.







CHOICE | DESIGN | PRICE | LOCATION | CONVENIENCE |

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# DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and the Company for the financial year ended 31 July 2011.

## 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 10 to the financial statements.

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

## RESULTS

	GROUP RM	COMPANY RM
Profit for the year	41,204,606	10,940,114
Attributable to :-		
Equity holders of the Company	41,204,606	10,940,114

## DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final dividend of 1-40 sen single tier dividend amounting to RM5,744,925 in respect of financial year ended 31 July 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 2011 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 2012.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## 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  
 DR. CHOONG TUCK YEW  
 FAZRIN AZWAR BIN MD. NOR  
 DATIN YUE SHOU HOW, SHIRLEY

In accordance with Articles 80 of the Company's Articles of Association, CHOON YOKE YING and CHOON WAN JOO retire from the Board by rotation at the forthcoming annual general meeting and do not seek 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 / 2010	Bought	Sold	At 31 / 7 / 2011
<b>COMPANY</b>				
<b><u>DIRECT INTEREST</u></b>				
DATO' CHOON YEE SEIONG	9,228,746	-	-	9,228,746
CHEONG TECK CHONG	2,273,928	-	-	2,273,928
CHOON NEE SIEW	4,706,742	-	-	4,706,742
CHOON YOKE YING	1,395,072	-	-	1,395,072
CHOON WAN JOO	2,320,080	-	-	2,320,080
FAZRIN AZWAR BIN MD. NOR	35,000	-	-	35,000
DR. CHOONG TUCK YEW	217,500	-	-	217,500

		.....Number of ordinary shares of RM0-50 each.....			
		At 1 / 8 / 2010	Bought	Sold	At 31 / 7 / 2011
<b>COMPANY</b>					
<b><u>INDIRECT INTEREST</u></b>					
DATO' CHOON YEE SEIONG	(i)	250,181,128	-	(663,600)	249,517,528
CHEONG TECK CHONG	(i)	239,789,648	-	-	239,789,648
CHOON NEE SIEW	(ii)	252,918,172	-	(663,600)	252,254,572
CHOON YOKE YING	(ii)	256,750,098	-	(663,600)	256,086,498
CHOON WAN JOO	(ii)	255,856,202	-	(663,600)	255,192,602
DR. CHOONG TUCK YEW	(iii)	155,000	-	-	155,000

# DIRECTORS' REPORT

## DIRECTORS' INTERESTS (CONT'D)

	.....Number of ordinary shares of RM1-00 each.....			
	At 1 / 8 / 2010	Bought	Sold	At 31 / 7 / 2011
<b>ULTIMATE HOLDING COMPANY</b>				
<b>DIRECT INTEREST</b>				
<b>POH KONG SDN BHD</b>				
DATO' CHOON YEE SEIONG	41,939,984	-	-	41,939,984
CHEONG TECK CHONG	22,963,625	-	-	22,963,625
CHOON NEE SIEW	19,338,967	-	-	19,338,967
CHOON YOKE YING	4,720,196	-	-	4,720,196
CHOON WAN JOO	6,432,087	112,000	-	6,544,087

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

By virtue of their interests in the shares of the Ultimate Holding Company, the Directors are deemed interested in the shares of the Company and its related corporations to the extent the Ultimate Holding Company has an interest.

## 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 33 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, except as shown in Note 37 to the financial statements.

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

- a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps :-
  - i) 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 had been written-off and adequate allowance had been made for doubtful debts; and
  - ii) 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)

- b) At the date of this report, the Directors are not aware of any circumstances which would render :-
  - i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - ii) the values attributed to the current assets in the financial statements of the Group and for the Company misleading.
- c) 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.
- d) 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 financial statements misleading.
- e) At the date of this report, there does not exist :-
  - i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- f) In the opinion of the Directors :-
  - i) 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 its obligations when they fall due;
  - ii) 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
  - iii) 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.

## SIGNIFICANT EVENT

The significant event is disclosed in Note 42 to the financial statements.

## SUBSEQUENT EVENT

The subsequent event is disclosed in Note 43 to the financial statements.

# DIRECTORS' REPORT

## AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 24 November 2011.

**DATO' CHOON YEE SEIONG**

Petaling Jaya

Dated : 24 November 2011

**CHEONG TECK CHONG**

# STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169 (15) OF THE COMPANIES ACT, 1965

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 65 to 126 are drawn up in accordance with the Companies Act, 1965 and 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 2011 and of its financial performance and cash flows for the year then ended.

The supplementary information set out in Note 44 to the financial statements have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 24 November 2011.

**DATO' CHOON YEE SEIONG**

**CHEONG TECK CHONG**

Petaling Jaya

Dated : 24 November 2011

# STATUTORY DECLARATION

PURSUANT TO SECTION 169 (16) OF THE COMPANIES ACT, 1965

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 65 to 126 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 24 November 2011 )

**KOH SZE HAW**

Before me

**SELVARAJAH A/L SIVALINGAM (No. B103)**

Commissioner 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 statements of financial position as at 31 July 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 65 to 126.

### Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### 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 about 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 judgement, 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 entity's preparation of financial statements that give a true and fair view 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 entity'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 2011 and of its 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; and
- 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 REPORTING RESPONSIBILITIES

The supplementary information set out in Note 44 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listings Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

## 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 : 29 November 2011

### ESTHER TAN CHOON HWA

No : 1023 / 03 / 12 (J)

Chartered Accountant

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2011

	Note	2011 RM	2010 RM (restated)	As at 1 / 8 / 2009 RM (restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	88,613,953	87,873,793	86,654,871
Prepaid land lease payments	5	-	-	-
Investment property	6	240,000	240,000	240,000
Other investments	7	527,999	532,999	532,999
Goodwill on consolidation	8	1,485,140	1,485,140	1,485,140
Deferred tax assets	9	678,715	122,209	53,524
		91,545,807	90,254,141	88,966,534
<b>Current assets</b>				
Inventories	11	443,668,132	383,614,269	356,726,857
Trade receivables	12	1,498,621	1,136,450	1,216,978
Other receivables, deposits and prepayments	13	9,831,680	10,389,283	15,427,938
Tax assets	14	5,616,498	4,614,286	4,111,266
Fixed deposits with licensed banks	15	5,092,709	4,999,897	4,927,036
Cash and bank balances		19,155,534	14,633,352	18,732,663
		484,863,174	419,387,537	401,142,738
<b>TOTAL ASSETS</b>		<b>576,408,981</b>	<b>509,641,678</b>	<b>490,109,272</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	17	205,175,876	205,175,876	205,175,876
Reserves	18	140,820,977	105,361,296	82,079,660
<b>Total equity</b>		<b>345,996,853</b>	<b>310,537,172</b>	<b>287,255,536</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2011

	Note	2011 RM	2010 RM (restated)	As at 1 / 8 / 2009 RM (restated)
<b>Non-current liabilities</b>				
Advance from Ultimate Holding Company	19	-	15,000,000	15,000,000
Borrowings	20	24,974,331	58,025,231	42,252,479
Deferred tax liabilities	21	7,070,159	5,963,189	5,638,065
		32,044,490	78,988,420	62,890,544
<b>Current liabilities</b>				
Trade payables	22	28,674,879	19,995,873	16,180,487
Other payables and accruals	23	22,299,637	16,420,327	13,209,281
Advance from Ultimate Holding Company	19	15,000,000	-	-
Borrowings	20	125,522,617	77,600,674	103,970,927
Amounts due to Directors	24	2,817,474	2,034,588	2,250,724
Provision for taxation		4,053,031	4,064,624	4,351,773
		198,367,638	120,116,086	139,963,192
<b>Total liabilities</b>		230,412,128	199,104,506	202,853,736
<b>TOTAL EQUITY AND LIABILITIES</b>		576,408,981	509,641,678	490,109,272

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2011

	Note	2011 RM	2010 RM
Revenue	25	692,418,929	561,243,734
Cost of sales		(487,653,434)	(389,023,737)
Gross profit		204,765,495	172,219,997
Other operating income		1,599,595	1,893,668
		206,365,090	174,113,665
Selling and distribution expenses		(71,912,622)	(60,620,258)
		134,452,468	113,493,407
Administrative expenses		(66,920,344)	(58,608,999)
Profit from operations	26	67,532,124	54,884,408
Finance costs	27	(9,860,142)	(10,085,797)
Profit before taxation		57,671,982	44,798,611
Tax expense	28	(16,467,376)	(12,281,714)
Profit after taxation, representing total comprehensive income for the year		41,204,606	32,516,897
Earnings per share attributable to equity holders of the Company (sen) :-			
Basic earnings per share	29	10-04	7-92
Proposed net dividends per share (sen)		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 2011

	Note	Attributable to equity holders of the Company			Total RM	Non-controlling interests RM	Total equity RM
		Share capital RM	Non-distributable Capital reserve RM	Distributable Retained earnings RM			
At 1 August 2010		205,175,876	4,220,866	101,140,430	310,537,172	-	310,537,172
Total comprehensive income for the year		-	-	41,204,606	41,204,606	-	41,204,606
Dividends on ordinary shares	30	205,175,876 -	4,220,866 -	142,345,036 (5,744,925)	351,741,778 (5,744,925)	- -	351,741,778 (5,744,925)
At 31 July 2011		205,175,876	4,220,866	136,600,111	345,996,853	-	345,996,853
At 1 August 2009		205,175,876	4,220,866	74,368,458	283,765,200	3,490,336	287,255,536
Total comprehensive income for the year		-	-	32,516,897	32,516,897	-	32,516,897
Disposal of Subsidiary Company		-	-	-	-	(3,490,336)	(3,490,336)
Dividends on ordinary shares	30	205,175,876 -	4,220,866 -	106,885,355 (5,744,925)	316,282,097 (5,744,925)	- -	316,282,097 (5,744,925)
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 STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2011

Note	2011 RM	2010 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	57,671,982	44,798,611
Adjustments for :-		
Allowance for impairment on receivables	47,495	68,035
Bad debts written off	-	95,600
Deposits written off	41,978	-
Depreciation of property, plant and equipment	8,867,091	8,530,679
Dividend income	(316,895)	-
Gain on disposal of property, plant and equipment	(781,083)	(230,331)
Impairment loss on property, plant and equipment	427,951	-
Impairment loss on transferable contribution rights	5,000	-
Interest expenses	9,860,142	10,085,797
Interest income	(134,047)	(126,487)
Inventories loss	143,169	568,774
Loss on disposal of property, plant and equipment	483	10,969
Loss on disposal of Subsidiary Company	-	313,452
Property, plant and equipment written off	1,135,155	771,389
Reversal of allowance for impairment on receivables	(4,040)	(279,175)
Short-term accumulating compensated absences	116,124	24,437
Operating profit before working capital changes	77,080,505	64,631,750
Increase in inventories	(60,197,032)	(27,456,186)
Decrease / (Increase) in receivables	109,999	(431,457)
Increase in payables	14,442,192	7,004,295
Increase / (Decrease) in amounts due to Directors	782,886	(1,613,139)
	(44,861,955)	(22,496,487)
Cash generated from operations	32,218,550	42,135,263
Income tax refunded	572,859	271,858
Income tax paid	(17,503,576)	(13,116,497)
Net cash generated from operating activities carried forward	15,287,833	29,290,624

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2011

	Note	2011 RM	2010 RM
Net cash generated from operating activities brought forward		15,287,833	29,290,624
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash inflows on disposal of Subsidiary Company	31	-	3,286,290
Dividend received		316,895	-
Proceeds from disposal of property, plant and equipment		866,869	495,814
Purchase of property, plant and equipment	4	(6,552,975)	(7,887,436)
Interest received		134,047	126,487
Fixed deposits pledged		(92,812)	(72,217)
Net cash used in investing activities		(5,327,976)	(4,051,062)
		9,959,857	25,239,562
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net bank borrowings raised / (repaid)		17,300,272	(36,903,000)
Net term loans (repaid) / raised		(3,615,128)	18,172,022
Net finance lease raised		373,835	2,109,385
Repayments of finance lease payables		(3,546,512)	(5,807,600)
Repayments of hire purchase payables		(1,825,971)	(1,916,814)
Interest paid		(9,860,142)	(10,085,797)
Dividend paid		(5,744,925)	(5,744,925)
Net cash used in financing activities		(6,918,571)	(40,176,729)
Net increase / (decrease) in cash and cash equivalents		3,041,286	(14,937,167)
Cash and cash equivalents brought forward		346,785	15,283,952
Cash and cash equivalents carried forward	32	3,388,071	346,785

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



# STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2011

	Note	2011 RM	2010 RM (restated)	As at 1 / 8 / 2009 RM (restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	1,792,748	1,259,320	1,176,386
Deferred tax assets	9	678,715	122,209	53,524
Investments in Subsidiary Companies	10	156,773,424	156,773,424	156,773,424
		159,244,887	158,154,953	158,003,334
<b>Current assets</b>				
Trade receivables	12	4,608,384	4,104,617	4,317,724
Other receivables, deposits and prepayments	13	247,612	262,764	381,198
Tax assets	14	4,492,855	3,893,914	2,602,564
Amount due by Subsidiary Companies	16	139,597,152	117,861,963	147,000,261
Dividend receivable		15,938,000	12,693,000	9,380,000
Cash and bank balances		823,177	847,506	9,405,576
		165,707,180	139,663,764	173,087,323
<b>TOTAL ASSETS</b>		<b>324,952,067</b>	<b>297,818,717</b>	<b>331,090,657</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	17	205,175,876	205,175,876	205,175,876
Reserves	18	21,322,340	16,127,151	13,748,658
<b>Total equity</b>		<b>226,498,216</b>	<b>221,303,027</b>	<b>218,924,534</b>
<b>Non-current liabilities</b>				
Advance from Ultimate Holding Company	19	-	15,000,000	15,000,000
Borrowings	20	13,164,283	46,173,197	30,474,053
		13,164,283	61,173,197	45,474,053
<b>Current liabilities</b>				
Other payables and accruals	23	6,681,772	4,947,270	3,044,933
Amounts due to Directors	24	1,007,609	882,880	885,594
Advance from Ultimate Holding Company	19	15,000,000	-	-
Borrowings	20	52,019,644	2,112,735	60,596,890
Amounts due to Subsidiary Companies	16	10,580,543	7,399,608	2,164,653
		85,289,568	15,342,493	66,692,070
<b>Total liabilities</b>		<b>98,453,851</b>	<b>76,515,690</b>	<b>112,166,123</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>324,952,067</b>	<b>297,818,717</b>	<b>331,090,657</b>

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

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2011

	Note	2011 RM	2010 RM
Revenue	25	34,360,885	28,382,079
Other operating income		55,577	16,913
		34,416,462	28,398,992
Administrative expenses		(15,362,663)	(12,012,725)
Profit from operations	26	19,053,799	16,386,267
Finance costs	27	(5,553,611)	(6,213,898)
Profit before taxation		13,500,188	10,172,369
Tax expense	28	(2,560,074)	(2,048,951)
Profit after taxation, representing total comprehensive income for the year		10,940,114	8,123,418
Proposed net dividends per share (sen)		1-40	1-40

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2011

	Note	Share capital RM	Distributable retained earnings RM	Total equity RM
At 1 August 2010		205,175,876	16,127,151	221,303,027
Total comprehensive income for the year		-	10,940,114	10,940,114
Dividends on ordinary shares	30	205,175,876 -	27,067,265 (5,744,925)	232,243,141 (5,744,925)
At 31 July 2011		205,175,876	21,322,340	226,498,216
At 1 August 2009		205,175,876	13,748,658	218,924,534
Total comprehensive income for the year		-	8,123,418	8,123,418
Dividends on ordinary shares	30	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.

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2011

	Note	2011 RM	2010 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		13,500,188	10,172,369
Adjustments for :-			
Depreciation of property, plant and equipment		473,070	330,044
Dividend income		(20,026,926)	(16,130,986)
Gain on disposal of property, plant and equipment		(15,466)	-
Interest expenses		5,553,611	6,213,898
Interest income		(4,025,193)	(3,916,925)
Short-term accumulating compensated absences		(7,838)	36,333
Operating loss before working capital changes		(4,548,554)	(3,295,267)
(Increase) / Decrease in receivables		(488,615)	331,541
Increase in payables		1,742,340	1,866,004
Increase / (Decrease) in amounts due to Directors		124,729	(2,714)
		1,378,454	2,194,831
Cash used in operations		(3,170,100)	(1,100,436)
Income tax refunded		395,405	67,336
Income tax paid		(22,000)	(38,336)
Net cash used in operating activities		(2,796,695)	(1,071,436)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		4,025,193	3,916,925
Dividend received		12,693,000	9,380,000
Proceeds from disposal of property, plant and equipment		35,000	-
Purchase of property, plant and equipment	4	(591,632)	(318,978)
Net cash generated from investing activities		16,161,561	12,977,947
Balance carried forward		13,364,866	11,906,511

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2011

	Note	2011 RM	2010 RM
Balance brought forward		13,364,866	11,906,511
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net bank borrowings raised / (repaid)		20,000,000	(60,000,000)
Net finance lease raised		-	121,500
Net term loans (repaid) / raised		(2,857,151)	17,619,040
Repayments of finance lease payables		(579,228)	(555,063)
Repayments of hire purchase payables		(100,026)	(64,488)
Interest paid		(5,553,611)	(6,213,898)
Dividend paid		(5,744,925)	(5,744,925)
(Increase) / Decrease in amounts due by Subsidiary Companies		(21,735,189)	29,138,298
Increase in amounts due to Subsidiary Companies		3,180,935	5,234,955
Net cash used in financing activities		(13,389,195)	(20,464,581)
Net decrease in cash and cash equivalents		(24,329)	(8,558,070)
Cash and cash equivalents brought forward		847,506	9,405,576
Cash and cash equivalents carried forward	32	823,177	847,506

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

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 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 (“Bursa Malaysia”).

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 Company is principally engaged as investment holding and the provision of management services. The principal activities of the Subsidiary Companies are set out in Note 10. There have been no significant changes in the nature of these activities during the financial year under review.

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 Group’s and 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 24 November 2011.

## 2. BASIS OF PREPARATION

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

### Changes in accounting policies

On 1 August 2010, the Group and the Company adopted the following new and revised FRSs, Amendments to FRSs, Issues Committee Interpretations (“IC Int.”), Amendments to IC Int. and Technical Releases (“TR”) which are mandatory for financial period beginning on or after 1 January 2010, 1 March 2010 and 1 July 2010 respectively :-

FRS 1	First-time Adoption of Financial Reporting Standards (Revised 2010)
FRS 3	Business Combinations (Revised 2010)
FRS 4	Insurance Contract
FRS 7	Financial Instruments : Disclosures
FRS 101	Presentation of Financial Statement (Revised)
FRS 123	Borrowings Costs
FRS 127	Consolidated and Separate Financial Statements (Revised 2010)
FRS 139	Financial Instruments : Recognition and Measurement
IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 11	FRS 2 - Group and Treasury Share Transactions
IC Int. 12	Service Concession Arrangements
IC Int. 13	Customer Loyalty Programmes
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Int. 15	Agreements for the Construction of Real Estate
IC Int. 16	Hedges of a Net Investment in a Foreign Operation
IC Int. 17	Distributions of Non-cash Assets to Owners

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2 Share-based Payment - Vesting Conditions and Cancellations

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

Amendments to FRS 132 Financial Instruments : Presentation

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 2. BASIS OF PREPARATION (CONT'D)

### Changes in accounting policies (cont'd)

On 1 August 2010, the Group and the Company adopted the following new and revised FRSs, Amendments to FRSs, Issues Committee Interpretations ("IC Int."), Amendments to IC Int. and Technical Releases ("TR") which are mandatory for financial period beginning on or after 1 January 2010, 1 March 2010 and 1 July 2010 respectively :- (cont'd)

Amendments to FRS 138 Intangible Assets

Amendments to FRS 139 Financial Instruments : Recognition and Measurement, FRS 7 Financial Instruments : Disclosures and IC Int. 9 Reassessment of Embedded Derivatives

Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"

Amendments to IC Int. 9 Reassessment of Embedded Derivatives

TR i-3 Presentations of Financial Statements of Islamic Financial Institutions

The adoption of the above new and revised FRSs, Amendments to FRSs, IC Int., Amendments to IC Int. and TR did not have any effect on the financial performance and position of the Group and the Company except for those discussed below :-

### FRS 7 Financial Instruments : Disclosures

Prior to 1 August 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments : Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosures of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Company's financial statements for the year ended 31 July 2011.

### FRS 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information, are shown in Note 38.

### FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 requires owner and non-owner changes in equity to be presented separately. The Statement of Changes in Equity will include only details of transactions with owners, with all non-owners' changes in equity presented as a single line item. In addition, the revised standard introduces the Statement of Comprehensive Income. It represents all items of income and expense recognised in income statement, together with all items of income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Company has elected to present this statement as one single statement. New terminologies have replaced 'balance sheet' by Statement of Financial Position and 'cash flows statement' by Statement of Cash Flows.

In addition, the Statement of Financial Position is required at the beginning of the earliest comparative period following the change in accounting policy, the correction of an error or the classification of the item in the financial statements.

The revised FRS 101 also requires the Group and the Company to make new disclosures to enable users of the financial statements to evaluate the Company's objectives, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 2. BASIS OF PREPARATION (CONT'D)

### Changes in accounting policies (cont'd)

#### FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the reporting date reflects the designation of the financial instruments.

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss, other financial liabilities at amortised cost using the effective interest method, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

#### Interest-free loans to Subsidiary Companies

During the current and prior years, interest-free loans and advances were made between the Company and Subsidiary Companies. Prior to 1 August 2010, these loans and advances were recorded at cost in the Company's financial statements. Upon the adoption of FRS 139, the interest-free loans or advances continue to be recorded initially at cost as the Company takes these loans in a form of short-term advances and payable on demand. Therefore, the effect is considered as immaterial and fair value of the loans is equal to the amount of the advances given or received. No adjustments were made to the opening balance of retained earnings as at 1 August 2010.

#### Equity Instruments

Prior to 1 August 2010, the Group and the Company classified its investments in equity instruments which were held for non-trading purposes as non-current assets. Such investments were carried at cost less accumulated impairment. Upon the adoption of FRS 139, these investments, except for those whose fair value cannot be reliably measured, are designated at 1 August 2010 as available-for-sale financial assets and accordingly stated at their fair values as at that date. The adjustments to their previous carrying amounts are recognised as adjustments to the opening balance of retained earnings as at 1 August 2010. Investment in equity instruments whose fair value cannot be reliably measured amounting to RM299,999 for the Group and RM156,773,424 for the Company respectively at 1 August 2010 continued to be carried at cost less impairment losses.

#### Impairment of trade receivables

Prior to 1 August 2010, allowance for impairment on trade receivables was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 August 2010, the Group and the Company have remeasured the allowance for impairment in accordance with FRS 139 and the differences are immaterial.

#### Available-for-sale financial asset (Club membership)

Available-for-sale financial assets of the Group has been measured at fair value and changes in fair value are recognised directly in equity as "Fair Value Reserve" until investment is derecognised, at which time the cumulative gain or loss is removed from the Fair Value Reserve and recognised in statement of comprehensive income. In the event the investment is determined to be impaired, the cumulative loss is recognised in profit or loss and removed from Fair Value Reserve.

#### Amendments to FRSs: Improvement to FRSs (2009) – FRS 117: Leases

Prior to 1 January 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease. The amendments to FRS 117 require an entity with existing leases of land and buildings to reassess the classification of land as a finance or operating lease.



# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 2. BASIS OF PREPARATION (CONT'D)

### Changes in accounting policies (cont'd)

#### Amendments to FRSs: Improvement to FRSs (2009) – FRS 117: Leases (cont'd)

The Group has reassessed and determined that the long term leasehold land of the Group which is in substance a finance lease and has reclassified the leasehold land to property, plant and equipment. The Group has adopted the amendments to FRS 117 retrospectively. The following are the effects to the statement of financial position as at 31 July 2010 arising from the adoption of amendments to FRS 117 :-

	As previously stated RM	Effect of adopting Amendment to FRS 117 RM	As restated RM
Property, plant and equipment	79,400,931	8,472,862	87,873,793
Prepaid land lease payment	8,472,862	(8,472,862)	-
	87,873,793	-	87,873,793

Accounting standards issued but not adopted

#### Malaysian Financial Reporting Standards (“MFRS”), Improvements to MFRSs and Issues Committee Interpretations (“IC Int.”)

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) has issued a new MASB approved accounting framework, MFRS, Improvements to MFRSs and IC Int.. The MFRS Framework and IC Int. are to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012 and 2013 as follows :-

i) financial period on or after 1 January 2012

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 4	Insurance Contracts
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 6	Exploration for and Evaluation of Mineral Resources
MFRS 7	Financial Instruments: Disclosures
MFRS 8	Operating Segments
MFRS 101	Presentation of Financial Statements
	Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)
MFRS 102	Inventories
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110	Events After the Reporting Period
MFRS 111	Construction Contracts
MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment
MFRS 117	Leases
MFRS 118	Revenue
MFRS 119	Employee Benefits
MFRS 120	Accounting for Government Grants and Disclosure of Government Assistance
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 123	Borrowing Costs

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 2. BASIS OF PREPARATION (CONT'D)

Accounting standards issued but not adopted (cont'd)

### Malaysian Financial Reporting Standards ("MFRS"), Improvements to MFRSs and Issues Committee Interpretations ("IC Int.") (cont'd)

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") has issued a new MASB approved accounting framework, MFRS, Improvements to MFRSs and IC Int.. The MFRS Framework and IC Int. are to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012 and 2013 as follows :- (cont'd)

i) financial period on or after 1 January 2012 (cont'd)

MFRS 124	Related Party Disclosures
MFRS 126	Accounting and Reporting by Retirement Benefit Plans
MFRS 127	Consolidated and Separate Financial Statements
MFRS 128	Investments in Associates
MFRS 129	Financial Reporting in Hyperinflationary Economies
MFRS 131	Interests in Joint Ventures
MFRS 132	Financial Instruments: Presentation
MFRS 133	Earnings Per Share
MFRS 134	Interim Financial Reporting
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instruments: Recognition and Measurement
MFRS 140	Investment Property
MFRS 141	Agriculture

Improvements to MFRSs (Improvements to IFRSs issued by IASB in May 2008)

Improvements to MFRSs (Improvements to IFRSs issued by IASB in April 2009)

Improvements to MFRSs (Improvements to IFRSs issued by IASB in May 2010)

IC Int. 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Int. 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Int. 4	Determining whether an Arrangement contains a Lease
IC Int. 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Int. 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Int. 7	Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies
IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 12	Service Concession Arrangements
IC Int. 13	Customer Loyalty Programmes
IC Int. 14	MFRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Int. 15	Agreements for the Construction of Real Estate
IC Int. 16	Hedges of a Net Investment in a Foreign Operation
IC Int. 17	Distributions of Non-cash Assets to Owners
IC Int. 18	Transfers of Assets from Customers
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments
IC Int. 107	Introduction of the Euro
IC Int. 110	Government Assistance – No Specific Relation to Operating Activities
IC Int. 112	Consolidation – Special Purpose Entities
IC Int. 113	Jointly Controlled Entities – Non-Monetary Contributions by Venturers

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 2. BASIS OF PREPARATION (CONT'D)

Accounting standards issued but not adopted (cont'd)

### Malaysian Financial Reporting Standards ("MFRS"), Improvements to MFRSs and Issues Committee Interpretations ("IC Int.") (cont'd)

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") has issued a new MASB approved accounting framework, MFRS, Improvements to MFRSs and IC Int.. The MFRS Framework and IC Int. are to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012 and 2013 as follows :- (cont'd)

i) financial period on or after 1 January 2012 (cont'd)

IC Int. 115	Operating Leases – Incentives
IC Int. 125	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
IC Int. 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IC Int. 129	Service Concession Arrangements: Disclosures
IC Int. 131	Revenue – Barter Transactions Involving Advertising Services
IC Int. 132	Intangible Assets – Web Site Costs

ii) financial period on or after 1 January 2013

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) Financial Instruments (IFRS 9 issued by IASB in October 2010)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangement
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in June 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in June 2011)
IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine

MFRSs 4, 6, 111, 120, 129, 141 and IC Int. 1, 2, 5, 6, 7, 12, 15, 20, 110, 112, 113, 129, 131 are not applicable to the Group's and to the Company's operations.

The adoption of the above MFRS Framework, Improvements to MFRSs and IC Int. are not expected to have any significant impact on the results and financial position of the Group and the Company.

### Significant accounting estimates and judgements

The preparation of financial statements requires management to make assumptions, estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Assumptions and estimates are reviewed on an ongoing basis and are recognised in the period in which the assumption or estimate is revised.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 2. BASIS OF PREPARATION (CONT'D)

### Significant accounting estimates and judgements (cont'd)

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows :-

- (a) depreciation of property, plant and equipment (Note 4) – property, plant and equipment excluding freehold land are depreciated on a straight line basis over the assets useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 91 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets resulting in revision for future depreciation charges;
- (b) valuation of investment property (Note 6) - the measurement of the fair value for investment property performed by the Directors is determined with reference to current prices in an active market for similar property within the same vicinity and condition and subject to similar lease and other contracts;
- (c) impairment of goodwill (Note 8) - 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 2011 was RM1,485,140 (2010 : RM1,485,140). Further details are disclosed in Note 8;
- (d) deferred tax assets (Notes 9) - deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. Assumptions about generation of future taxable profits depend on management’s estimates of future cash flows. These depends on estimates of future dividend income from Subsidiary Companies and hence the sales volume, operating costs, capital expenditure and other capital management transactions on the Subsidiary Companies, interest and management fee income from the Subsidiary Companies as well. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position and the amounts of unabsorbed capital allowances and unrecognised tax losses; during the year, both the Group and the Company have recognised RM678,715 of unabsorbed capital allowances and unrecognised tax losses on 31 July 2011 as the Management considered that is probable that taxable profits will be available against which the unabsorbed capital allowances and losses can be utilised;
- (e) impairment on receivables (Note 12) - the Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics;
- (f) amount due by Subsidiary Companies (Note 16) - the Company determines the recoverability of the amounts due by Subsidiary Companies when these debts exceeded their normal credit term. The Directors are of the opinion that adequate allowance for impairment has been made for the debts due by the Subsidiary Companies to the extent the Company is able to realise these debts through internal group restructuring including possible offsets against debt owed by the Company to certain other Related Companies under the common control by the Penultimate and Ultimate Holding Companies, should such need arises; and
- (g) provision for taxation (Note 28) – significant 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 is uncertain. The Group and the Company recognise liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the periods in which the outcome is known.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of accounting

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

### 3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiary Companies as at the reporting 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 statement of comprehensive income.

Non-controlling 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 non-controlling interests.

### 3.3 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 Company 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 profit or loss 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.3 Property, plant and equipment (cont'd)

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

Buildings - freehold	2 %
Buildings - leasehold	remaining lease periods of ranges from 49 to 91 years
Long-term leasehold land	remaining lease periods of ranges from 49 to 91 years
Plant and machinery	20 %
Equipment, furnitures and fittings	10 - 20 %
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.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these 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 profit or loss.

### 3.4 Subsidiary Companies

Subsidiary Companies are entities over which the Company 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 Company 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 profit or loss.

### 3.5 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.

### 3.6 Inventories

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

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their 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.

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.7 Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include loan and receivables as well as available-for-sale financial assets.

#### (a) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

#### (b) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the other categories of the financial assets.

After the initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial assets are derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.8 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the past portfolio, the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

### 3.9 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each reporting 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 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.

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.

An impairment loss is recognised in profit or loss in the period in which it arises.



# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.9 Impairment of non-financial assets (cont'd)

An impairment loss of an asset 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 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 profit or loss.

### 3.10 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

#### Other financial liabilities

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### 3.11 Leases

#### (a) Finance leases - the Group and the Company 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 reporting date 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 Group's and 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 profit or loss 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.

#### (b) Operating leases - the Group and the Company 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.12 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.

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

Revenue from service and repairs is recognised when services are rendered.

Dividend income is recognised in profit or loss when the right to receive payment is established.

Management fee is recognised in the profit or loss as it accrues.

Interest income is recognised in profit or loss on an accrual basis unless collection is in doubt.

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

Advertising and promotion recovery revenue is recognised in profit or loss as it accrues.

### 3.13 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 and of the Company. 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 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 profit or loss as incurred.

### 3.14 Borrowing costs

Borrowing costs which are not directly attributable to the acquisition, construction or production of a qualifying assets are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with borrowing of funds.

### 3.15 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 reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.16 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.

### 3.17 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

### 3.18 Foreign currency transactions

Transactions in currencies other than the Group and the Company's functional currency (foreign currencies) are translated into the the Group and the Company's functional currency at the rate of exchange ruling at the time of the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on the settlement of monetary items and on retranslation are recognised in profit or loss.

## 4. PROPERTY, PLANT AND EQUIPMENT

### GROUP

	Freehold land RM	Long-term leasehold land RM	Buildings RM	Building- in-progress RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Total RM
<b>Net carrying amount</b>								
At 1 / 8 / 2010	10,476,667	-	29,388,635	427,951	33,221,865	2,161,265	3,724,548	79,400,931
Effect of adopting Amendments to FRS 117	-	8,472,862	-	-	-	-	-	8,472,862
	-	8,472,862	-	-	-	-	-	8,472,862
As restated	10,476,667	8,472,862	29,388,635	427,951	33,221,865	2,161,265	3,724,548	87,873,793
Additions	-	-	-	-	7,156,256	649,527	3,450,843	11,256,626
Disposals / Written off	-	-	-	-	(1,119,354)	-	(102,070)	(1,221,424)
Current depreciation charge	-	(143,336)	(446,927)	-	(6,135,885)	(404,838)	(1,736,105)	(8,867,091)
Impairment loss	-	-	-	(427,951)	-	-	-	(427,951)
At 31 / 7 / 2011	10,476,667	8,329,526	28,941,708	-	33,122,882	2,405,954	5,337,216	88,613,953

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### GROUP

	Freehold land RM	Long-term leasehold land RM	Buildings RM	Building- in-progress RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Total RM
<b>Net carrying amount</b>								
At 1 / 8 / 2009	10,476,667	-	25,428,156	2,527,950	34,164,392	2,216,341	4,348,512	79,162,018
Effect of adopting Amendments to FRS 117	-	7,492,853	-	-	-	-	-	7,492,853
	-	7,492,853	-	-	-	-	-	7,492,853
As restated	10,476,667	7,492,853	25,428,156	2,527,950	34,164,392	2,216,341	4,348,512	86,654,871
Additions	-	1,133,333	2,421,667	-	5,933,054	349,200	960,188	10,797,442
Transfer	-	-	2,099,999	(2,099,999)	-	-	-	-
Disposals / Written off	-	-	-	-	(1,001,777)	-	(46,064)	(1,047,841)
Current depreciation charge	-	(153,324)	(561,187)	-	(5,873,804)	(404,276)	(1,538,088)	(8,530,679)
At 31 / 7 / 2010	10,476,667	8,472,862	29,388,635	427,951	33,221,865	2,161,265	3,724,548	87,873,793

### GROUP

2011	Valuation / Cost RM	Accumulated depreciation RM	Accumulated impairment losses RM	Net carrying amount RM
At valuation;				
Freehold land	10,476,667	-	-	10,476,667
Buildings	30,566,744	(1,625,036)	-	28,941,708
Long-term leasehold land	-	-	-	-
Effect of adopting Amendments to FRS 117	10,305,075	(1,975,549)	-	8,329,526
Long-term leasehold land (as restated)	10,305,075	(1,975,549)	-	8,329,526
At cost;				
Building-in-progress	427,951	-	(427,951)	-
Equipment, furnitures and fittings	70,528,681	(37,405,799)	-	33,122,882
Plant and machinery	5,958,758	(3,552,804)	-	2,405,954
Motor vehicles	11,611,779	(6,274,563)	-	5,337,216
	139,875,655	(50,833,751)	(427,951)	88,613,953

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### GROUP

	Valuation / Cost RM	Accumulated depreciation RM	Accumulated impairment losses RM	Net carrying amount RM
<b>2010</b>				
At valuation;				
Freehold land	10,476,667	-	-	10,476,667
Buildings	30,566,744	(1,178,109)	-	29,388,635
Long-term leasehold land	-	-	-	-
Effect of adopting Amendments to FRS 117	10,305,075	(1,832,213)	-	8,472,862
Long-term leasehold land (as restated)	10,305,075	(1,832,213)	-	8,472,862
At cost;				
Building-in-progress	427,951	-	-	427,951
Equipment, furnitures 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
	135,030,215	(47,156,422)	-	87,873,793

### COMPANY

Net carrying amount	At 1 / 8 / 2010 RM	Additions RM	Written off / Disposals RM	Current depreciation RM	At 31 / 7 / 2011 RM
Equipment, furniture and fittings	1,074,005	830,087	-	(392,205)	1,511,887
Motor vehicles	185,315	195,945	(19,534)	(80,865)	280,861
	1,259,320	1,026,032	(19,534)	(473,070)	1,792,748

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

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2011	Cost RM	Accumulated depreciation RM	Net carrying amount RM
Equipment, furniture and fittings	2,459,891	(948,004)	1,511,887
Motor vehicles	423,319	(142,458)	280,861
	2,883,210	(1,090,462)	1,792,748
2010			
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

- a) During the year, the Group and the Company acquired property, plant and equipment with aggregate costs of RM11,256,626 (2010 : RM10,797,442) and RM1,026,032 (2010 : RM412,978) respectively of which RM4,703,651 (2010 : RM2,910,006) and RM434,400 (2010 : RM94,000) respectively were acquired by means of hire purchase and finance lease arrangements. Cash payments of RM6,552,975 (2010 : RM7,887,436) and RM591,632 (2010 : RM318,978) were used to acquire property, plant and equipment for the Group and for the Company respectively.
- b) The long-term leasehold land and buildings of the Group has an unexpired lease period of more than 50 years, except for leasehold land and building with net carrying amount of RM1,845,020 (2010 : Nil) which has a lease period of less than 50 years.
- c) In previous year, the building-in-progress of the Group was in respect of the acquisition of building which was yet to be finalised as at the reporting date.
- d) Net carrying amount of motor vehicles acquired under hire purchase arrangements of which instalments are still outstanding at the reporting date is as follows :-

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
- Motor vehicles	5,290,383	3,723,149	258,463	183,916

- e) Net carrying amount of equipment, furnitures and fittings acquired under finance lease arrangements of which instalments are still outstanding at the reporting date are as follows :-

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
- Equipment, furniture and fittings	7,455,587	10,054,051	252,200	722,439

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- f) Net carrying amounts of property, plant and equipment pledged as securities for bank borrowings (Note 20) are as follows :-

	GROUP	
	2011 RM	2010 RM
At valuation		
- Freehold land	6,500,000	6,500,000
- Long-term leasehold land	5,770,226	5,865,313
- Buildings	22,246,551	22,691,639

- g) The freehold 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, while the long-term leasehold land of the Group were revalued on 1 April 2003 by the Directors, using the same valuation approach.
- h) 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	
	2011 RM	2010 RM
- Freehold land	4,287,782	4,292,971
- Long-term leasehold land	2,574,506	2,622,853
- Buildings	10,471,581	11,008,472

## 5. PREPAID LAND LEASE PAYMENTS

	GROUP	
	2011 RM	2010 RM
At valuation		
At 1 August	-	10,305,075
Effect of adopting Amendments to FRS 117	-	(10,305,075)
At 31 July	-	-
Accumulated amortisation		
At 1 August	-	1,832,213
Effect of adopting Amendments to FRS 117	-	(1,832,213)
At 31 July	-	-
Net carrying amount		
At 31 July	-	-

The land has been reclassified as property, plant and equipment during the financial year as a result of the adoption of the Amendments to FRS 117 Leases.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 6. INVESTMENT PROPERTY

	GROUP	
	2011 RM	2010 RM
Leasehold land		
At 1 August / 31 July	240,000	240,000

The fair value of the investment property of the Group as at 31 July 2011 and 2010 was estimated based on Directors' assessment of the recent prices of similar properties in the vicinity as well as valuation carried out on 31 July 2008 by an independent professional valuer on an open market value basis.

## 7. OTHER INVESTMENTS

	GROUP	
	2011 RM	2010 RM
Unquoted shares, at cost	299,999	299,999
Transferable contribution right		
At 1 August	233,000	233,000
Less : Impairment loss	(5,000)	-
At 31 July	228,000	233,000
	527,999	532,999

The transferable contribution rights are in respect of rights to various club memberships.

## 8. GOODWILL ON CONSOLIDATION

	GROUP	
	2011 RM	2010 RM
At 1 August / 31 July	1,485,140	1,485,140

### Impairment tests for goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash generating unit to which goodwill is allocated.

The Management estimates the expected future cash flows from the cash generating unit and choose a suitable discount rate in order to calculate the present value of the cash flows.



# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 8. GOODWILL ON CONSOLIDATION (CONT'D)

### 8.1 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	
	2011 RM	2010 RM
Trading	1,485,140	1,485,140

### 8.2 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 the 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 average growth rate used of 6.8% (2010 : 6.8%) is consistent with the long-term average growth rate of the Group.

### 8.3 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 CGU to materially exceed its recoverable amount.

## 9. DEFERRED TAX ASSETS

	GROUP / COMPANY	
	2011 RM	2010 RM
At 1 August	122,209	53,524
Recognised in profit or loss	556,506	68,685
At 31 July	678,715	122,209

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 9. DEFERRED TAX ASSETS (CONT'D)

Presented after appropriate offsetting as follows :-

	GROUP / COMPANY	
	2011 RM	2010 RM
Deferred tax assets	965,821	269,808
Deferred tax liabilities	(287,106)	(147,599)
	678,715	122,209

The estimated deferred tax assets of the Group and of the Company arising from temporary differences recognised in the financial statements are as follows :-

	GROUP / COMPANY	
	2011 RM	2010 RM
Differences between the carrying amount of property, plant and equipment and their tax base	(271,313)	(147,599)
Other timing differences	(15,793)	-
Unutilised tax losses	455,331	-
Unabsorbed capital allowances	510,490	269,808
	678,715	122,209

The recognition of the deferred tax assets of the Group and of the Company are 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.

## 10. INVESTMENTS IN SUBSIDIARY COMPANIES

	COMPANY	
	2011 RM	2010 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
	2011 %	2010 %	
In Vogue Sdn Bhd	100.00	100.00	Dormant
Jungmax Property Sdn Bhd	100.00	100.00	Property investment
Kedai Emas Likwong Sdn Bhd	100.00	100.00	Dormant

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 10. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Effective equity interest		Principal activities
	2011 %	2010 %	
Pajak Gadai Anda Sdn Bhd	100.00	100.00	Dormant
Poh Kong International Sdn Bhd	100.00	100.00	Overseas investment holding
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 jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Ampang Point) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Bandar Utama) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Bangsar) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Banting) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Batu Pahat) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Franchise) Sdn Bhd	100.00	100.00	Franchise management services
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

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 10. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Effective equity interest		Principal activities
	2011 %	2010 %	
Poh Kong Jewellers (Kuantan) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (M) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Malacca) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Maluri) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Meru) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Muar) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (MV) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Old Klang Road) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Peringgit) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Permas Jaya) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (PHT) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Puchong) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Selayang) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Seremban) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Shah Alam) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (SS2) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Subang Parade) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 10. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Effective equity interest		Principal activities
	2011 %	2010 %	
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
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

All the companies in the Group are incorporated in Malaysia.

## 11. INVENTORIES

	GROUP	
	2011 RM	2010 RM
At cost		
Raw material	7,086,865	4,008,030
Work-in-progress	12,453,412	11,165,634
Finished goods		
- Jewellerys, precious stones and gold ornaments	423,465,078	368,005,593
- Packing and utility products	662,777	435,012
	424,127,855	368,440,605
	443,668,132	383,614,269

During the financial year, the cost of inventories recognised as an expense in the Group amounted to RM487,653,434 (2010 : RM389,023,737).

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 12. TRADE RECEIVABLES

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Trade receivables	1,924,635	1,519,009	4,608,384	4,104,617
Less : Allowance for impairment	(426,014)	(382,559)	-	-
	1,498,621	1,136,450	4,608,384	4,104,617

The Group's and the Company'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 trade receivables of the Company represents amounts due by Subsidiary Companies.

The foreign currency exposure profile of trade receivables is as follows :-

	GROUP	
	2011 RM	2010 RM
Taiwanese New Dollar	78,205	-

### Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables are as follows :-

	2011	
	GROUP RM	COMPANY RM
Neither past due nor impaired	445,873	1,303,018
1 to 30 days past due not impaired	293,561	900
31 to 60 days past due not impaired	43,020	15,685
61 to 90 days past due not impaired	105,625	17,628
91 to 120 days past due not impaired	214,530	10,961
More than 121 days past due not impaired	396,012	3,260,192
Impaired	1,052,748	3,305,366
	426,014	-
	1,924,635	4,608,384

### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are credit worthy debtors with good payment records with the Group and with the Company.

None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the year.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 12. TRADE RECEIVABLES (CONT'D)

### *Receivables that are past due but not impaired*

The Group and the Company have trade receivables amounting to RM1,052,748 and RM3,305,366 respectively that are past due at reporting date but not impaired because there have been no significant changes in credit quality of the debtors and the amounts are still considered recoverable. The Group and the Company do not hold any collateral or credit enhancements over these balances.

### *Receivables that are impaired*

The Group's trade receivables that are impaired at the reporting date are as follows :-

	<b>Individually impaired RM</b>
Trade receivables	426,014
Less: Allowance for impairment	(426,014)
	-

## 13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2011 RM</b>	<b>2010 RM</b>	<b>2011 RM</b>	<b>2010 RM</b>
Other receivables	485,315	574,766	11,739	11,739
Deposits	8,353,171	8,117,831	40,269	26,149
Prepayments	993,194	1,696,686	195,604	224,876
	<b>9,831,680</b>	<b>10,389,283</b>	<b>247,612</b>	<b>262,764</b>

## 14. TAX ASSETS

This is in respect of tax paid in advance to Inland Revenue Board by the Group and by the Company.

## 15. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits of the Group earns weighted average effective interest rates of 2.63% (2010 : 1.74%) per annum.

The fixed deposits with licensed banks have an average maturity period of 120 (2010 : 120) days.

The fixed deposits of the Group amounting to RM5,091,363 (2010 : RM4,998,551) are pledged to licensed banks for banking facilities granted to the Group as mentioned in Note 20.6.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 16. AMOUNT DUE BY SUBSIDIARY COMPANIES / TO SUBSIDIARY COMPANIES

### COMPANY

The amounts due by / to Subsidiary Companies are non-trade in nature, unsecured, repayable on demand by cash and bears an effective interest at rates ranges from 6.00% to 6.91% (2010 : 6.00% to 6.91%) per annum.

## 17. SHARE CAPITAL

	GROUP / COMPANY	
	2011 RM	2010 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

## 18. RESERVES

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
NON-DISTRIBUTABLE				
Capital reserve	4,220,866	4,220,866	-	-
DISTRIBUTABLE				
Retained earnings	136,600,111	101,140,430	21,322,340	16,127,151
	140,820,977	105,361,296	21,322,340	16,127,151

### a) Capital reserve

The capital reserve of the Group relates to the revaluation of freehold and leasehold land as well as buildings of the Group in years 2003 and 2008.



# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 18. RESERVES (CONT'D)

### b) Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the tax credit under Section 108 of the Income Tax Act, 1967 and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 tax credit to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company has elected for the irrevocable option under the Finance Act 2007 to disregard the Section 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 2011 under the single tier system.

## 19. ADVANCE FROM ULTIMATE HOLDING COMPANY

The advance from Ultimate Holding Company to the Group and to the Company is non-trade in nature, unsecured, bears effective interest at 6.60% per annum and repayable on demand by cash.

In previous year, the advance from Ultimate Holding Company to the Group and to the Company was non-trade in nature, unsecured, bore effective interest at 6.60% per annum and with no fixed term of repayment.

## 20. BORROWINGS

	Note	GROUP		COMPANY	
		2011 RM	2010 RM	2011 RM	2010 RM
<b>Long-term borrowings</b>					
<u>Secured</u>					
Term loans	20.1	21,308,210	25,110,967	13,001,272	16,038,164
<u>Unsecured</u>					
Hire purchase payables	20.2	3,078,448	1,766,022	139,386	84,408
Finance lease payables	20.3	587,673	1,148,242	23,625	50,625
Medium Term Notes	20.4	-	30,000,000	-	30,000,000
		24,974,331	58,025,231	13,164,283	46,173,197
<b>Short-term borrowings</b>					
<u>Secured</u>					
Bank overdrafts	20.5	15,768,809	14,287,913	-	-
Bankers' acceptance	20.6	41,790,000	41,902,000	-	-
Revolving credit	20.6	3,000,000	3,000,000	-	-
Short-term loan	20.6	8,506,521	11,094,249	-	-
Term loans	20.1	2,422,818	2,235,189	1,760,617	1,580,876

# NOTES TO THE FINANCIAL STATEMENTS

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## 20. BORROWINGS (CONT'D)

	Note	GROUP		COMPANY	
		2011 RM	2010 RM	2011 RM	2010 RM
<b>Short-term borrowings (Cont'd)</b>					
<u>Unsecured</u>					
Hire purchase payables	20.2	1,409,767	1,425,843	66,652	70,756
Finance lease payables	20.3	2,624,702	3,655,480	192,375	461,103
Commercial Papers	20.4	20,000,000	-	20,000,000	-
Medium Term Notes	20.4	30,000,000	-	30,000,000	-
		125,522,617	77,600,674	52,019,644	2,112,735
Total borrowings		150,496,948	135,625,905	65,183,927	48,285,932

### 20.1 Term loans

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Repayable within twelve months	2,422,818	2,235,189	1,760,617	1,580,876
Repayable after twelve months	21,308,210	25,110,967	13,001,272	16,038,164
	23,731,028	27,346,156	14,761,889	17,619,040

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

- a legal charge over properties of certain Subsidiary Companies as mentioned in Note 4; and
- corporate guarantees and indemnity from the Company.

Term loan facilities of the Group and of the Company incur weighted average effective interest at rates ranging from 4.60% to 7.85% (2010 : 6.66%) and 7.85% (2010 : 6.66%) per annum respectively.

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

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Amount repayable :-				
Within one year	2,422,818	2,235,189	1,760,617	1,580,876
After one year but within two years	2,560,193	2,312,731	1,901,330	1,704,450
After two years but within three years	2,755,120	2,462,975	2,058,651	1,837,684
After three years but within four years	2,962,499	2,553,134	2,226,198	1,981,333
After four years but within five years	3,185,803	2,737,509	2,407,381	2,136,210
After five years	9,844,595	15,044,618	4,407,712	8,378,487
	23,731,028	27,346,156	14,761,889	17,619,040

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 20. BORROWINGS (CONT'D)

### 20.2 Hire purchase payables

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

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Minimum hire purchase payments :				
- not later than one year	1,585,703	1,587,597	76,451	78,744
- later than one year but not later than five years	3,518,093	1,998,056	163,302	95,853
	5,103,796	3,585,653	239,753	174,597
Future finance charges	(615,581)	(393,788)	(33,715)	(19,433)
Present value of hire purchase payments	4,488,215	3,191,865	206,038	155,164
Present value of hire purchase payments :				
- not later than one year	1,409,767	1,425,843	66,652	70,756
- later than one year but not later than five years	3,078,448	1,766,022	139,386	84,408
Less : Amount repayable within one year	4,488,215 (1,409,767)	3,191,865 (1,425,843)	206,038 (66,652)	155,164 (70,756)
Amount repayable after one year	3,078,448	1,766,022	139,386	84,408

Hire purchase facilities of the Group and of the Company incur weighted average effective interest at 2.86% (2010 : 2.87%) per annum.

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

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Amount repayable :-				
Within one year	1,409,767	1,425,843	66,652	70,756
After one year but within two years	1,226,210	847,801	49,006	40,552
After two years but within three years	973,634	604,900	49,006	18,804
After three years but within four years	615,824	266,213	36,449	18,804
After four years but within five years	262,780	47,108	4,925	6,248
	4,488,215	3,191,865	206,038	155,164

# NOTES TO THE FINANCIAL STATEMENTS

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## 20. BORROWINGS (CONT'D)

### 20.3 Finance lease payables (Cont'd)

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

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Minimum lease payments :				
- not later than one year	2,851,807	3,980,965	208,928	502,373
- later than one year but not later than five years	638,220	1,248,283	25,658	54,980
	3,490,027	5,229,248	234,586	557,353
Future finance charges	(277,652)	(425,526)	(18,586)	(45,625)
Present value of lease payments	3,212,375	4,803,722	216,000	511,728
Present value of lease payments :				
- not later than one year	2,624,702	3,655,480	192,375	461,103
- later than one year but not later than five years	587,673	1,148,242	23,625	50,625
	3,212,375	4,803,722	216,000	511,728
Less : Amount repayable within one year	(2,624,702)	(3,655,480)	(192,375)	(461,103)
Amount repayable after one year	587,673	1,148,242	23,625	50,625

Finance lease facilities of the Group and of the Company incur weighted average effective interest at 4.50% (2010 : 4.46%) per annum.

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

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Amount repayable :-				
Within one year	2,624,702	3,655,480	192,375	461,103
After one year but within two years	587,673	1,148,242	23,625	50,625
	3,212,375	4,803,722	216,000	511,728

# NOTES TO THE FINANCIAL STATEMENTS

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## 20. BORROWINGS (CONT'D)

### 20.4 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	
	2011 RM	2010 RM	2011 RM	2010 RM
Commercial Papers	20,000,000	-	20,000,000	-
Medium Term Notes	30,000,000	30,000,000	30,000,000	30,000,000
	50,000,000	30,000,000	50,000,000	30,000,000
Amount repayable within one year				
- Commercial Papers	20,000,000	-	20,000,000	-
- Medium Term Notes	30,000,000	-	30,000,000	-
	50,000,000	-	50,000,000	-
Amount repayable after one year				
- Medium Term Notes	-	30,000,000	-	30,000,000

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 5.95% (2010 : 5.80%) and 7.45% (2010 : 7.33%) per annum respectively.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 20. BORROWINGS (CONT'D)

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

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

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

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Amount repayable :-				
Within one year	50,000,000	-	50,000,000	-
After one year but within two years	-	30,000,000	-	30,000,000
	50,000,000	30,000,000	50,000,000	30,000,000

### 20.5 Bank overdrafts

The bank overdrafts of the Group incur weighted average effective interest at 8.04% (2010 : 7.62%) per annum. The securities for bank overdrafts are as disclosed in Note 20.6.

### 20.6 Bankers' acceptance, revolving credit and short-term loan

The bank overdrafts, 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 as mentioned in Note 4;
- a negative pledge on certain Subsidiary Companies' assets; and
- fixed deposits of the Group as mentioned in Note 15.

The Group's weighted average effective interest rates at the reporting date for bankers' acceptance, revolving credit and short-term loan were as follows :-

	2011 %	2010 %
Bankers' acceptance	4.63	4.21
Revolving credit	6.45	6.38
Short-term loan	5.50	3.51

# NOTES TO THE FINANCIAL STATEMENTS

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## 21. DEFERRED TAX LIABILITIES

	GROUP	
	2011 RM	2010 RM
At 1 August	5,963,189	5,638,065
Recognised in profit or loss	1,106,970	325,124
At 31 July	7,070,159	5,963,189

Presented after appropriate offsetting as follows :-

	GROUP	
	2011 RM	2010 RM
Deferred tax assets	(280,927)	(382,858)
Deferred tax liabilities	7,351,086	6,346,047
	7,070,159	5,963,189

The estimated deferred tax liabilities of the Group arising from temporary differences recognised in the financial statements are as follows :-

	GROUP	
	2011 RM	2010 RM
Differences between the carrying amount of property, plant and equipment and their tax base	5,376,584	3,643,490
Revaluation surplus	1,874,070	2,702,557
Other timing differences	98,069	-
Unutilised tax losses	(168,548)	(113,050)
Unabsorbed capital allowances	(110,016)	(269,808)
	7,070,159	5,963,189

The estimated timing differences of which no deferred tax assets are recognised in the financial statements are as follows :-

	GROUP	
	2011 RM	2010 RM
Unutilised tax losses	136,000	139,261
Unabsorbed capital allowances	900	97,980
	136,900	237,241

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available for certain Subsidiary Companies in the Group against which these items can be utilised as these Subsidiary Companies have a recent history of losses.

# NOTES TO THE FINANCIAL STATEMENTS

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## 22. TRADE PAYABLES

### GROUP

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

## 23. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Other payables	9,509,142	5,588,218	2,573,304	1,779,111
Accruals	9,406,492	8,948,493	4,108,468	3,168,159
Deposits	7,500	7,500	-	-
Customers' deposits	3,376,503	1,876,116	-	-
	22,299,637	16,420,327	6,681,772	4,947,270

Included in other payables of the Group are amounts of RM1,850,864 (2010 : RM985,248) due to the Directors of the Subsidiary Companies.

## 24. AMOUNTS DUE TO DIRECTORS

### GROUP / COMPANY

The amounts due to Directors are unsecured, interest free and repayable on demand by cash.

## 25. REVENUE

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Advertising and promotion recovery	-	-	6,718,597	5,432,880
Dividend income	-	-	20,026,926	16,130,986
Interest income	2,371	20,766	4,025,193	3,916,925
Management fee	-	-	3,590,169	2,901,288
Sale of goods	692,416,558	561,222,968	-	-
	692,418,929	561,243,734	34,360,885	28,382,079



# NOTES TO THE FINANCIAL STATEMENTS

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## 26. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging :-

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Allowance for impairment on receivables	47,495	68,035	-	-
Auditors' remuneration	310,000	294,350	15,000	15,000
Bad debts written off	-	95,600	-	-
Deposits written off	41,978	-	-	-
Depreciation of property, plant and equipment	8,867,091	8,530,679	473,070	330,044
Employee benefits expenses (Note 33)	71,030,728	65,051,316	7,949,136	7,294,071
Impairment loss on property, plant and equipment	427,951	-	-	-
Impairment loss on transferable contribution rights	5,000	-	-	-
Inventories loss	143,169	568,774	-	-
Lease rental	79,546	229,362	79,546	229,362
Loss on disposal of property, plant and equipment	483	10,969	-	-
Loss on disposal of Subsidiary Company (Note 31)	-	313,452	-	-
Property, plant and equipment written off	1,135,155	771,389	-	-
Realised loss on foreign exchange	14,308	-	-	-
Shop rental	22,013,724	19,037,808	163,475	145,200

Profit from operations is arrived at after crediting: -

Car rental income	-	-	3,600	3,600
Dividend income	316,895	-	-	-
Equipment rental income	-	-	31,557	-
Gain on disposal of property, plant and equipment	781,083	230,331	15,466	-
Insurance claim	90,541	275,002	-	-
Interest income	134,047	126,487	-	-
Realised gain on foreign exchange	1,616	282,310	-	-
Rental of premises income	33,700	18,900	-	-
Reversal of allowance for impairment on receivables	4,040	279,175	-	-
Royalty income	-	36,000	-	-

## 27. FINANCE COSTS

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Interest expenses on bank borrowings	9,247,578	9,358,326	5,489,455	6,157,049
Hire purchase and finance lease charges	612,564	727,471	64,156	56,849
	9,860,142	10,085,797	5,553,611	6,213,898

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 28. TAX EXPENSE

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Income tax :-				
Current year's provision	15,896,729	12,541,146	2,661,712	2,111,576
Under / (Over) provision in prior year	20,183	(515,871)	454,868	6,060
	15,916,912	12,025,275	3,116,580	2,117,636
Deferred tax :-				
Relating to origination / (reversal) of temporary differences	606,297	99,379	(117,201)	(92,530)
(Over) / Under provision in prior year	(55,833)	157,060	(439,305)	23,845
	550,464	256,439	(556,506)	(68,685)
	16,467,376	12,281,714	2,560,074	2,048,951

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

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Profit before taxation	57,671,982	44,798,611	13,500,188	10,172,369
Taxation at Malaysian statutory tax rate at 25%	14,417,996	11,199,653	3,375,047	2,543,092
Expenses not deductible for tax purposes	3,424,284	1,972,883	91,136	70,714
Income not subject to tax	(1,183,869)	(594,760)	(921,672)	(594,760)
Deferred tax assets not recognised during the year	3,770	201,824	-	-
Utilisation of previously unrecognised tax assets	(159,155)	(139,075)	-	-
Under / (Over) provision of taxation in prior year	20,183	(515,871)	454,868	6,060
(Over) / Under provision of deferred tax in prior year	(55,833)	157,060	(439,305)	23,845
	16,467,376	12,281,714	2,560,074	2,048,951

Tax savings recognised during the year arising from :-

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Utilisation of current year tax losses	1,061,149	1,027,430	1,061,149	1,027,430
Utilisation of tax losses brought forward from previous years	45,727	24,337	-	-
Utilisation of current year capital allowances	2,298,014	1,612,001	-	-
Utilisation of unabsorbed capital allowances brought forward from previous years	113,428	104,030	-	-
	3,518,318	2,767,798	1,061,149	1,027,430

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 28. TAX EXPENSE (CONT'D)

The unutilised tax losses and unabsorbed capital allowances available for utilisation against future taxable profits of the Group and of the Company are approximated to be as follows :-

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Unutilised tax losses	2,717,964	1,036,196	1,831,322	1,831,322
Unabsorbed capital allowances	2,280,273	742,908	2,041,961	1,242,807
	4,998,237	1,779,104	3,873,283	3,074,129

## 29. 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	
	2011	2010
Net profit attributable to shareholders (RM)	41,204,606	32,516,897
Weighted average number of ordinary shares in issue	410,351,752	410,351,752
Basic earnings per share (sen)	10-04	7-92

## 30. DIVIDENDS ON ORDINARY SHARES

	GROUP / COMPANY	
	2011 RM	2010 RM
Final dividend of 1-40 (2010 : 1-40) sen single tier 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 2011 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 2012.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 31. NET CASH INFLOWS ON DISPOSAL OF SUBSIDIARY COMPANY

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"), representing 51% of PKDI's share capital for a total cash consideration of US\$1,035,468.

There were no movements in profit or loss in PKDI since 31 July 2009 and the results of PKDI on the date of disposal were deemed the same as per the financial year ended 31 July 2009. Hence, the statement of comprehensive income for PKDI is not presented again in this reporting date.

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

	GROUP	
	2011 RM	2010 RM
Trade receivables	-	1,278,969
Other receivables	-	5,784,214
Tax assets	-	29,195
Cash and bank balances	-	182,529
Other payables	-	(2,300)
Net assets disposed	-	7,272,607
Non-controlling interest	-	(3,490,336)
Loss on disposal of Subsidiary Company	-	(313,452)
Proceeds from disposal of subsidiary	-	3,468,819
Less : Cash and cash equivalents of Subsidiary Company disposed	-	(182,529)
Net cash inflows on disposal of Subsidiary Company	-	3,286,290

## 32. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Fixed deposits with licensed banks	5,092,709	4,999,897	-	-
Cash and bank balances	19,155,534	14,633,352	823,177	847,506
	24,248,243	19,633,249	823,177	847,506
Less : Bank overdrafts (Note 20)	(15,768,809)	(14,287,913)	-	-
Fixed deposits pledged (Note 15)	(5,091,363)	(4,998,551)	-	-
Cash and cash equivalents	3,388,071	346,785	823,177	847,506

# NOTES TO THE FINANCIAL STATEMENTS

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## 33. EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Salaries, bonus, overtime and allowances	60,468,181	55,349,199	7,074,927	6,442,599
Defined contribution plan				
- EPF	4,045,388	3,682,299	446,428	402,889
Other staff related expenses	6,517,159	6,019,818	427,781	448,583
	71,030,728	65,051,316	7,949,136	7,294,071

Included in employee benefits expenses are Directors' remuneration as follows :-

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
<u>Executive Directors</u>				
- Salaries and other emoluments (including estimated monetary value of benefits-in-kind)	6,960,561	6,364,958	2,970,305	2,862,695
- Fees	248,400	228,000	-	-
	7,208,961	6,592,958	2,970,305	2,862,695
<u>Non-Executive Directors</u>				
- Fees	108,000	108,000	108,000	108,000
- Non-fees	61,600	27,700	61,600	27,700
	169,600	135,700	169,600	135,700
Total Directors' remuneration	7,378,561	6,728,658	3,139,905	2,998,395

## 34. CAPITAL COMMITMENTS

	GROUP	
	2011 RM	2010 RM
Capital expenditure in respect of purchase of property, plant and equipment :		
- Contracted but not provided for	1,817,730	1,817,730

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 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 reporting date but not recognised as liabilities are as follows :-

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Future minimum rental payments :-				
Not later than one year	17,871,198	14,195,625	104,400	4,200
Later than one year and not later than five years	13,099,350	7,985,698	75,900	-
	30,970,548	22,181,323	180,300	4,200

## 36. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
<u>Secured</u>				
Guarantees given in support of banking facilities granted to Subsidiary Companies	-	-	122,185,999	115,851,253
<u>Unsecured</u>				
Guarantees given to third parties in respect of leasing and hire purchase facilities granted to :-				
- the Company	8,000,000	8,000,000	8,000,000	8,000,000
- Subsidiary Companies	-	-	7,474,928	578,400

Contingent liabilities are secured by charges as disclosed in Note 20.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 37. RELATED PARTY TRANSACTIONS

(a) Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and to the Company if the Group and the Company have 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 Group and the Company as well as 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.

(b) Related parties transactions

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Dividend income received and receivable from				
- Subsidiary Companies	-	-	20,026,926	16,130,986
- Company connected to a Director of the Company	316,895	-	-	-
Interest income received and receivable from				
Subsidiary Companies	-	-	4,022,822	3,896,159
Management fee received and receivable from				
Subsidiary Companies	-	-	3,590,169	2,901,288
Car rental received and receivable from				
Subsidiary Company	-	-	3,600	3,600
Equipment rental charges received and receivable				
from Subsidiary Companies	-	-	31,557	-
Sale of goods to :-				
- Certain Directors of the Company	56,453	43,209	-	-
- Directors of Subsidiary Companies	230,086	458,319	-	-
Hostel rental paid to :				
- Certain Directors of the Company	80,900	80,400	42,500	36,000
- Directors of Subsidiary Companies	10,200	10,200	-	-
Disposals of property, plant and equipment to				
Subsidiary Companies	-	-	35,000	-
Purchased of property, plant and equipment from				
Subsidiary Companies	-	-	31,589	-
Disposal of motor vehicles to				
- Certain Directors of the Company	226,000	-	-	-
- Directors of Subsidiary Companies	85,000	-	-	-
Interest expenses paid to Ultimate Holding Company	990,000	990,000	990,000	990,000

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 37. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Related party balances

Information on outstanding balances with related parties is disclosed in Notes 12, 16, 19, 23 and 24.

(d) Compensation of key management personnel

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entity, including any Director of the Company and the Subsidiary Companies.

The compensation of key management personnel are as follows :-

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Directors of the Company and Subsidiary Companies				
Short-term employment benefits (including estimated monetary value of benefits-in-kind)	11,727,531	10,990,513	2,940,165	2,789,309
Post employment benefits	858,288	826,626	199,740	199,706
Other key management personnels				
Short-term employment benefits (including estimated monetary value of benefits-in-kind)	8,187,437	7,131,858	1,377,177	1,172,432
Post employment benefits	672,429	582,749	154,750	132,653
	21,445,685	19,531,746	4,671,832	4,294,100

## 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 2011

## 38. OPERATING SEGMENT (CONT'D)

As at 31 July 2011	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Consolidated RM
Revenue					
External sales	691,837,577	373,868	207,484	-	692,418,929
Inter-segment sales	238,385,956	281,544,524	38,428,871	(558,359,351)	-
Total revenue	930,223,533	281,918,392	38,636,355	(558,359,351)	692,418,929
Results					
Segment results	68,628,340	16,487,360	22,267,244	(39,850,820)	67,532,124
Unallocated corporate expenses					-
Finance costs					67,532,124
Tax expense					(9,860,142)
Profit for the year					(16,467,376)
Assets					
Segment assets	589,571,971	94,896,195	349,796,780	(464,151,178)	570,113,768
Unallocated corporate assets					6,295,213
Consolidated total assets					576,408,981
Liabilities					
Segment liabilities	265,248,312	19,187,484	40,040,690	(254,901,652)	69,574,834
Unallocated corporate liabilities					160,837,294
Consolidated total liabilities					230,412,128
Other information					
Capital expenditure					11,256,626
Depreciation of property, plant and equipment					8,867,091
Non-cash expenses other than depreciation and impairment losses					1,731,725
Non-cash income					4,040

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 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
Tax expense					(10,085,797)
Profit for the year					(12,281,714)
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					10,797,442
Depreciation of property, plant and equipment					8,530,679
Non-cash expenses other than depreciation, amortisation and impairment losses					863,861
Non-cash income					551,633

### b) Geographical Segments

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

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

### i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's primary interest rate risk relates to interest-bearing financial instruments which include hire purchase and finance lease payables, bank overdrafts, other bank borrowings and term loans. 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 and the Company manage its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group and the Company actively review 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. As at 31 July 2011, the Group and the Company have not entered into any hedging instruments arrangement to minimise its exposure to interest rate volatility.

Borrowings at floating rates amounting to RM51,006,358 and RM14,761,889 expose the Group and the Company to cash flow interest rate risk whilst borrowings at fixed rate amounting to RM99,490,590 and RM50,422,038 expose the Group and the Company to fair value interest rate risk respectively.

#### Sensitivity analysis for interest rate risk

If the interest rate had been 50 basis point higher / lower and all other variables held constant, the Group's and the Company's profit for the year ended 31 July 2011 would decrease / increase by RM113,696 and RM80,432 respectively as a result of exposure to floating rate borrowings.

### ii) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk primarily arises from its trade receivables while the Group's and the Company's exposure to credit risk primarily arises from its trade receivables and amount due by Subsidiary Companies. The maximum risk associated with recognised financial assets is the carrying amounts as presented in the consolidated statement of financial position and statement of financial position respectively.

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

The Company has significant exposure and major concentration of credit risk relating to amount due by Subsidiary Companies.

The Group and the Company manage 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 and the Company maintain sufficient levels of cash to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to its overall debt position.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### ii) Credit risk (cont'd)

#### Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 12. Fixed deposits with licensed bank are placed with reputable financial institution.

#### Financial assets that are past due but not impaired

Information regarding trade receivables that are past due but not impaired is disclosed in Note 12.

#### Inter company balances

The Company provides advances to Subsidiary Companies. The maximum exposure to credit risk is represented by its carrying amounts in the statement of financial position as at the end of the financial year.

As at the end of the financial year, there was no indication that the advances to Subsidiary Companies are not recoverable. The Company does not specifically monitor the ageing of the advances to Subsidiary Companies.

#### Financial guarantees

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to Subsidiary Companies.

As at reporting date, the fair value of the financial guarantees is negligible as the probability of the financial guarantees being called upon is remote due to the outstanding borrowings in the Subsidiary Companies are adequately secured by assets as disclosed in Notes 4 and 15 respectively. Should the Subsidiary Companies default any loan repayments, the proceeds from the realisation of these assets together with the corporate guarantee by the Company will be able to satisfy the outstanding debts.

### iii) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to various currencies mainly US Dollar, Euro and Hong Kong 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

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group and the Company manage its operating cash flows by maintaining sufficient level of cash to meet its working capital requirements and availability of funding through an adequate amount of credit facilities.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### iv) Liquidity risk (cont'd)

#### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations :-

#### GROUP

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Above 5 years RM	Total RM
Trade payables	28,674,879	-	-	-	28,674,879
Other payables and accruals	22,299,637	-	-	-	22,299,637
Amount due to Directors	2,817,474	-	-	-	2,817,474
Advances from Ultimate Holding					
Company	15,000,000	-	-	-	15,000,000
Secured bank overdrafts	15,768,809	-	-	-	15,768,809
Hire purchase payables	1,409,767	1,226,210	1,852,238	-	4,488,215
Finance lease payables	2,624,702	587,673	-	-	3,212,375
Secured bankers' acceptance	41,790,000	-	-	-	41,790,000
Secured revolving credit	3,000,000	-	-	-	3,000,000
Secured short-term loan	8,506,521	-	-	-	8,506,521
Secured term loans	2,422,818	2,560,193	8,903,422	9,844,595	23,731,028
Commercial papers	20,000,000	-	-	-	20,000,000
Medium Term Notes	30,000,000	-	-	-	30,000,000
	194,314,607	4,374,076	10,755,660	9,844,595	219,288,938

#### COMPANY

Other payables and accruals	6,681,772	-	-	-	6,681,772
Amount due to Directors	1,007,609	-	-	-	1,007,609
Advances from Ultimate Holding					
Company	15,000,000	-	-	-	15,000,000
Hire purchase payables	66,652	49,006	90,380	-	206,038
Finance lease payables	192,375	23,625	-	-	216,000
Commercial papers	20,000,000	-	-	-	20,000,000
Medium Term Notes	30,000,000	-	-	-	30,000,000
Secured term loans	1,760,617	1,901,330	6,692,230	4,407,712	14,761,889
Amount due to Subsidiary					
Companies	10,580,543	-	-	-	10,580,543
	85,289,568	1,973,961	6,782,610	4,407,712	98,453,851

### (v) Price fluctuation risk

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

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 40. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders value. The Group's and the Company's strategy in capital management remains unchanged for 31 July 2011 and 2010.

The Group and the Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Company and its Subsidiary Companies may adjust the dividend payment to the shareholders, return capital to shareholders or issue new shares.

The Group and the Company are not subject to any externally imposed capital requirements.

The Group and the Company monitors capital using a gearing ratio, which is net debts divided by total capital plus net debts. Net debts comprise hire purchase payable, finance lease payables, bank overdrafts, other borrowings and term loans less cash and bank balances whilst total capital is the shareholders' funds of the Group and of the Company.

The gearing ratio for the Group and for the Company respectively as at 31 July 2011 and 2010 are as follows :-

### GROUP

	2011 RM	2010 RM
Total net debts	131,341,414	120,992,553
Total equity	345,996,853	310,537,172
Gearing ratio	0.38	0.39

### COMPANY

	2011 RM	2010 RM
Total net debts	64,360,750	47,438,426
Total equity	226,498,216	221,303,027
Gearing ratio	0.28	0.21

## 41. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to estimate the fair value of the following classes of financial assets and liabilities of the Group and of the Company are as follows :-

- Cash and cash equivalents, trade receivables, other receivables, deposits and prepayments, trade payables, other payables and accruals, amounts due to Directors, advance from Ultimate Holding Company, other bank borrowings, amount due by / to Subsidiary Companies

The carrying amounts approximate fair values due to the relatively short term maturities of these financial assets and liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 41. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

The methods and assumptions used to estimate the fair value of the following classes of financial assets and liabilities of the Group and of the Company are as follows :- (Cont'd)

### (b) Hire purchase and finance lease payables, secured term loans, CPs / MTNs, transferable contribution rights

The fair values of hire purchase and finance lease payables, secured term loans as well as transferable contribution rights are estimated using discounted cash flow analysis, based on current lending rates for similar types of borrowing arrangements as follows :-

	2011		2010	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<b>GROUP</b>				
Financial assets				
Transferable contribution right	228,000	228,000	233,000	233,000
Financial liabilities				
Secured term loans, CPs/MTNs	73,731,028	69,163,125	57,346,156	51,193,168
Hire purchase payables	4,488,215	4,381,538	3,191,865	2,931,843
Finance lease payables	3,212,375	3,081,865	4,803,722	4,803,722
<b>COMPANY</b>				
Financial liabilities				
Secured term loans, CPs/MTNs	64,761,889	61,778,130	47,619,040	43,268,354
Hire purchase payables	206,038	197,566	155,164	154,714
Finance lease payables	216,000	215,026	511,728	511,728

### (c) Other investments

It is not practical to estimate the fair value of the Group's and of the Company's other investments in unquoted shares because of the non-availability of a market price and the inability to estimate fair value without incurring excessive costs. These equity instruments represents unquoted ordinary shares in companies where the Group or the Company does not intend to dispose of these investments in the foreseeable future.

## 42. SIGNIFICANT EVENT

On 18 May 2011, the Company proposed to undertake an Islamic Commercial Papers("ICP") / Islamic Medium Term Notes ("IMTN") Programme of up to RM150.0 million in nominal value (collectively known as "Proposed ICP/IMTN Programme"), to be guaranteed by Danajamin Nasional Berhad ("DNB"). Pursuant to the undertaking of Proposed ICP/IMTN Programme, DNB will provide a guarantee facility to Company's payment obligations under the Proposed ICP/IMTN Programme.

The Company has subsequently received approval from the Securities Commission on 27 October 2011 for the Proposed ICP/IMTN Programme.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2011

## 42. SIGNIFICANT EVENT (CONT'D)

The Proposed ICP/IMTN Programme shall have a tenor of seven (7) years from the date of the first issue under the Proposed ICP/IMTN Programme. The ICP shall have a tenor of one (1) to twelve (12) months, provided always that the maturity of the ICP do not exceed the tenor of the Proposed ICP/IMTN Programme. The IMTN shall have a tenor of more than one (1) year and up to seven (7) years, provided always that the maturity of the IMTN do not exceed the tenor of the Proposed ICP/IMTN Programme.

The proceeds raised from the Proposed ICP/IMTN Programme shall be utilised as follows :-

- i) up to RM100.0 million to finance group wide restructuring programme, which involves refinancing of existing borrowings and restructuring costs of the Company and its Subsidiary Companies; and
- ii) up to RM50.0 million to finance capital expenditure of which includes opening of new branches and purchase of manufacturing equipment.

## 43. SUBSEQUENT EVENT

On 22 November 2011, the Company had issued RM50.0 million in nominal value of IMTN under the ICP/IMTN Programme. The IMTN shall have a tenure of seven (7) years, maturing on 22 November 2018. The proceeds for the issuance of the IMTN shall be utilised by the Company for the following Shariah-compliant purposes :-

- i) to finance the Group wide restructuring programme; and
- ii) to refinance existing borrowings.

## 44. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised retained earnings of the Group and of the Company at 31 July 2011 is presented in accordance with the directive issued by Bursa Malaysia dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained earnings of the Group and of the Company as at 31 July 2011 is analysed as follows :-

	GROUP RM	COMPANY RM
Total retained earnings of the Company and its Subsidiary Companies :-		
- realised	267,569,559	21,322,340
- unrealised	17,767,191	-
	285,336,750	21,322,340
Less : Consolidation adjustments	(148,736,639)	-
Total retained earnings	136,600,111	21,322,340

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.



# ANALYSIS OF SHAREHOLDINGS

AS AT 01 DECEMBER 2011

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 01 DECEMBER 2011

Size of shareholdings	No. of Shareholders	%	No. of Shareholdings	%
1 - 99	77	2.26	3,972	0.00
100 - 1,000	230	6.76	137,654	0.03
1,001 - 10,000	1,594	46.85	9,467,482	2.31
10,001 - 100,000	1,292	37.98	41,018,444	10.00
100,001 - 20,517,586 (*)	208	6.12	120,515,314	29.37
20,517,587 and above (**)	1	0.03	239,208,886	58.29
<b>Total</b>	<b>3,402</b>	<b>100.00</b>	<b>410,351,752</b>	<b>100.00</b>

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

## 30 LARGEST SHAREHOLDERS AS AT 01 DECEMBER 2011

No.	Name	No. of Ordinary Shares of RM0.50 each	% of Share
1	Poh Kong Sdn. Bhd.	239,208,886	58.29
2	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Teo Siew Lai	15,155,400	3.69
3	Dato' Choon Yee Seiong	9,141,246	2.23
4	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Teo Kwee Hock	8,444,000	2.06
5	Teo Kwee Hock	6,720,600	1.64
6	Choon Nee Siew	4,706,742	1.15
7	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tan Ang Tong @ Anthony Tan	3,815,700	0.93
8	Lee See Jin	3,493,500	0.85

# ANALYSIS OF SHAREHOLDINGS

AS AT 01 DECEMBER 2011

## 30 LARGEST SHAREHOLDERS AS AT 01 DECEMBER 2011 (Cont'd)

No.	Name	No. of Ordinary Shares of RM0.50 each	% of Share
9	Cimsec Nominees (Tempatan) Sdn. Bhd. CIMB Bank For Tan Ang Tong @ Anthony Tan	2,896,600	0.71
10	Choon Wan Joo	2,320,080	0.57
11	Citigroup Nominees (Asing) Sdn. Bhd. UBS AG For Neon Liberty Wei Ji Master Fund LP	2,208,500	0.54
12	Haw Yoo Hoon	2,114,400	0.52
13	Cheong Teck Chong	1,960,328	0.48
14	Hon We Fong	1,814,666	0.44
15	Hon Wei Sun	1,775,900	0.43
16	Ng Boon Thiam	1,743,350	0.42
17	Tan Tuan Chai	1,516,000	0.37
18	Tan Lee Hwa	1,450,000	0.35
19	HSBC Nominees (Asing) Sdn. Bhd. HSBC-FS I For MGH Investment Fund Limited	1,400,000	0.34
20	Lee Sing Hin	1,400,000	0.34
21	Choon Yoke Ying	1,395,072	0.34
22	Nitin Manubhai Amin	1,346,900	0.33
23	Koperasi Polis Diraja Malaysia Berhad	1,065,900	0.26
24	Au Yong Mun Yue	1,060,000	0.26
25	Beh Soo Lang	1,000,000	0.24
26	Chinchoo Investment Sdn. Berhad	1,000,000	0.24
27	Public Nominees (Asing) Sdn. Bhd. Pledged Securities Account For Tan Chee Wee	860,000	0.21
28	Phuan We Ping	691,600	0.17
29	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Phang Chin Ping	690,000	0.17
30	Siow Der Ming	616,118	0.15
	Total	323,011,488	78.72

# ANALYSIS OF SHAREHOLDINGS

AS AT 01 DECEMBER 2011

## Substantial Shareholders as per the Register of Substantial Shareholders as at 1 December 2011

	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	252,274,572 (4)	61.48
Cheong Teck Chong	2,273,928	0.55	239,809,648(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	250,409,444 (3)	61.02
Choon Yoke Ying	1,395,072	0.34	256,086,498 (5)	62.41
Choon Yee Bin	30	0.00	257,068,034 (6)	62.65
Mohd Annuar Choon Bin Abdullah	30	0.00	256,924,534 (6)	62.61
Choon Yee Fook	82	0.00	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	246,216,556(11)	60.00
Cheong Chee Kong	7,000	0.00	246,267,306(11)	60.01
Choon Ching Yih	1,896	0.00	256,894,668(8)	62.60
Cheong Chee Khoon	20,000	0.00	246,254,306(11)	60.01
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.

# ANALYSIS OF SHAREHOLDINGS

AS AT 01 DECEMBER 2011

## Directors' Shareholdings as per the Register of Directors' Shareholdings as at 1 December 2011

	← 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	239,809,648(2)	58.44
Choon Nee Siew	4,706,742	1.15	252,274,572 (3)	61.48
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
Datin Yue Shou How, Shirley	-	-	-	-

### 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.

# LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31 JULY 2011

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
<b>POH KONG JEWELLERS SDN BHD</b>							
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 39 years	754,243	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 39 years	2,276,160	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	13 years	2,274,461	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	14 years	1,138,286	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 39 years	3,287,750	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 39 years	174,072	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 2011

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
<b>POH KONG JEWELLERS (SS2) SDN BHD</b>							
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 34 years	2,277,000	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 34 years	2,646,000	28.8.08
No.23, Jalan SS2/55 47300 Petaling Jaya Selangor Darul Ehsan							
<b>POH KONG JEWELLERS (SUBANG PARADE) SDN BHD</b>							
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 16 years	346,768	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 26 years	341,000	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 27 years	2,538,000	26.1.99

# LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31 JULY 2011

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
<b>POH KONG JEWELLERS (AMPANG POINT) SDN BHD</b>							
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	19 years	141,000	15.7.97
No.33, 3rd Floor, Block Melor Apartment Desa 288 Persiaran Memanda 1 Taman Dato' Ahmad Razali 68000 Ampang, Selangor.							
<b>POH KONG JEWELLERY MANUFACTURER SDN BHD</b>							
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	10.5 years	12,234,000	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	22 years	1,386,918	15.8.97
No.276, Jalan 4D, Kampung Baru Subang, Shah Alam, Selangor							
<b>POH KONG JEWELLERS (THE MINES) SDN BHD</b>							
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 (Expiring in 2090)	Residential	108.41 square metres	11 years	123,240	17.2.01

# LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31 JULY 2011

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
<b>POH KONG JEWELLERS (THE MALL) SDN BHD</b>							
No.33-A-8-7, 8th Floor Villa Putra Condominium Jalan Tun Ismail 50480 Kuala Lumpur	Condominium	Freehold	Residential	107.13 square metres	17 years	244,400	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	17 years	263,200	6.4.96
<b>POH KONG JEWELLERS (OLD KLANG ROAD) SDN BHD</b>							
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	14 years	185,864	21.11.94
<b>POH KONG PROPERTIES SDN BHD</b>							
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	14 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	18 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	19 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	19 years	1,360,000	13.3.99



# LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31 JULY 2011

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
<b>POH KONG PROPERTIES SDN BHD</b>							
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	5 years	2,760,000	10.6.96
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 13 years	2,099,999	21.4.08
<b>POH KONG JEWELLERS (MALACCA) SDN BHD</b>							
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 19 years	147,819	15.8.97
302-L, Taman Bukit Baru 75450 Bukit Beruang Melaka							
<b>KEDAI EMAS LIKWONG SDN BHD</b>							
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 39 years	2,368,555	6.6.00
No.16, Jalan 52/4 46200 Petaling Jaya Selangor Darul Ehsan							
<b>PRECIOUS JEWELLERY SDN BHD</b>							
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 39 years	2,500,000	17.2.89
No.18, Jalan 52/4 46200 Petaling Jaya Selangor							

# LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31 JULY 2011

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
<b>JUNGMAX PROPERTY SDN BHD</b>							
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
<b>POH KONG JEWELLERS (KLANG) SDN BHD</b>							
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	1,557,548	30.7.02
No.8, Jalan 9/5E 40100 Shah Alam Selangor Darul Ehsan							
<b>POH KONG JEWELLERS (SEREMBAN) SDN BHD</b>							
1262 Lorong S2 A35/1 Central Park Seremban 2 70300 Seremban Negeri Sembilan	Double storey house	Freehold	Residential	154 square metres	Approximately 11 years	151,642	12.11.09

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Ninth 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 Tuesday, 10 January 2012 at 11.00 a.m. for the following purposes:-

## ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 July 2011 together with the Reports of the Directors and Auditors thereon.
2. To declare a First and Final Single Tier Dividend of 1.40 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2011. Resolution 1
3. To approve the payment of Directors' fees for the financial year ended 31 July 2011. Resolution 2
4. To re-elect the following Directors retiring under Article 80 of the Articles of Association:-
  - a) Choon Yoke Ying Resolution 3
  - b) Choon Wan Joo 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 Ordinary Resolution
  - **Authority to Directors to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965**

“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.” Resolution 7

## 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 Dividend of 1.40 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2011 will be payable on 9 March 2012 to Depositors registered in the Record of Depositors at the close of business on 13 February 2012.

A Depositor shall qualify for entitlement only in respect of:

- a. Shares transferred to the Depositor's Securities Account before 4.00pm on 13 February 2012 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

Date : 19 December 2011

## 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 Note on Special Business

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

The proposed Ordinary Resolution 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 Eighth Annual General Meeting held on 6 January 2011. 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 Eighth Annual General Meeting because there was no need for any fund raising activity for the purpose of investment, acquisition or working capital.

# STATEMENT ACCOMPANYING NOTICE OF NINTH ANNUAL GENERAL MEETING

Details of the Directors who are standing for re-election or re-appointment at the Ninth Annual General Meeting of Poh Kong Holdings Berhad are laid out in pages 19 to 24 of this Annual Report.

- i. Choon Yoke Ying
- ii. Choon Wan Joo
- iii. Dr Choong Tuck Yew

**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 Ninth Annual General Meeting of the Company to be held at De wan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 10 January 2012 at 11.00 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 Dividend of 1.40 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2011.		
2.	To approve the payment of Directors' fees for the financial year ended 31 July 2011.		
3.	To re-elect Ms. Choon Yoke Ying retiring under Article 80 of the Articles of Association.		
4.	To re-elect Ms. Choon Wan Joo 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.		

[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 \_\_\_\_\_ 2011/2012

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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