

ANGEL™
DIAMOND



POH KONG®



diamond
BOUTIQUE



JADE GALLERY by POH KONG



ORO BIANCO
by POH KONG



Tranz



DIAMOND & GOLD by POH KONG®



POH KONG-
GALLERY



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

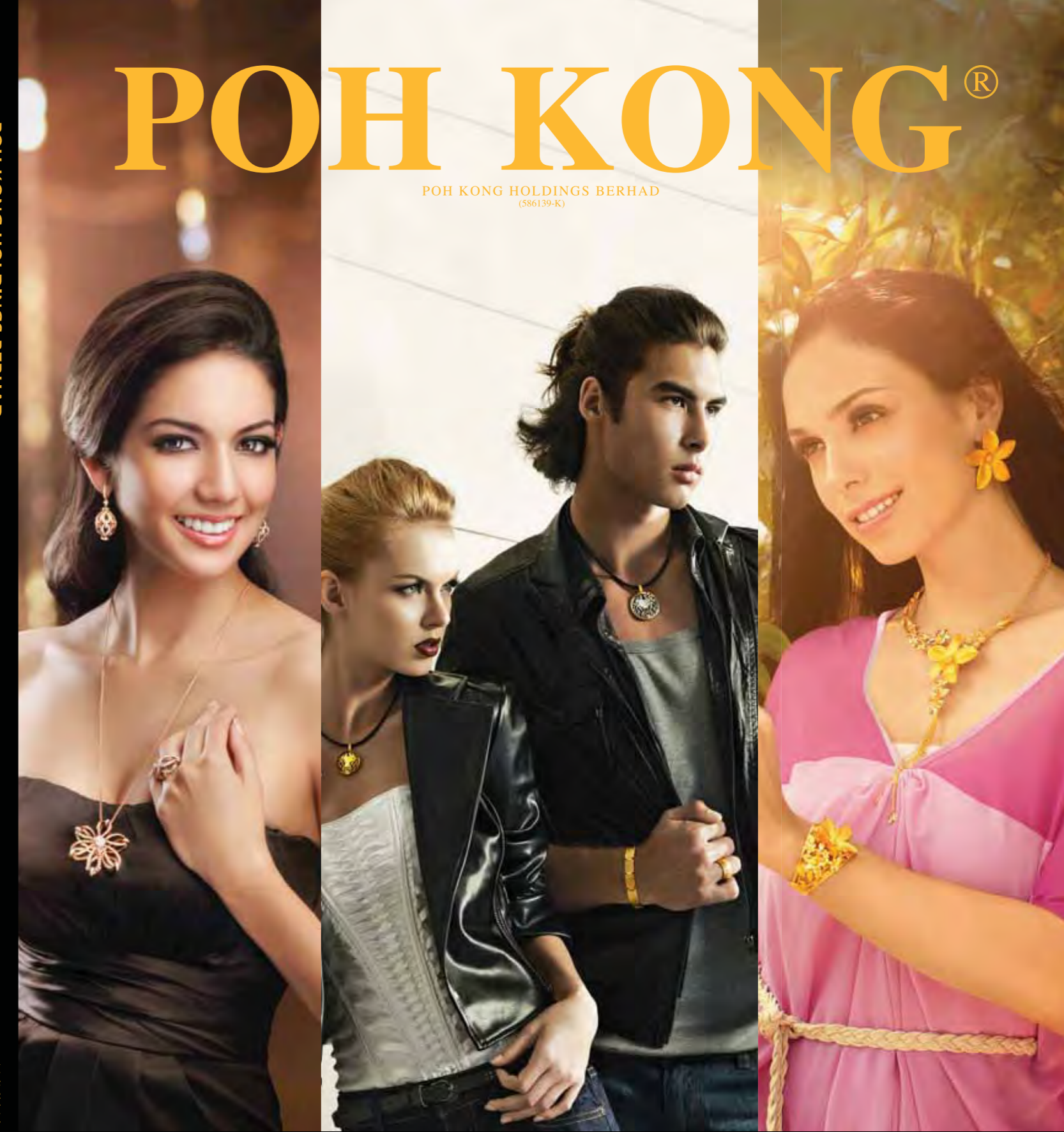
www.pohkong.com.my

POH KONG®

POH KONG HOLDINGS BERHAD
(586139-K)

POH KONG HOLDINGS BERHAD (586139-K)

ANNUAL REPORT 2012



ANNUAL REPORT 2012



Core Business Philosophy



POH KONG®

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
 - Paradigm Mall Tel: 603-7886 7475

- KUALA LUMPUR**
- AEON, Taman Maluri Tel: 603-9285 8566
 - AEON Alpha Angle, Wangsa Maju Tel: 603-4142 1688
 - AEON, Metro Prima Shopping Centre Tel: 603-6258 6088
 - AEON, Tmn Equine Shopping Centre Tel: 603-8941 6204
 - AEON, Cheras Selatan Tel: 603-9076 9781
 - AEON, AU2 Shopping Centre Tel: 603-4257 4282
 - Kompleks Pernas Sogo Tel: 603-2698 5275
 - The Mall Tel: 603-4041 0542
 - 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

- Carrefour Hypermarket, Kepong Tel: 603-6259 3809
- Plaza OUG, Old Klang Road Tel: 603-7981 7819
- The Store, Sri Petaling Tel: 603-9058 7693
- Pavilion, Lot 1.40.00 Tel: 603-2141 9090
- Axis Atrium Tel: 603-9200 7311

- SHAH ALAM**
- Alam Sentral Plaza Tel: 603-5518 6116
- KLANG**
- AEON, 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
 - AEON Mahkota Cheras Shopping Centre Tel: 603-9074 9377

- BANTING**
- The Store Tel: 603-3187 0543

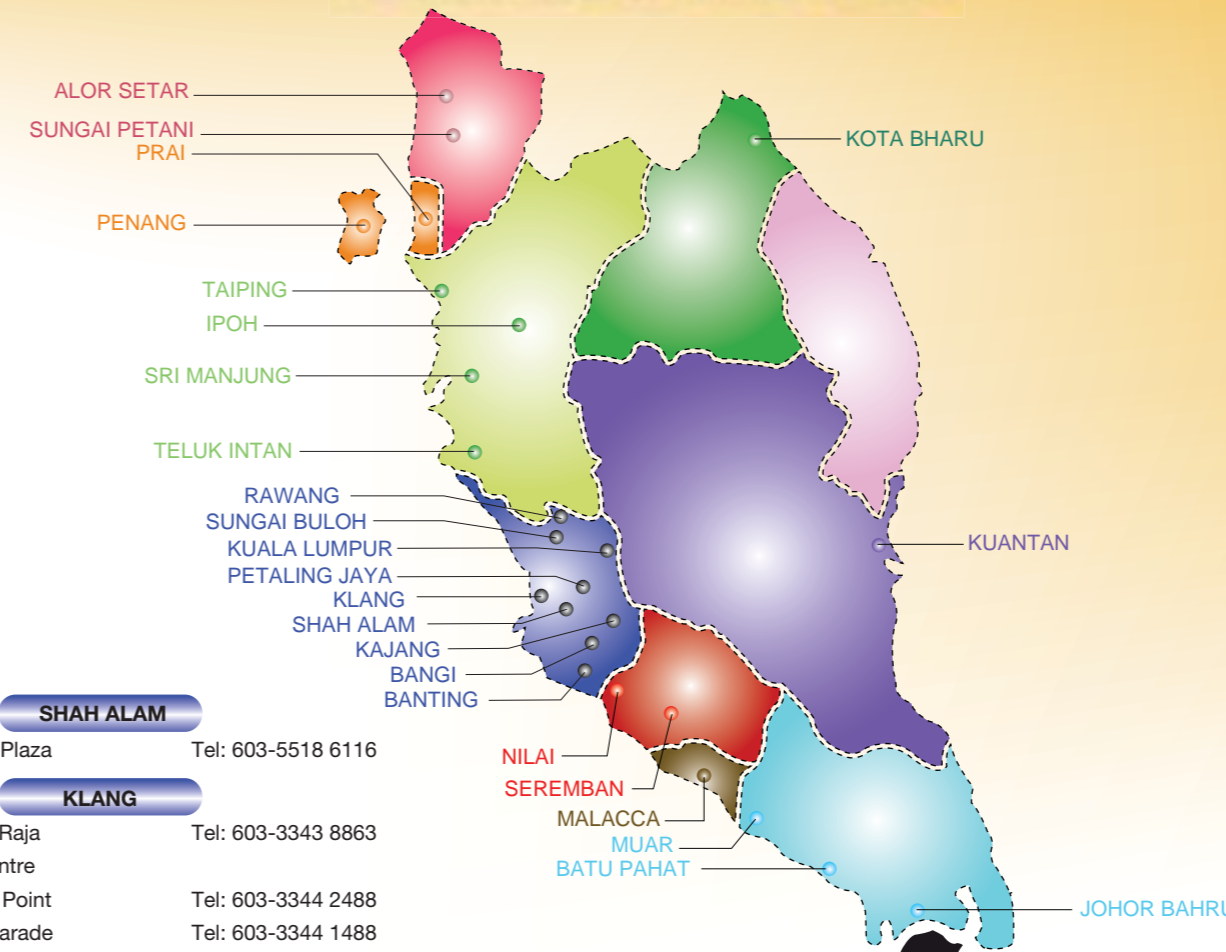
- RAWANG**
- AEON Anggun Rawang Shopping Centre Tel: 603-6093 3098

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

- SRI MANJUNG**
- AEON Sri Manjung Tel: 605-687 0866

- TELUK INTAN**
- The Store Tel: 605-621 6024

PENINSULAR MALAYSIA



- 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
 - AEON, Seremban 2 Tel: 606-601 5505
 - Kipmart, Senawang

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

- PENANG**
- Queensbay Mall Lot GF119 & GF120 Tel: 604-641 1560
 - Queensbay Mall Lot GF43-A, GF45 & GF 46 Tel: 604-641 1572
 - Mydin, Kompleks Bukit Jambul Tel: 606-641 3976
 - Kompleks Bukit Jambul Tel: 606-642 4973

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

- SUNGAI PETANI**
- Aman Jaya Mall Tel: 604-440 0073

- 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**
- AEON Shopping Centre Tel: 606-232 5188
 - Mahkota Parade Tel: 606-282 1922

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

- JOHOR BAHRU**
- AEON, Taman Universiti Tel: 607-521 3482
 - AEON, 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**
- 1 Utama Shopping Centre Tel: 603-7734 1286
 - Sunway Pyramid Shopping Mall, PJ Tel: 603-7492 0973
 - AEON, Bukit Indah Shopping Centre, Lot G36, JB Tel: 607-236 9499
 - AEON, Tebrau City Shopping Centre, Ground Floor, JB Tel: 607-353 6497

- DIAMOND & GOLD**
- 1 Utama Shopping Centre (Oval), PJ Tel: 603-7710 7260
 - Mid Valley Mega Mall, KL Tel: 603-2282 8850
 - Mahkota Parade, G14, Malacca Tel: 606-283 2470
 - Tang's Genting First World, Pahang Tel: 603-6101 2485
 - AEON, Bukit Tinggi, Klang Tel: 603-3326 2821
 - AEON Station 18, Ipoh Tel: 605-322 3618
 - AEON, Bandaraya Melaka Shopping Centre, Malacca Tel: 606-286 3120
 - Tesco Station 18, Ipoh Tel: 605-322 8655
 - Tesco Taiping Tel: 605-808 1333
 - Tesco Seri Alam, JB Tel: 607-388 8796
 - Tesco Melaka Cheng Tel: 606-334 3857
 - Tesco Seremban Jaya Tel: 606-678 0298
 - Tesco Putra Nilai Tel: 606-799 9626
 - Tesco Ampang, KL Tel: 603-9282 5857
 - Tesco Shah Alam Tel: 603-5519 3588
 - Tesco Klang Tel: 603-3323 9021
 - Tesco Melaka Tel: 606-288 2848
 - Tesco Puchong Tel: 603-8076 5952
 - Tesco Extra Cheras, KL Tel: 603-9132 4684
 - Tesco Extra, Shah Alam Tel: 603-5510 4203
 - Tesco Extra Seremban 2 Tel: 606-613 6068

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

- JADE GALLERY**
- AEON 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 Tel: 603-7958 8999
 - 46200 Petaling Jaya
 - Pavilion, Kuala Lumpur Tel: 603-2141 7919

QUALITY



♥ CRAFTSMENSHIP

♥ EXCELLENCE

♥ SERVICE

♥ PRODUCT

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BOARD OF DIRECTORS

Yg Bhg Dato' Choon Yee Seiong
Mr Cheong Teck Chong
Madam Choon Nee Siew
Mr Siow Der Ming
Mr Chang Kwong Him
Mr Choon Yee Bin
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

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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

RHB Bank Berhad (6171-M)

Level 7, Tower Three, RHB Centre,
Jalan Tun Razak,
50400 Kuala Lumpur
Tel: 03-9280 6322 Fax: 03-9280 6167

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

Level 11, 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
Web Portal: www.pohkong.listedcompany.com
Facebook: www.facebook.com/pohkongjewellers

TRUST

TRANSPARENCY

HONESTY

COMMITMENT

REPUTATION



Corporate Structure

Poh Kong Holdings Berhad 100%

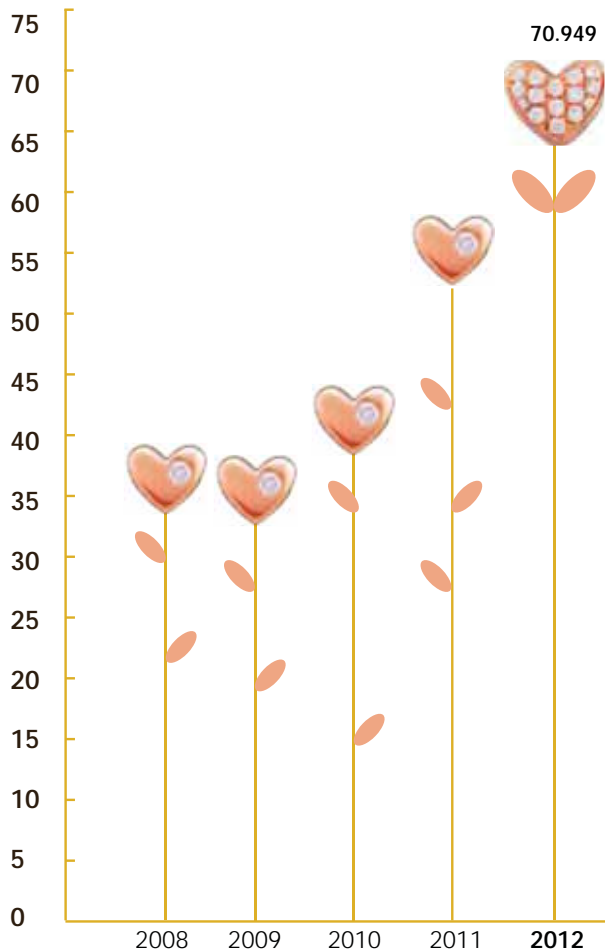
Poh Kong Jewellers (Ampang Point) S/B	Poh Kong Jewellers (Puchong) S/B
Poh Kong Jewellers (Bandar Utama) S/B	Poh Kong Jewellers (Selayang) S/B
Poh Kong Jewellers (Bangsar) S/B	Poh Kong Jewellers (Seremban) S/B
Poh Kong Jewellers (Banting) S/B	Poh Kong Jewellers (Shah Alam) S/B
Poh Kong Jewellers (Batu 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, JB) 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	Poh Kong Wholesale S/B (formerly known as 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

* under member voluntary winding up

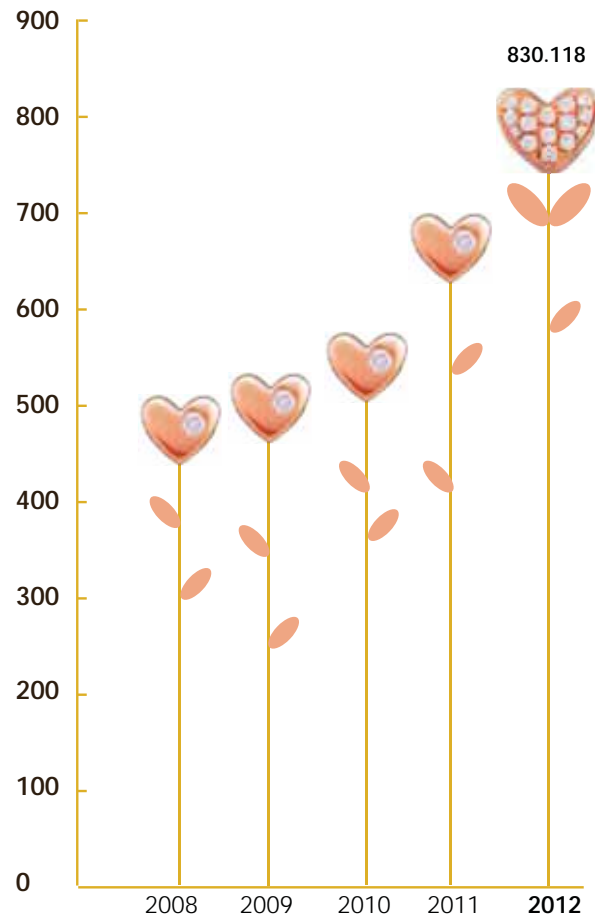
5 Year Group Financial Highlights

FYE 31 July - RM'000					
	2008	2009	2010	2011	2012
Revenue	509,354	541,636	561,244	692,419	830,118
Profit before taxation	39,956	38,558	44,799	57,672	70,949
Taxation	(11,190)	(10,138)	(12,282)	(16,467)	(19,383)
Profit after taxation	28,766	28,420	32,517	41,205	51,566
Profit attributable to:-					
Equity holders of the Company	28,686	28,444	32,517	41,205	51,566
Non-Controlling Interests	80	(24)	-	-	-
	28,766	28,420	32,517	41,205	51,566

PROFIT BEFORE TAXATION (RM Million)



REVENUE (RM Million)



Corporate Milestones

1976

- Poh Kong Jewellers (PKJ) was established on 26 March 1976 by one of the founders Dato' Eddie Choon, now Poh Kong Holdings Berhad's Executive Chairman & Group Managing Director, with its first outlet at Jalan 52/4, Petaling Jaya. This business address has been the Poh Kong Headquarters until today.

1982-1992

- PKJ opened its first branch in SS2, Petaling Jaya, taking up retail space of 1,500 sq ft and having a workforce of 20 employees.
- PKJ opened another 13 branches.

1993-2003

- PKJ upgraded all outlets with fully computerised point-of-sales and inventory systems.
- PKJ was made the exclusive distributor of Disney characters in gold in Malaysia.
- PKJ designer team won a gold medal for the "Golden Design Awards 1996" organized by the World Gold Council Europe in Italy.
- PKJ listed in The Malaysia Book of Records as the Largest Jewellery Retail Chain Store.
- PKJ 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.
- PKJ invested RM12 million to establish a 60,000 sq ft manufacturing facility in Shah Alam.



- Poh Kong launched its first in-house brand, Tranz in collaboration with World Gold Council.
- PKJ celebrated its 25th Anniversary with the "Drive Home a Lotus Elise" Contest and a grand anniversary company dinner.
- Poh Kong was one of the sponsors in the Miss Tourism International Pageant under the auspices of the Ministry of Culture and Tourism.

2004

- Poh Kong was listed on the main board of Bursa Malaysia Securities Berhad on 9 March.
- Poh Kong opened its first Poh Kong Gallery, a stylish Italian Classic VIP lounge with 5,000 sq ft, on the 1st floor of its headquarters in Petaling Jaya.
- Poh Kong reached its 60th outlet in Peninsular Malaysia.

2005

- Poh Kong established a franchise division.
- Poh Kong launched its 30th Anniversary "Million Ringgit Reward" with diamonds and gems for consumers.

Corporate Milestones

2006

- Poh Kong ventured into the diamond cutting and polishing, sales, import and export of precious stones in collaboration with Hong Kong companies.
- Poh Kong opened its first franchise outlet in Complex Karamuning, Kota Kinabalu in September as part of its retail expansion into East Malaysia.

2007

- Poh Kong was appointed as sole distributor for Schoeffel in Southeast Asia.
- Poh Kong Group participated in the International Trade Malaysia (INTRADE MALAYSIA 2007) exhibition organized by Matrade and supported by the Ministry of International Trade and Industry.

2009

- Poh Kong and Luca Carati, one of Italy's oldest and most prestigious jewellers launched the brand in Malaysia. Poh Kong is commemorated as the sole distributor in Malaysia.

2010

- Poh Kong showcased in-house brands, Tranz and Anggun in the Malaysian Pavilion at the Shanghai World Expo 2010.
- Poh Kong launched its 35th Anniversary "Shining Years" Customers Rewards Campaign.

2011

- Poh Kong reached its 100th outlet in Peninsula Malaysia.

2012

- Poh Kong announced its partnership with Moraglione 1922 of Italy, one of Europe's finest and notable jewellers.



Significant Highlights 2012

EVENTS / NEW PRODUCTS / CAMPAIGNS ...

9th ANNUAL GENERAL MEETING

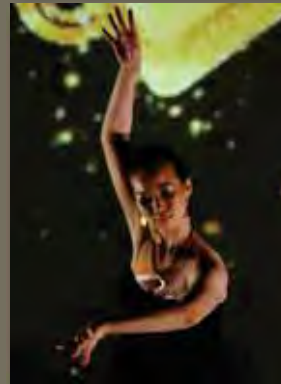
Poh Kong Holdings Berhad held at its 9th Annual General Meeting for shareholders at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Kuala Lumpur.



TRANZ BACK TO NATURE LAUNCH

Poh Kong unveiled a brand new image and tagline "Inspired. By Design" for Tranz at the Tranz – Unveiling the Marque of the Future launch event in the Actor's Studio, KL signifying a new phase for the established gold jewellery brand.

Appealing to the new kind of beauty based on intelligence, real accomplishment and a strong sense of individuality, Tranz inspires the wearer with a renewed determination of optimism, confidence and vitality. Tranz comes in four collections featuring design themes of Classic, Nature, Love, and Duet and is available exclusively at Poh Kong, Diamond & Gold outlets nationwide, Poh Kong Gallery and Tranz Boutique at Sunway Pyramid.



ART OF BEAUTY INSPIRES 'MELUR COLLECTION' IN POH KONG'S ANGGUN SERIES

Poh Kong continues the seasonal tradition of gold jewellery with floral motifs, with the launch of the Melur Collection, designed in the shape and form of the Jasmine flower, which personifies the attractive poise and radiance of a woman, at the Mines Wellness Hotel, Kuala Lumpur.

The Melur Collection, the latest line in the floral motif 916 (22K) gold Anggun series, is targeted at fashionable and trendy Malaysian women who also appreciate traditional values. The new collections are the Melur Collection and the Karya Anggun Collection, which combines several Anggun floral motifs. New designs have also been added to the Manja Collection, a petite set designed for children, and the Bunga Raya Collection. Anggun is available exclusively at Poh Kong, Poh Kong Gallery, and Diamond & Gold nationwide.



Significant Highlights 2012

EVENTS / NEW PRODUCTS / CAMPAIGNS ...

MORAGLIONE 1922 IS POH KONG'S SHINING PARTNER

Poh Kong latest partnership with world-renowned international jeweller Moraglione 1922 from Italy was highlighted in a six-day, European-themed roadshow to showcase some of its most stunning collections of royalty-inspired jewellery at the Pavilion Kuala Lumpur.

The show also featured Schoeffel luxury pearls from Germany, Luca Carati from Italy, Angel Diamond from Belgium and Poh Kong Gallery's luxury collection. Adding glitz and glamour to the event were local celebrities Reshmonu, Syafinaz Selamat, Daniel Lee and designers, such as Keith Kee, Carven Ong, and DL Fashion Design.



Dato' Eddie Choon, Poh Kong's Executive Chairman & Group Managing Director, and Ms Emiliana Caprioglio (third from left), Moraglione 1922 International Sales Director, with a bevy of models.



Models (from left to right) showcasing Europe's finest jewellery - the Isabella Collection, the Sofia Collection, the Grace Collection and the Anastasia Collection respectively.

THE ART OF AUSPICIOUS JEWELLERY COLLECTION LAUNCH

The precious pearl which adorn the dragon depicted in pictures of legends have become the inspiration for Poh Kong's anchor collection of its 2012 Auspicious Collections in welcoming the Year of the Dragon.

The Art of Auspicious Jewellery by Poh Kong comprises a variety of collections, which include the Dragon's Pearl, Jade and Gourd, Abacus, the Special collection, Fortunes from Heaven, the Rising Dragon Gold Coin and Smooth Endeavours Silver Coin set and Soaring Pixiu.

Poh Kong's 2012 Art of Auspicious Jewellery Collection which was launched at its manufacturing facility in Shah Alam is available at Poh Kong outlets nationwide.



Ms Christine Choon, Poh Kong's Director, poses with some of the Art of Auspicious Jewellery Collection.

THE SCHOEFFEL SHOW, SPRING 2012

Schoeffel previewed its fine luxury pearls with the theme 'Fleurs des Papillons' which is inspired by butterflies and flower blossoms for the latest Spring 2012 jewellery collection, hosted by Poh Kong, the sole distributor in Malaysia, for patrons and supporters at the Kuala Lumpur Hilton.

The pieces are shaped in an 18 carat gold setting, integrating both diamonds and handcrafted mother-of-pearl in a 3-dimensional flower and butterfly motive. A pearl is selected to be featured as the centrepiece.

Six international models paraded twelve distinct pearl jewellery sets, capturing the eyes of discerning guests with every movement in a well choreographed show reflecting the theme.



Models posing the new Schoeffel Collection with Ms Alice Choon, Poh Kong's Merchandising Director, and Mr Joseph Lim, Schoeffel Manager for Asia-Pacific.



Significant Highlights 2012

EVENTS / NEW PRODUCTS / CAMPAIGNS ...

POH KONG UNVEILS "FAMILY TIMES" CAMPAIGN

A Celebration of Parents' Day & Leap Month



In conjunction with the Parents' Day and the Leap Month of the Dragon Year, Poh Kong endorsed celebrity Auntie Lai Meng to launch the "Family Times" campaign 'A Celebration of Leap Month & Parents' Day,' to promote the importance of family bonding and to raise the awareness of filial piety.

Malaysian veteran actress Aunt Lai Meng, 85, who has been active since late 1950s, was appointed as the "Joy Ambassador" for this campaign due to her kind, loving, motherly role on and off screen over the decades, where her appearances and positive energy have had great influences on her audiences of different generations. She made her appearances at selected venues in the campaign to share her experiences and thoughts in playing different roles.

Poh Kong organized exciting contests and attractive prizes during the campaign for the public at the venues in conjunction with the leap month and parents' day celebration where traditionally gifting gold jewellery to elder family members will bring good fortune, enhanced longevity and good health.



MAKE LOVE MEMOIRS – THE LOVE STORY FACEBOOK CONTEST



Celebrities Peggy Lai, Wong Chui Ling, and Mr Siow Der Ming, PKHB Executive Director, were judges for the Love Story Contest.

It was a grand affair at the Mid Valley Centre Court, as Poh Kong held its "Make Love Memoirs – The Love Story Facebook Contest" where nine couples in this contest got their shot at winning the Grand Prize in the finals, by proposing again to their spouse in the most touching, creative and original way.

The contest offered prizes worth up to a total of RM80,000 and received an overwhelming response, with many heartwarming and often amusing stories that spoke of unconditional love.

Poh Kong provided contest finalists in three age groups, the opportunity to propose again to their partners on the stage to win the Grand Prize in each category of more than RM10,000, including an Angel Diamond ring worth RM8,000, a 2-day 1-night all inclusive package for two from Golden Palm Tree Iconic Resort & Spa, and professional photography package from Touch & Tom Wedding Group. The nominee of the Grand Prize winner also won Poh Kong jewellery worth RM5,000.



Significant Highlights 2012

EVENTS / NEW PRODUCTS / CAMPAIGNS ...

POH KONG PRESENTS PRESTIGIOUS JEWELLERY SHOWS IN PENANG

Poh Kong hosted its largest prestigious jewellery event showcasing more than 1,000 pieces of the latest diamonds and gemsets comprising of four main brands from Europe with a total value of more than RM10 million in Penang's G-Hotel recently.

The exquisite and iconic jewellery brands were from Poh Kong's international partners, such as Schoeffel fine luxury pearls from Germany, Luca Carati and Moraglione 1922 from Italy, and Angel Diamond from Belgium.

The six-day event was divided into a private viewing by invitation, public viewing at the hotel and at Poh Kong's outlet in Queensbay Mall.



Ms Alice Choo, Poh Kong Group's Merchandising Director, with some of the jewellery from Moraglione 1922.



AWARDS...

POH KONG RECEIVES 'MRCA ELITE AWARD'

Dato' Eddie Choon, PKHB's Executive Chairman & Group Managing Director, receiving the Malaysian Retailer-Chains Association (MRCA) Elite Awards at MRCA's 20th Anniversary & Awards Banquet 2012 at Sunway Resort Hotel & Spa, Bandar Sunway recently.

The award to Poh Kong Holdings Berhad was in recognition of the Company's growth and contributions towards the development of the retail chain industry in the country.

Dato' Choon was MRCA Founder President in 1972.



TRANZ, INSPIRED BY DESIGN: UNVEILING THE MARQUE OF THE FUTURE

Poh Kong Holdings Berhad won the bronze for the Best Event for Press/Media category for its 'Tranz, Inspired by Design: Unveiling the Marque of the Future' launch in the Marketing Event Awards 2012.



Significant Highlights 2012

AWARDS...

1 MALAYSIA PEOPLE'S CHOICE SHOP AWARDS

Poh Kong subsidiaries in the Poh Kong Group received the 1Malaysia People's Choice Shop Awards in the jewellery and accessories category from the Ministry of Domestic Trade, Cooperatives & Consumerism in recognition of the Company's product quality, reasonable prices of goods and improvement in service.

Formerly known as the Fair Price Shop Awards, assessment of the 1 Malaysia People's Choice Shop Awards is based on a voting system by the public and selection by the Ministry's committee.



The certificate for Star Parade.



Mr Albert Gan, Branch Manager, Poh Kong Jewellers Sdn Bhd received the 1Malaysia People's Choice Shop Awards from Datuk Saripuddin Bin Kasin, Secretary General, Ministry of Domestic Trade, Cooperatives & Consumerism.



Ms Mandy Lim, Branch Manager, Tesco Taiping with the certificate for Poh Kong Jewellers Sdn Bhd.



The certificate for Alor Setar Mall.



The certificate for Teluk Intan.

ON-THE-ROAD ...

Poh Kong conducted various road shows nationwide in conjunction with celebrations of the opening of the 100th Poh Kong outlet in Malaysia and on the occasion of a variety of festive seasons and public holidays.

100TH OUTLET BASH - SEREMBAN



At Seremban Roadshow – a Band Performance.



At Mahkota Parade – a Fashion Show.



CNY CELEBRATIONS - BALAKONG



Balakong Chinese New Year road show in January.



"God of Prosperity" distributing red packets to shoppers.



Crowd watching performance at Poh Kong Chinese New Year roadshow at Balakong.

Significant Highlights 2012

ON-THE-ROAD ...

VALENTINE'S DAY – 1 UTAMA, PJ



Valentines Love Fest at One Utama.



Couple participating interactive games such as the "Most Look Alike Couple" Contest.



Local recording artiste Pete Teo performing love songs.

WEDDING FAIR – MID-VALLEY MEGAMALL, KL



Bridal Fair Roadshow at Mid-Valley Megamall.

MOTHER'S DAY – MID-VALLEY MEGAMALL, KL



Mid-Valley "Family Times" Road Show.



"Family Times" campaign and joy ambassador - Malaysian veteran artiste, Aunty Lai Meng's "Meet & Greet" session.



Mailbox of Love for "dedication" activity by contestants.

HARI RAYA FESTIVE – ALOR SETAR & 1 UTAMA, PJ



Alor Setar Mall Roadshow.



1 Utama Fashion show showcasing latest Anggun Collection for Raya Celebrations.

Significant Highlights 2012

POH KONG GALLERY - PAVILION KL



Various special performances including a fashion show were held to enhance the branding and launch of Moraglione 1922, a renowned colored stones brand from Italy.



Supermodel Amber Chia.



Singer Syafinaz Selamat.



R&B artiste Reshmonu.



Singer Daniel Lee.

DIAMOND BOUTIQUE – TEBRAU, JOHORE



Crowd witnessing "Love of Magic" at Diamond Boutique road show in Tebrau.



A couple had fun playing "Flick the Ring" game.

Board Of Directors

YANG BHG DATO' CHOON YEE SEIONG
Executive Chairman and Group Managing Director

MR CHEONG TECK CHONG
Executive Director

MR CHOON YEE BIN
Executive Director

MADAM CHOON NEE SIEW
Executive Director

DR CHOONG TUCK YEW
Senior Independent Non-Executive Director

MR CHANG KWONG HIM
Executive director

ENCIK FAZRIN AZWAR BIN MD NOR
Independent Non-Executive Director

MR SIOW DER MING
Executive Director

DATIN SHIRLEY YUE SHOU HOW
Independent Non-Executive Director



Profile Of Board Of Directors

YANG BHG DATO' CHOON YEE SEIONG

Executive Chairman & Group Managing Director

Yg Bhg Dato' Choon Yee Seiong, age 58 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 leader and visionary in the industry, Dato' Choon was one of the founders of Poh Kong Jewellers Sdn Bhd (PKJ) in 1976 at the age of 22. He has since headed the Poh Kong Group making it the largest jewellery retail chain store in Malaysia with 104 outlets nationwide. He holds numerous directorships in the companies within the Group. He also serves as a member of the Remuneration Committee of PKHB.

Dato' Choon is responsible for the overall strategy and marketing, management policies, expansion and operations. His ability to direct and manage his teams has seen Poh Kong's successful expansion in setting up retail stores in almost all major shopping malls in the country to better serve their customers. Under his leadership, a manufacturing facility in Shah Alam was established in 2001 to produce fine jewellery and gemsets exclusively for Poh Kong outlets. His commitment to run the business with discipline, sincerity, loyalty, prudence and intelligence has been demonstrated to his managers and staff persistently over the years. He has proven that jewellery retailing is a serious hands-on business which requires resilience, focus, hard work, observation and perseverance to succeed.

He has been instrumental in the acquisition of companies, the successful development of a portfolio of international and speciality brands, and pioneering retail concept stores. In the past, he was the prime mover in developing sole distributorship for world-renowned international jewellery brands, such as Disney, Schoeffel luxury pearls from Germany, Angel Diamond from Belgium, Luca Carati and Verdi Gioielli from Italy. In 2012, he sealed a partnership with one of Europe's notable jewellers Moraglione 1922 to carry their iconic collections which are inspired by the Royal houses of Spain, Monaco and Russia.

He has won several domestic acclaim for his outstanding achievements as a leading jeweller. 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 over the past years.

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 was also former president of various goldsmith and jewellers associations in the country.

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 Bin and Madam Choon Ching Yih 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 63 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 Ms Cheong Poh See and Mr Cheong Chee Kong are shareholders of the Company.

MADAM CHOON NEE SIEW

Executive Director

Madam Choon Nee Siew, age 57 years, a Malaysian, was appointed to the Board of Directors of PKHB as Executive Director on 13 January 2004.

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

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

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



Profile Of Board Of Directors

MR CHANG KWONG HIM

Executive Director

Mr Chang Kwong Him, age 62 years, a Malaysian was re-appointed to the Board of Directors of PKHB as Executive Director on 15 March 2012. He last served as Executive Director of PKHB from 2004 to 2007.

He joined Chang Kam Yee Sawmill in 1969 as Factory Manager. In 1982, he became a Director of PKJ (SS2) Sdn Bhd and in 1985, he returned as a Factory Manager at Chang Kam Yee Sawmill. He was appointed Managing Director of PKJ (The Mall) Sdn Bhd in 1987. Besides the Mall, his main responsibility is managing the daily operations of Sogo, and AEON Cheras Selatan. He holds directorships of other companies within the Group.

In addition, he is also a Director of Chang Kam Yee & Sons Sdn Bhd which is involved in sawmilling, a Director of Ketyoh Sdn Bhd, a wood moulding works company, a Director of Rancang Duta Sdn Bhd, and a Director of Superior Valve Development Sdn Bhd.

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

MR SIOW DER MING

Executive Director

Mr Siow Der Ming, age 55 years, a Malaysian was re-appointed to the Board of Directors of PKHB as Executive Director on 15 March 2012. He last served as Executive Director of PKHB from 2004 to 2007.

Mr Siow graduated with a Bachelor of Science (Hons) degree majoring in chemistry from the University of Malaya in 1981. Soon after, he worked as a Chemist and Quality Control Executive with Kee Huat Industry Sdn Bhd in Shah Alam, a manufacturer of gas cookers and washing machines. In 1983, he left to join Metatrade Sdn Bhd as a Sales Marketing Executive in charge of the marketing of speciality and industrial chemicals. In 1986, he was promoted to Technical Manager at Metachem Sdn Bhd and was responsible for quality control, research and development in rubber chemicals.

He is a veteran in the jewellery industry with over 20 years experience. He joined Poh Kong in 1989 and was appointed Managing Director of Poh Kong Jewellers (Maluri) Sdn Bhd. In 2002, he was appointed Director of Poh Kong Jewellers (Franchise) Sdn Bhd in charge of the overall strategic management and operation of the Franchise Division. His main responsibility is managing daily operations at several retails, such as Jusco Maluri, Leisure Mall, Axis Atrium, Tesco Extra Cheras and Giant Kinrara. He also holds directorships of other companies within the Poh Kong Group.

He is the Deputy President of the Federation of Goldsmiths and Jewellers Associations of Malaysia (FGJAM) and President of the Goldsmith and Jewellers Association of Wilayah Persekutuan, Selangor, Negri Sembilan and Pahang.

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

Profile Of Board Of Directors

MR CHOON YEE BIN

Executive Director

Mr Choon Yee Bin, age 44 years, was appointed to the Board of Directors of PKHB as Executive Director on 15 March 2012.

He started his career as a goldsmith with Precious Jewellery Sdn Bhd in 1984 and a year later, was promoted to Production Supervisor. In 1991, Mr Choon was appointed Assistant Managing Director of Poh Kong Jewellery Manufacturer Sdn Bhd (PKJM). In 1994, he set up the wholesale division that sources a wide range of products for all the retail outlets under the Poh Kong Group.

Mr Choon has made significant contributions to the techniques used in the production of gold ornaments and the setting of precious and semi-precious stones. He oversees the marketing, wholesale, production and human resources departments of PKJM. He also holds directorships of other companies within the Group.

Mr Choon Yee Bin's sibilings Dato' Choon Yee Seiong, Madam Choon New Siew, Madam Choon Yoke Ying, Encik Mohd Annuar Choon Bin Abdullah, Madam Choon Wan Joo and Madam Choon Ching Yih are shareholders of the Company. His brothers-in-law Mr Siow Der Ming and Mr Chang Kwong Him are also shareholders of the Company.

DR CHOONG TUCK YEW

Senior Independent Non-Executive Director

Dr Choong Tuck Yew, age 74 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 Chartered Member of the Malaysian Institute of Accountants (MIA), and a member of the 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 Deputy Chairman of C & C Investigation Services Sdn Bhd, a licensed private investigation company.

His other business interests include directorships at OSK-UOB Investment Management Berhad, OSK-UOB Islamic Fund Management Berhad and SCC Holdings Bhd.

Presently, Dr Choong is the Council Member of the World Association of Detectives. 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 and Nomination Committees of PKHB.



Profile Of Board Of Directors

ENCIK FAZRIN AZWAR BIN MD NOR

Independent Non-Executive Director

Encik Fazrin Azwar Bin Md Nor, age 46 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 Azwar & Associates.

In listed companies, he holds the following positions: as an Independent Non-Executive Chairman of Mercury Industries Berhad and an Independent Non-Executive Director of Tong Herr Resources 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 Kuchinta Tenaga Hijau Sdn Bhd, Agni Power Sdn Bhd, Nirzaf Holdings Sdn Bhd and the Kuchinta Group of Companies.

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

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

DATIN SHIRLEY YUE SHOU HOW

Independent Non-Executive Director

Datin Shirley Yue Shou How, age 64 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 2012 ("FYE 2012").

ECONOMIC AND RETAIL OUTLOOK

The expected financial recovery in the US economy remains tepid while Eurozone countries economy affected by the sovereign debt issue continue to escalate. In addition, the high unemployment rates in the advanced economies together with the heavy debt burden also weighed down the global economic outlook.

In Malaysia, the underlying strength of the domestic economy remained intact as domestic demand continued to support growth. The country is not as vulnerable as developed countries as 69% of the gross domestic product (GDP) comprises domestic consumption while 22% is investment, about 7% is net trade, and the rest is inventory.* Going forward, the recently announced Budget 2013 forecasts the local economy to strengthen further and achieve a GDP growth at 4.5% to 5% in 2012 and at 4.5% to 5.5% in 2013.**

Malaysia's retail industry recorded sales growth of 6.9% in the first quarter of this year, boosted by various incentives introduced by the Government under its Economic Transformation Programme. Retail Group Malaysia (RGM), an independent retail research firm, projects the retail industry to expand by 5.5% in the fourth quarter, and to achieve a full year growth of 6% this year.***

In view of RGM's optimistic forecasts and various measures by the Government aimed at increasing per capita income and encourage spending, Poh Kong will continue to strive to improve further its earnings base and financial position.

Despite a weak economy in the US and Eurozone, fluctuations in gold prices have affected consumer sentiment in the purchase of jewellery products. However, consumer sentiment can change with steady economic growth and as a result, lead to more consumer confidence and domestic consumption, including spending on luxury products such as jewellery. Poh Kong is confident of higher levels of consumer spending due to Kuala Lumpur's ranking as the world's 4th best shopping destination by CNN Travel and the 2nd best shopping city in Asia-Pacific, by Globe Shopper Index, a survey from The Economist research unit in Switzerland.****

Sources:

- * Reported in StarBiz, 22 October 2012 "Transformation Blues" by Dato' Sri Idris Jala, Deputy Minister in Prime Minister's Department
- ** Reported in StarSpecial (Economic Report), 29 September 2012
- *** Reported in StarBiz, 8 October 2012
- **** Reported in The Star, 23 November 2012 and New Straits Times, 27 November 2012

Chairman's Statement

REVIEW OF FINANCIAL PERFORMANCE

For the financial year ended 31 July 2012 (FYE 2012), the Group's total revenue was higher at RM830.1 million as compared to the revenue of RM692.4 million in the previous financial year (FYE2011). The increase in revenue for FYE 2012 was RM137.7 million or an increment of 20% over FYE2011 was attributed to an upsurge in domestic prices of gold, sales contribution by new outlets and existing stores registering higher sales nationwide.

The demand for gold-based jewellery and gold investment products comprising gold bullions, gold bars, gold coins and wafers increased in FYE2012 under review. Retailing of gold-related jewellery and gold investment products are the key revenue contributors. The Group's liquidity profile was enhanced by its gold inventories.

Profit before tax at RM70.9 million for FYE2012 was higher as compared to the profit before tax of RM57.7 million in last year's corresponding period of FYE2011; an increase of RM13.2 million or 23%. The increase in profit before tax was mainly due to higher sales revenue, and an improvement in operations efficiency.

As at 31 July 2012, the Group's net assets recorded an increase of RM45.8 million at RM391.8 million over the previous year of RM346.0 million.

REVIEW OF OPERATIONS

PKHB is an investment holding company that provides management services while the core activities of its subsidiaries are manufacturers, dealers, suppliers, retailers and exporter of jewellery, precious stones and gold ornaments.

The Group's revenue is largely derived from retail segment while the manufacturing segment supplies the finished gold-based jewellery and gemstones to the retail outlets nationwide. The Poh Kong Group, the country's largest jeweller by revenue and size, is Malaysia's leading retail chain store specializing in jewellery retailing nationwide and manufacturing.

Although the Company has the largest retail network nationwide, it will actively look for opportunities to expand and build its market share. It will also continue to look for strategic locations overseas for manufacturing and retail operations to further grow its business.

It has embarked on a group-wide internal reorganization exercise that would consolidate the Group's existing businesses into six core activities, namely Retail, Wholesale & Distribution, Manufacturing, Property Investment, Franchise, and Overseas Investment.

The internal reorganization will result in the winding up of non-key or dormant subsidiaries, and the acquisition of all the retail businesses by Poh Kong Jewellers Sdn Bhd which will be the sole entity managing the retail outlets.

In line with this internal reorganisation, the Group will consolidate all its existing banking facilities amongst the various financial institutions with the new borrowings structure that comprises primarily of Bankers' Acceptance and the Islamic Commercial Papers/Islamic Medium Term Notes (ICP/IMTN) Programme.

The Group is an integrated one-stop jeweller, from manufacturer to retailer of gold, diamonds and precious stones. In addition to retailing gold jewellery, the Group offers a range of non-gold jewellery to meet the needs of different customers via retail concept stores. It has various strategic partnerships with international brand names to strengthen its position in the market besides its traditional gold-based jewellery and gold ornamental products.

The Group faces significant competition from a large number of local jewellery retailers, as well as imported jewellery, making the competitive environment more intense. It mitigates this competitive pressure by reinforcing its established track record, instilling consumer awareness of the Poh Kong brand and implementing brand building campaigns to emphasise the quality of its products and creating strong customer loyalty.



Chairman's Statement

Moving ahead, the Group will strive to improve its profit margins via internal reorganization, consolidation of all its existing banking facilities via the Group's funding and capital expenditure requirement, coupled with more strategic alliances and partnerships with business associates and principals.

RETAILING AND BRANDING

The Group is recognized as Malaysia's largest jewellery retail chain store with 104 outlets nationwide and has its own manufacturing facility situated in Shah Alam. The plant takes pride in producing fine quality jewellery brands under stringent quality measures and specifications, for exclusive distribution to only Poh Kong outlets throughout the country.

The Poh Kong brand name is synonymous with design excellence, superior quality and meticulous craftsmanship. This is reflected in several of its in-house brands, such as Tranz, Happy Love, Anggun, and The Art of Auspicious Jewellery.

Tranz is an Italian-inspired brand that offers contemporary gold jewellery for bold and daring men and women. It evokes a sense of self-confidence and perseverance with a no-holds-barred attitude, thus further accentuating the individuality of the wearer. Tranz comes in four themed collections – Nature, Classic, Love, and Duet. Happy Love boasts a collection of distinctive oriental gold jewellery, while Anggun features Asian-inspired designs of floral motifs that reflect the beauty of nature's flora. The various collections under the Anggun brand are Alamanda, Bunga Raya, Manja, Okid, and Melur. The Art of Auspicious Jewellery is a showcase of well-crafted masterpieces designed with fengshui elements in mind, denoting blessings of good fortune and longevity.

Poh Kong is the licensee for Disney Jewellery, timeless brands adored by adults and children alike. It is sole distributor for international luxury pearls Schoeffel from Germany. Angel Diamond, the world's first Ideal Square Cut Hearts and Arrows Diamond from Belgium is exclusive to Poh Kong. Also in the stable are Luca Carati and Verdi Gioielli, two of Italy's most prestigious luxury jewellers with expert craftsmanship and invaluable experience in finest material acquisition. Poh Kong's latest partner is Moraglione 1922, a company in Italy reputed for its craftsmanship and passion, has collections that draw inspiration from the Houses of European royalty in Spain, Monaco and Russia.

In addition to a wide array of fine and exquisite jewellery, gold-related jewellery, and gold investment products in Poh Kong, patrons can visit other retail outlets or the concept stores, such as Poh Kong Gallery, Diamond & Gold, Diamond Boutique, Jade Gallery, Tranz and Oro Bianco.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group initiated several CSR activities during the year, including visits to children's and old folks homes. The children from orphanages and the destitute and elderly from welfare homes were presented gifts of clothing, food, drinks and cash contributed by Poh Kong staff.

The principles and practices of CSR in doing volunteer charity work has become a tradition of the staff and Company in fulfilling its social responsibilities in helping the less privileged in society.

The Group's CSR's activities are set out on pages 38 to 42 of this Annual Report.

FUTURE PROSPECTS

Whilst the prospects for the Malaysian economy remains positive in 2013, the unfavourable conditions and uncertainties of the Eurozone sovereign debts issue, the US fiscal cliff and the resulting volatility and high unemployment rates have been a damper to the world economy.

The Group operates in a very competitive environment in the jewellery industry. It plans to continue in its drive to build a larger share of the market by enhancing and differentiating its product offerings to its targeted segments.



Chairman's Statement

Poh Kong's management actively evaluates various initiatives and opportunities to attract new customers through the introduction of new jewellery designs and collections, and offers excellent customer and personalized service at various touch-points at its outlets to enhance and fulfill customers' shopping experience.

Although gold-based jewellery and investment products, such as gold bars, gold coins and gold wafers, will continue to contribute to the total revenue, the Group also faces routine business risks, such as future economic downturn, consumer pessimism, monthly sales fluctuations due to non-festive seasons, fluctuating raw materials prices, foreign exchange rates, and strong competition from industry players. Gold is universally regarded as a store of value and investment, a hedge against inflation and global currency risks.

Given the intense competition from industry players and changing business landscape, the Group envisions a challenging year ahead. Poh Kong is cautiously optimistic of the Group's growth prospects and is again confident of facing the global economic turbulence and various business risks.

To meet the Group's objective in maintaining sustainable growth in the coming year, the growth strategy will be to maximize the utilization of resources, fine tune its operations efficiency and cost control to improve its performance for the financial year ending 2013 (FYE 2013).

Barring unforeseen circumstances, the Board forecasts positive performance of the Group in FYE 2013.

EARNINGS PER SHARE

The basic earnings per share for the financial year ended 31 July 2012 stands at 12.57 sen (2011: 10.04 sen).

DIVIDEND

The Board of Directors recommend a first and final single tier dividend of 1.50 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 July 2012 (2011: 1.40 sen single tier dividend per ordinary share of RM0.50 each).

The proposed dividend is subject to shareholders' approval at the 10th Annual General Meeting to be held on 31 January 2013.

ACKNOWLEDGEMENTS

I take this opportunity to thank my fellow Board members for their guidance and valuable service and on behalf of the Board of Directors, I would also like to thank the Management and Staff for their commitment, dedication and contributions towards the Group during the year.

Our appreciation also goes to our valued shareholders, customers, consultants, business associates, Government agencies, bankers, financiers, suppliers and partners for their continued support, trust and confidence in the Group.

DATO' CHOON YEE SEIONG
EXECUTIVE CHAIRMAN & GROUP MANAGING DIRECTOR

24 December 2012



Penyata Pengerusi

Pemegang-pemegang Saham yang Dihargai,

Bagi pihak Lembaga Pengarah ("Lembaga") Poh Kong Holdings Berhad ("Syarikat" atau "PKHB"), saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Teraudit Syarikat dan anak-anak syarikatnya ("Kumpulan") bagi tahun kewangan berakhir 31 Julai 2012 ("FYE 2012").



TINJAUAN EKONOMI DAN SEKTOR RUNCIT

Jangkaan pemulihan kewangan dalam ekonomi US masih agak perlahan manakala ekonomi di negara-negara zon Euro terjejas oleh masalah hutang kerajaan yang terus meningkat. Selain itu, kadar pengangguran yang tinggi di beberapa ekonomi maju berserta dengan beban hutang yang tinggi juga turut mempengaruhi tinjauan ekonomi global.

Di Malaysia, asas kekuatan ekonomi domestik kekal utuh apabila permintaan domestik terus menyokong pertumbuhan. Negara ini tidak terdedah sepertimana negara-negara maju memandangkan 69% daripada Keluaran Dalam Negeri Kasar (KDNK) terdiri daripada penggunaan domestik manakala 22% adalah pelaburan, lebih kurang 7% adalah perdagangan bersih, dan selebihnya adalah inventori.* Maju ke hadapan, Bajet 2013 yang diumumkan baru-baru ini meramalkan bahawa ekonomi tempatan akan bertambah kukuh dan mencapai pertumbuhan KDNK sebanyak 4.5% hingga 5% pada tahun 2012 dan sebanyak 4.5% hingga 5.5% pada tahun 2013.**

Industri runcit Malaysia mencatat pertumbuhan jualan sebanyak 6.9% pada suku pertama tahun ini, dirangsang oleh pelbagai inisiatif yang diperkenalkan oleh Kerajaan di bawah Program Transformasi Ekonomi. Retail Group Malaysia (RGM), sebuah firma penyelidikan runcit bebas, mengunjurkan industri runcit akan berkembang sebanyak 5.5% pada suku keempat, dan mencapai pertumbuhan setahun penuh sebanyak 6% tahun ini.***

Mengambil kira ramalan optimis RGM dan pelbagai langkah yang diambil oleh Kerajaan yang bertujuan untuk meningkatkan pendapatan per kapita dan menggalakkan perbelanjaan, Poh Kong akan terus berusaha untuk melipat gandakan lagi asas perolehannya dan kedudukan kewangannya.

Di sebalik kelemahan ekonomi di US dan zon Euro, naik turun harga emas telah mempengaruhi sentimen pengguna dalam pembelian produk barang kemas. Walau bagaimanapun, sentimen pengguna boleh berubah dengan pertumbuhan ekonomi yang teguh dan akibatnya, membawa kepada keyakinan pengguna dan penggunaan domestik yang lebih tinggi, termasuk perbelanjaan ke atas produk mewah seperti barang kemas. Poh Kong yakin terhadap tahap perbelanjaan pengguna yang lebih tinggi kerana kedudukan Kuala Lumpur sebagai destinasi membeli-belah keempat terbaik dunia oleh CNN Travel dan bandar raya membeli-belah kedua terbaik di Asia-Pasifik, oleh Globe Shopper Index, satu tinjauan daripada Unit Penyelidikan Pakar Ekonomi di Switzerland.****

Sumber:

- * Dilaporkan dalam StarBiz, 22 Oktober 2012 "Transformation Blues" oleh Dato' Sri Idris Jala, Timbalan Menteri di Jabatan Perdana Menteri
- ** Dilaporkan dalam StarSpecial (Laporan Ekonomi), 29 September 2012
- *** Dilaporkan dalam StarBiz, 8 Oktober 2012
- **** Dilaporkan dalam The Star, 23 November 2012 dan New Straits Times, 27 November 2012

ULASAN MENGENAI PRESTASI KEWANGAN

Bagi tahun kewangan berakhir 31 Julai 2012 (FYE 2012), hasil keseluruhan Kumpulan adalah lebih tinggi sebanyak RM830.1 juta berbanding dengan hasil sebanyak RM692.4 juta pada tahun kewangan sebelumnya (FYE2011). Peningkatan hasil bagi FYE 2012 adalah sebanyak RM137.7 juta atau kenaikan 20% berbanding FYE2011 adalah disebabkan oleh kenaikan harga emas domestik, sumbangan jualan oleh saluran-saluran baru dan gedung-gedung sedia ada mencatat jualan yang lebih tinggi di seluruh negara.

Permintaan bagi barang kemas berasaskan emas dan produk pelaburan emas yang terdiri daripada bulion emas, jongkong emas, syiling dan wafer emas telah meningkat pada FYE2012 di bawah kajian. Peruncitan barang kemas berkaitan emas dan produk pelaburan emas adalah penyumbang hasil utama. Profil mudah tunai Kumpulan telah ditingkatkan oleh inventori emasnya.

Keuntungan sebelum cukai sebanyak RM70.9 juta bagi FYE2012 adalah lebih tinggi berbanding dengan keuntungan sebelum cukai sebanyak RM57.7 juta dalam tempoh FYE2011 yang sama tahun lepas; meningkat sebanyak RM13.2 juta atau 23%. Sebahagian besar daripada peningkatan dalam keuntungan sebelum cukai adalah berpunca daripada hasil jualan yang lebih tinggi dan peningkatan dalam kecekapan operasi.

Pada 31 Julai 2012, aset bersih Kumpulan mencatat peningkatan sebanyak RM45.8 juta kepada RM391.8 juta berbanding tahun sebelumnya sebanyak RM346.0 juta.

ULASAN OPERASI

PKHB adalah syarikat pemegang pelaburan yang menyediakan khidmat pengurusan manakala kegiatan teras anak-anak syarikatnya adalah pengilang, wakil penjual, pembekal, peruncit dan pengeksport barang kemas, batu permata berharga dan perhiasan emas.

Sebahagian besar daripada hasil Kumpulan diperoleh daripada segmen runcit manakala segmen pengilangan membekalkan barang kemas berasaskan emas siap dan batu permata ke saluran-saluran runcit seluruh negara. Kumpulan Poh Kong, penjual barang kemas terbesar negara dari segi hasil dan saiz, adalah gedung rantaian runcit terkemuka di Malaysia mengkhusus dalam peruncitan barang kemas seluruh negara dan pengilangan.



Walaupun Syarikat mempunyai rangkaian runcit terbesar di seluruh negara, ia akan secara aktif mencari peluang untuk mengembangkan dan membangunkan bahagian pasarannya. Ia juga akan terus mencari lokasi-lokasi strategik di luar negeri bagi operasi pengilangan dan runcit untuk mengembangkan lagi perniagaannya.

Ia telah memulakan langkah penyusunan semula dalam kumpulan secara menyeluruh yang akan menyatukan perniagaan sedia ada Kumpulan ke dalam enam kegiatan teras, iaitu Runcit, Jualan Borong & Pengedaran, Perkilangan, Pelaburan Hartanah, Francais, dan Pelaburan Luar Negeri.

Penyusunan semula dalam akan mengakibatkan penggulangan anak-anak syarikat yang tidak penting atau dormant, dan pengambilalihan kesemua perniagaan runcit oleh Poh Kong Jewellers Sdn Bhd yang akan menjadi satu-satunya entiti yang menguruskan saluran runcit.

Selaras dengan penyusunan semula dalam ini, Kumpulan akan menyatukan kesemua kemudahan perbankan sedia adanya di kalangan beberapa institusi kewangan dengan struktur pinjaman baru yang terdiri terutamanya daripada Penerimaan Jurubank dan Program Surat Niaga Perdagangan Islam/Nota Berjangka Sederhana Islam (ICP/IMTN).

Kumpulan adalah peniaga barang kemas sehenti bersepadu, daripada pengilang hinggalah peruncit emas, berlian dan batu permata berharga. Selain daripada peruncitan barang kemas emas, Kumpulan menawarkan rangkaian barang kemas bukan emas untuk memenuhi keperluan pelbagai jenis pelanggan melalui gedung konsep runcit. Ia mempunyai beberapa perkongsian strategik dengan nama-nama jenama antarabangsa untuk mengukuhkan kedudukannya dalam pasaran selain produk berasaskan emas dan perhiasan emasnya.

Penyata Pengerusi

Kumpulan menghadapi persaingan yang ketara daripada sebilangan besar peruncit barang kemas tempatan, serta barang kemas import, menjadikan persekitaran persaingan lebih sengit. Ia mengurangkan tekanan persaingan ini dengan mengukuhkan rekod prestasinya, memupuk kesedaran pengguna jenama Poh Kong dan melaksanakan kempen-kempen pembangunan jenama dengan menitikberatkan kualiti produknya dan mewujudkan kesetiaan pelanggan yang kukuh.

Maju ke hadapan, Kumpulan akan berusaha untuk meningkatkan margin keuntungannya melalui penyusunan semula dalaman, penyatuan semua kemudahan perbankan sedia adanya melalui keperluan pembiayaan dan perbelanjaan modal Kumpulan, berserta dengan perikatan dan perhubungan yang lebih strategik dengan sekutu dan prinsipal perniagaan.

PERUNCITAN DAN PENJENAMAAN

Kumpulan diiktiraf sebagai gedung rantaian runcit barang kemas terbesar Malaysia dengan 104 saluran seluruh negara dan mempunyai kemudahan pengilangannya sendiri yang terletak di Shah Alam. Loji tersebut berbangga mengeluarkan jenama-jenama barang kemas berkualiti terbaik di bawah langkah-langkah dan spesifikasi kualiti, untuk pengedaran eksklusif ke saluran-saluran Poh Kong sahaja di seluruh negara.

Nama jenama Poh Kong sinonim dengan reka bentuk cemerlang, kualiti terunggul dan ketukangan yang teliti. Ini dapat dilihat dalam beberapa jenama miliknya sendiri, seperti Tranz, Happy Love, Anggun, dan The Art of Auspicious Jewellery.

Tranz adalah jenama inspirasi dari Itali yang menawarkan barang kemas emas kontemporari untuk jejaka dan wanita yang bersemangat dan berani. Ia membangkitkan rasa yakin diri dan ketabahan tanpa mengikut gaya, lantas menyerlahkan keperibadian si pemakai. Tranz didatangkan dalam empat koleksi bertemakan – Alam, Klasik, Cinta, dan Berpasangan. Happy Love menawarkan koleksi barang kemas emas oriental yang tersendiri, manakala Anggun menampilkan reka bentuk inspirasi orang Asia bermotifkan bunga-bunga yang mencerminkan keindahan alam flora. Antara beberapa koleksi di bawah jenama Anggun adalah Alamanda, Bunga Raya, Manja, Okid, dan Melur. The Art of Auspicious Jewellery pula mempamerkan karya-karya ukiran halus yang direka dengan elemen-elemen fengshui, melambangkan tuah dan panjang usia.

Poh Kong adalah pemegang lesen bagi jenama sepanjang zaman, Disney Jewellery yang menjadi pujaan golongan dewasa dan juga kanak-kanak. Ia adalah pengedar tunggal bagi mutiara mewah antarabangsa, Schoeffel dari Jerman. Angel Diamond, berlian Ideal Square Cut Hearts dan Arrows Diamond pertama di dunia dari Belgium adalah eksklusif untuk Poh Kong. Tidak kurang juga hebatnya dengan Luca Carati dan Verdi Gioielli, dua penjual barang kemas paling berprestij dari Itali dengan pakar ketukangannya dan pengalaman yang tidak ternilai dalam pemerolehan bahan terbaik. Rakan niaga terkini Poh Kong adalah Moraglione 1922, sebuah syarikat dari Itali yang terkenal dengan ketukangan dan keghairahannya, mempunyai koleksi yang mendapat inspirasi dari Kediaman-kediaman Diraja Eropah di Sepanyol, Monaco dan Rusia.

Selain daripada pelbagai barang kemas yang halus dan indah, barang kemas berkaitan emas, dan produk-produk pelaburan emas di Poh Kong, pengunjug boleh mengunjungi saluran-saluran runcit lain atau gedung-gedung konsep lain, seperti Poh Kong Gallery, Diamond & Gold, Diamond Boutique, Jade Gallery, Tranz dan Oro Bianco.

TANGGUNGJAWAB SOSIAL KORPORAT (CSR)

Kumpulan telah memulakan beberapa kegiatan CSR sepanjang tahun ini, termasuk lawatan ke rumah kanak-kanak dan rumah orang-orang tua. Kanak-kanak dari rumah anak yatim dan hidup melarat serta warga tua dari rumah-rumah kebajikan telah diberi sumbangan berbentuk pakaian, makanan, minuman dan wang tunai oleh kakitangan Poh Kong.

Prinsip-prinsip dan amalan-amalan CSR dalam melakukan kerja-kerja amal secara sukarela telah menjadi tradisi kakitangan dan Syarikat dalam memenuhi tanggungjawab sosialnya demi membantu golongan yang kurang bernasib baik dalam masyarakat.

Aktiviti-aktiviti CSR Kumpulan dikemukakan pada muka surat 38 hingga 42 Laporan Tahunan ini.

PROSPEK MASA HADAPAN

Manakala prospek bagi ekonomi Malaysia kekal positif pada tahun 2013, keadaan yang kurang menggalakkan dan ketidakpastian masalah hutang kerajaan zon Euro, kecondongan fiskal US dan akibat ketidakpastian serta kadar pengangguran yang tinggi telah melembapkan ekonomi dunia.

Kumpulan beroperasi dalam persekitaran yang sangat bersaing dalam industri barang kemas. Ia merancang untuk meneruskan usahanya membangunkan bahagian pasaran yang lebih besar dengan meningkatkan dan mempelbagaikan penawaran produknya kepada segmen-segmen yang disasarkannya.

Pengurusan Poh Kong secara aktif menilai pelbagai inisiatif dan peluang-peluang untuk menarik pelanggan-pelanggan baru melalui pengenalan reka bentuk dan koleksi barang kemas baru, dan menawarkan perkhidmatan terbaik dan diperibadi kepada pelanggan dalam pelbagai aspek di saluran-salurnya untuk meningkatkan dan memenuhi pengalaman membeli-belah pelanggan.

Walaupun barang kemas dan produk pelaburan berasaskan emas, seperti jongkong emas, syiling emas dan wafer emas, akan terus menyumbang kepada hasil keseluruhan, Kumpulan juga menghadapi risiko-risiko perniagaan rutin, seperti kemelesetan ekonomi masa hadapan, pesimisme pengguna, naik turun jualan bulanan disebabkan musim-musim bukan perayaan, naik turun harga bahan mentah, kadar pertukaran asing, dan persaingan kukuh daripada pengusaha-pengusaha industri. Emas secara universal dianggap sebagai simpanan nilai dan pelaburan, satu bentuk perlindungan nilai terhadap inflasi dan risiko mata wang global.

Memandangkan persaingan sengit diterima daripada pengusaha-pengusaha industri dan suasana perniagaan yang berubah-ubah, Kumpulan membayangkan tahun mendatang sebagai mencabar. Poh Kong bersikap optimis terhadap prospek pertumbuhan Kumpulan dan sekali lagi yakin berdepan dengan pergolakan ekonomi global dan pelbagai risiko perniagaan.

Untuk memenuhi objektif Kumpulan dalam mengekalkan pertumbuhan yang mapan pada tahun mendatang, strategi pertumbuhan akan ditingkatkan untuk memaksimumkan penggunaan sumber, memperhalus kecekapan operasinya dan kawalan kos untuk meningkatkan prestasinya bagi tahun kewangan berakhir 2013 (FYE 2013).

Dalam ketiadaan keadaan di luar jangkaan, Lembaga meramalkan prestasi Kumpulan kekal positif bagi FYE2013.

PEROLEHAN SETIAP SAHAM

Perolehan asas setiap saham bagi tahun kewangan berakhir 31 Julai 2012 adalah sebanyak 12.57 sen (2011: 10.04 sen).

DIVIDEN

Lembaga Pengarah mengesyorkan dividen satu tier pertama dan akhir sebanyak 1.50 sen setiap saham biasa bernilai RM0.50 sesaham berhubung dengan tahun kewangan berakhir 31 Julai 2012 (2011: 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-10 yang akan diadakan pada 31 Januari 2013.

PENGHARGAAN

Saya ingin mengambil peluang ini untuk mengucapkan terima kasih kepada ahli-ahli Lembaga sejawat saya atas bimbingan dan khidmat bakti tidak ternilai mereka dan bagi pihak Lembaga Pengarah, saya juga ingin mengucapkan terima kasih kepada Pengurusan dan Kakitangan atas komitmen, dedikasi dan sumbangan mereka kepada Kumpulan sepanjang tahun ini.

Penghargaan ini juga kami tujukan kepada pemegang-pemegang saham, pelanggan-pelanggan, perunding-perunding, sekutu-sekutu perniagaan, agensi-agensi Kerajaan, jurubank-jurubank, pembiaya-pembiaya, pembekal-pembekal dan rakan-rakan kongsi atas sokongan, kepercayaan dan keyakinan berterusan mereka kepada Kumpulan.

DATO' CHOON YEE SEIONG PENGURUSI EKSEKUTIF & PENGARAH URUSAN KUMPULAN

24 Disember 2012



主席报告



致尊敬的股东，

我谨代表宝光控股有限公司(“本公司”或“PKHB”)董事会(“董事会”)欣然提呈本公司及各子公司(“本集团”)截至2012年7月31日之财政年(“2012财政年”)的年度报告和已审计财务报告。

经济和零售业务展望

美国经济预料中的金融领域复苏依然不冷不热，欧元区国家的经济则受主权债务问题继续升级影响。此外，先进经济体的高失业率加上沉重的债务负担也牵制了全球经济展望。

在马来西亚，由于国内需求继续支持经济增长，国内经济的潜在实力仍然完好。我国并不像发达国家那样脆弱，这是因为我国的国内生产总值(GDP)有69%是国内消费，22%是投资，大约7%是净贸易，其余则是库存*。展望未来，最近公布的2013年预算案预测国内经济将进一步趋稳和在2012年取得4.5%至5%的国内生产总值成长率，2013年则介于4.5%至5.5%。**

马来西亚零售业在政府通过经济转型计划(ETP)推介的几项激励鼓舞奖励下于今年第一季度取得6.9%的销售成长。Retail Group Malaysia (RGM)，即一家独立零售调查机构，预测零售业将于第四季度扩展5.5%，并于今年取得6%的全年成长率。***

基于RGM的乐观预测和政府为了提高人均收入和鼓励消费而所推行的多项措施，宝光将继续努力进一步改善其收益基础和财务状况。

尽管美国和欧元区的经济疲弱，金价波动已影响了消费人购买珠宝产品的兴致。然而，消费人兴致可能随着稳健的经济成长而改变，因此导致消费人信心和国内消费增强，包括消费奢侈产品如珠宝。宝光相信消费人的消费将提升至更高水平，这是因为吉隆坡获得CNN Travel评级为全球第四佳购物目的地，并获得Globe Shopper Index，即The Economist在瑞士之研究单位展开的调查评级为亚洲太平洋第二佳购物城市。****

资料来源:

* 2012年10月22日StarBiz报道的文章“Transformation Blues”，由首相署副部长拿督斯里 Idris Jala 撰稿

** 2012年9月29日的StarSpecial (Economic Report)报道

*** 2012年10月8日的StarBiz报道

**** 2012年11月23日的The Star和2012年11月27日的New Straits Times报道

财务表现检讨

在截至2012年7月31日的财政年(“2012财政年”)，宝光集团取得更高的RM8亿3千零10万营业额，相比之下，前一年(“2011财政年”)的营业额为RM6亿9千2百40万。2012财政年的营业额比2011财政年增长RM1亿3千7百70万或20%可归功于国内金价高涨，全国各地的新分店及和现有分店取得更高销售额。

在受检讨的 2012 财政年，金饰珠宝和黄金投资产品，包括金锭，金条，金币和金片的需求增加。零售黄金相关珠宝和黄金投资产品乃是主要的收入来源。本集团的资金流动状况也因为金饰的库存而改善。

2012 财政年的 RM7 千零 90 万扣税前盈利比去年 2011 财政年同时期的 RM5 千 7 百 70 万扣税前盈利为高；即增加 RM1 千 3 百 20 万或 23%。扣税前盈利增加主要是因为销售营业额增加和营运效率改善。

截至 2012 年 7 月 31 日，本集团的净资产增加 RM4 千 5 百 80 万而达到 RM3 亿 9 千 1 百 80 万，前一年为 RM3 亿 4 千 6 百万。

营运检讨

宝光控股有限公司是一家提供管理服务的投资控股公司，其各子公司的核心业务则是珠宝，宝石和金饰的制造商，代理商，供应商，零售商及出口商。

本集团的收入大多数是来自零售领域，制造领域则供应制成的金饰珠宝和宝石给全国各地的零售店。以收入和规模为准，宝光集团是马来西亚领先的零售连锁店，在全国各地专营珠宝零售和制造业务。

尽管本公司拥有全国最具规模的零售网络，它仍然积极寻觅机会扩大和建立市场份额。它也将继续在海外为其制造和零售营运物色策略性地点以进一步扩展业务。

它已展开一项跨集团的内部重组计划，已整合本集团的现有业务为六种核心活动，即零售，批发和经销，制造，产业投资，特许经营，以及海外投资。

该内部重组将导致一些非关键或不活跃子公司被清盘，以及由 Poh Kong Jewellers 私人有限公司收购所有零售业务，它也将成为各零售分店的唯一个体。

配合这项内部重组，本集团将整合现有向各金融机构的银行融资于新的借贷结构，主要包括 Bankers' Acceptance 和回教式商业票据/回教式中期票据(ICP/IMTN)计划。

本集团是一家综合一站式珠宝商，从事黄金，钻石和宝石的制造至零售业务。除了零售金饰之外，本集团通过零售概念店售卖一系列非金饰以迎合不同顾客的需求。它与各国际品牌进行多项策略性合作以巩固在传统金饰珠宝和金饰产品以外市场的地位。

本集团面对大量本地珠宝零售商，以及入口珠宝的强烈竞争，这使到竞争环境更加激烈。它通过改善卓越的纪录，灌输消费人对宝光品牌的意识和落实品牌建立运动以化解竞争压力，并专注于产品素质和创造坚定的顾客忠诚度。

展望未来，本集团将致力改善利润，即通过内部重组，根据本集团的资金和资本开销要求以整合现有的银行借贷，加上与来往商家和制造商缔造更多策略性联盟和伙伴关系。



零售和品牌建立

本集团受认同为马来西亚最具规模的珠宝零售连锁店，在全国各地拥有104家分店和在莎亚南拥有本身的制造厂。该厂以在严格品质措施和规格下生产高素质珠宝产品为荣，并且仅分销至全国各地的宝光分店而已。

宝光品牌乃是设计卓越，品质优越和技艺精湛的代名词。这一点可由其内部品牌，例如Tranz, Happy Love, Anggun, 以及 The Art of Auspicious Jewellery 反映出来。

Tranz是一个灵感来自意大利的品牌，它为勇于标新立异的男性和女性敬献现代金饰。它通过百无禁忌的心态以重振人们的自信和毅力感，从而进一步突显佩戴者的个性。Tranz备有四种主题系列-自然，经典，爱情，和Duet。HappyLove呈献独特的东方金饰珠宝系列，Anggun 则别具亚洲风格的花卉图案设计，以反映美丽的大自然植物。

Anggun 品牌的各种系列为 Alamanda, Bunga Raya, Manja, Okid, 以及Melur。The Art of Auspicious Jewellery 展现技艺精湛的杰作，其设计融入 风水元素，寓意吉祥和长寿。

宝光持有 Disney 珠宝的执照，即一个老少咸宜的隽永品牌。它也是来自德国之 Schoeffel国际豪华珍珠的独家经销商。Angel Diamond, 即来自比利时的世界首创 Ideal Square Cut Hearts 与 Arrows 钻石，也是由宝光独家经销。它旗下经销也包括 Luca Carati 和 Verdi Gioielli, 皆为意大利最显赫的豪华珠宝商，并以匠心独运和在高级材料的采购方面拥有宝贵经验著称。宝光的最新伙伴是 Moraglione 1922, 它是一家在意大利以技艺和诚意著称的公司，其系列产品的灵感来自西班牙，摩纳哥和俄罗斯等的欧洲皇室世家。

除了宝光应有的精致和高级珠宝，金饰珠宝，以及黄金投资产品之外，贵宾们亦可光顾其他的零售店或概念店，例如 Poh Kong Gallery, Diamond & Gold, Diamond Boutique, Jade Gallery, Tranz 和 Oro Bianco。

主席报告

企业社会责任(CSR)

宝光集团在本年度启动多项企业社会责任(CSR)活动,包括拜访孤儿院和安老院。许多来自孤儿院的儿童和福利所的贫老都获赠由宝光员工捐助的礼物如衣物,饮食品 and 捐款。

秉承企业社会责任的原则和做法以行善已成为员工和本公司履行取之社会,用之社会的传统,以协助社会上的弱势者。

本集团的各项企业社会责任活动已列于本年度报告的第38至42页。

未来展望

尽管2013年的马来西亚经济展望保持乐观,欧元区主权债务问题,美国财政悬崖等不利状况和不明朗因素,以及所造成的波动性和高失业率,已牵制了全球经济展望。

本集团处在珠宝业的非常竞争营运环境。它有意继续推高市场份额,即通过提升和多样化献予各顾客群的产品系列。

宝光的管理层积极评估多项倡议和机会,以通过推介新的珠宝设计和系列以吸引新顾客,以及在其分店各接触点呈献卓越的顾客和个性化服务,并提升和履行顾客购物体验。

尽管金饰珠宝和投资产品,例如金条,金币和金片将继续为收入总额作出贡献,本集团也面对经常的商业风险,例如未来经济不景气,消费人的悲观情绪,非佳节造成的每月销量波动,原料价格波动,汇率,以及同业的激烈竞争等。黄金广泛被认为可保值和投资,并且可对冲通货膨胀和全球货币风险。

鉴于同业的激烈竞争和瞬息万变的营运状况,本集团预测来年是具有挑战性的。宝光对本集团的成长展望持谨慎乐观态度,但有信心面对全球经济动荡和各项商业风险。

为了实现本集团在来年维持持续成长的目标,其成长策略为优化资源的运用,细调其营运效率和成本控制,以改善截至2013财政年(2013财政年)的表现。

若无出现不可预见的情况,董事会预测本集团可在2013财政年取得正面表现。

每股收益

截至2012年7月31日之财政年的基本每股收益是12.57分(2011年:10.04分)。

股息

董事会建议在截至2012年7月31日之财政年派发每一RM0.50普通股1.50分的首期和终期单层次股息(2011年:每一RM0.50普通股1.40分的首期和终期单层次股息)。

此建议股息须在2013年1月31日举行的第10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不吝赐教和给予支持。对于管理层和员工们,谢谢诸位在本年内对本集团的投入,献身精神和贡献。

我也藉此机会感谢本公司尊贵的股东,顾客,咨询顾问,来往商家,政府当局,银行,融资机构,供应商和伙伴一直以来对本集团的支持,信赖和信心。

拿督钟义翔
执行主席兼集团董事经理

2012年12月24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 nine (9) members, of whom six (6) 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.



Statement On Corporate Governance

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 2012 and details of attendance are as below:

	Total number of Meetings held	Meetings attended by Director
Executive Directors		
Dato' Choon Yee Seiong <i>(Executive Chairman & Group Managing Director)</i>	5	5
Mr Cheong Teck Chong	5	4
Madam Choon Nee Siew	5	5
Mr Chang Kwong Him <i>(appointed 15 March 2012)</i>	2	1
Mr Siow Der Ming <i>(appointed 15 March 2012)</i>	2	2
Mr Choon Yee Bin <i>(appointed 15 March 2012)</i>	2	1
Independent Non-Executive Directors		
Dr Choong Tuck Yew	5	5
Encik Fazrin Azwar Bin Md Nor	5	5
Datin Shirley Yue Shou How	5	4

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:

Mr Siow Der Ming

- 28 February 2012 - "Pakistan-Malaysia Business And Investment Forum," organized by Malaysian Institute of Accountants (MIA) at Renaissance Hotel, KL.
- 31 May – 8 June 2012 - Trade delegation with Federation of Goldsmiths and Jewellers Associations Malaysia (FGJAM) to JCK, Las Vegas, USA.
- 21 July 2012 - "Gold Industry Forum," organized by Malaysia International Jewellery Fair at KLCC, KL.
- 5 – 9 August 2012 - Trade delegate member of "Lawatan Kerja Timbalan Menteri Kewangan Ke-Hong Kong."
- 23 – 27 August 2012 - Trade delegation to India International Jewellery Show (IJS) 2012 organised with FGJAM in Mumbai, India.
- 5 – 6 September 2012 "Seminar On Money Laundering," organized by Attorney General's Chamber in Putrajaya, KL.
- 12 – 14 September 2012 - "Asean Gems And Jewellery Presidents' Summit," in Bangkok, Thailand.
- 21- 25 September 2012 – "Hong Kong Jewellery And Gems Fair," in Hong Kong.

Dr Choong Tuck Yew

- 7 – 8 July 2011 - "2nd CEO Conference," organized by OSK Investment Bank Berhad.
- 10 – 13 July 2011 - 2011 Institute Of Internal Auditors International Conference, " hosted by IAA Malaysia.
- 21 – 22 July 2011 - "Board Risk Management Committee Programme," conducted by Financial Institutions Directors' Education Programme (FIDE).

Statement On Corporate Governance

- 11 -- 15 October 2011 - "86th Annual Conference Of The World Association Of Detectives," in Hong Kong.
- 18 -- 19 October 2011 - "IT Governance And Risk Management Programme," conducted by FIDE.
- 13 January 2012 - "2nd CEO Conference," organized by OSK Investment Bank Berhad.
- 14 March 2012 - "The Case For Diversity In The Boardroom," round table panel talk organised by CSR Asia and Bursa Malaysia.
- 27 - 29 April 2012 - "Toastmasters International District 51 Annual Convention," held in Sunway Pyramid Convention Centre, Bandar Sunway, Selangor.
- 3 - 6 May 2012 - "Mid-Term Board Meeting Of The World Association Of Detectives," in Cannes, France.
- 10 June 2012 - "Osteoarthritis - Cause, Treatment And Prevention," organized by Damansara Jaya Senior Citizens Association.
- 28 July 2012 - "National Entrepreneurs Convention," held in Grand Dorsett Subang Hotel, Subang Jaya, Selangor.
- 3-8 September 2012 - "International Investigation And Security Professionals Symposium," jointly organized by World Association of Detectives and National Council of International Security Services.
- 6 November 2012 - "Successful Entry To Taiwan Capital Market," organized by Cheng & Company.
- 27-28 November 2012 - MIA International Accountants Conference organized by Malaysian Institute of Accountants.
- 14 March 2012 - "The Case For Diversity In The Boardroom," round table panel talk organised by CSR Asia and Bursa Malaysia.
- 5 April 2012 - "Latest Developments In Technologies On Biomass Utilisation," talk by Prof Dr Ing Volker Thole, organised by Malaysian Palm Oil Board.
- 5 April 2012 - "Potential Threat To The Oil Palm Industry In South East Asia," talk by Prof Dr Richard Martin Cooper, organised by Malaysian Palm Oil Board.
- 5 April 2012 - "Biomedical Applications Of Fatty Acid," talk by Prof Dr Chong-Su Cho, organised by Malaysian Palm Oil Board.
- 22 May 2012 - "Role Of The Audit Committee In Assuring Audit Quality," talk organised by Malaysian Institute of Accountants and Bursa Malaysia.
- 18 June 2012 - "Corporate Governance Blueprint And Malaysian Code Of Corporate Governance 2012," talk organised by Institute of Internal Auditors Malaysia and Bursa Malaysia.
- 4 July 2012 - "Making The Most of The Chief Financial Office Role: Everyone's Responsibility?" talk organised by ICAEW and Bursa Malaysia.

Encik Fazrin Azwar Bin Md Nor

- 7-10 September 2011 - "The 2nd International Greentech & Eco Products Exhibition & Conference Malaysia," at Kuala Lumpur Convention Centre (KLCC), organised by Malaysian Green Technology Corporation.
- 1 December 2011 - Securities Commission-Bursa Malaysia Corporate Governance Week - "Independent Directors Are A Myth," An Oxford Union CG Style Debate.
- 1 December 2011 - 25th Sultan Azlan Shah Lecture - "Would It Have Made Any Difference - Cause and Effect In Commercial Law."
- 2 December 2011 - Securities Commission-Bursa Malaysia Corporate Governance Week - "Risk Management And Internal Controls - Are The Boards Aware What They Are Up Against?"
- 10 December 2011 - "MIDF Investment Seminar 2011," organised by The Malaysian Industrial Development Finance Berhad.

Datin Shirley Yue Shou How

- 22 Aug 2011 - "Assessing The Risks And Control Environment," talk conducted by Bursa Malaysia.
- 22 May 2012 - "Role Of The Audit Committee In Assuring Audit Quality," talk organised by Malaysian Institute of Accountants and Bursa Malaysia.

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



Statement On Corporate Governance

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 two (2) times during the financial year to deliberate on the above matters.

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.

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

2. DIRECTORS' REMUNERATION

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

- a) Recommend to the Board the remuneration of the Executive and Non-Executive Directors.
- b) 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

The Remuneration Committee met once during the financial year ended 31 July 2012.

The details of the remuneration for Directors of the Company during the financial year ended 31 July 2012 are as follows:

Aggregate Remuneration Categorization	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Fees	246	180
Non-Fees	34	78
Salaries	6,506	-
Bonuses	1,074	-
Benefits-in-kind	195	-
Total	8,055	258

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
RM50,001 to RM100,000	-	3
RM700,001 to RM750,000	1	-
RM750,001 to RM800,000	1	-
RM1,050,001 to RM1,100,000	1	-
RM1,200,001 to RM1,250,000	1	-
RM1,350,001 to RM1,400,000	1	-
RM2,900,001 to RM2,950,000	1	-

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.

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 2012, 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 50 of this Annual Report.

4.2 Internal Control

The Statement on Internal Control furnished on pages 47-48 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 2012 was RM26,100 for acting as Reporting Accountant in relation to Islamic Commercial Papers/Islamic Medium Term Notes Programme, meeting attendance allowances and audit confirmation to landlords.

The role of the Audit Committee in relation to the External Auditors is set out on pages 43-45 of this Annual Report.

This statement was made in accordance with a resolution of the Board dated 22 November 2012.

Corporate Social Responsibility

The Poh Kong Group continues its commitment to the principle of Corporate Social Responsibility (CSR) with various CSR initiatives undertaken in the workplace, marketplace, community and environment. As a socially responsible company, the Group is no stranger to corporate charity in giving back to society by way of charitable causes, supporting local arts, culture, entertainment, education and tourism.

In addition to building trust with the communities, acting responsibly towards employees, customers, and protecting the environment, is in the long term interest and sustainability of the Group and its shareholders.

THE WORKPLACE

Volunteers' Day : Caring For The Elders

This year, employees again volunteered their time and effort to visit to an old folk's home "Rumah Victory for the Elderly" in Jalan Klang Lama, KL to coincide with the worldwide Parents' Day celebration.

The brigade of employees cheerfully helped in the house cleaning with mops and brooms, fed some senior citizens and made personal donations, besides Poh Kong's monetary contributions to the home to meet the elders' living expenses.



Festive Celebrations

Various activities, like a Christmas Gift Exchange and Chinese New Year Lucky Draw were organized to foster better ties and social interaction amongst the employees.



Christmas Gift Exchange during this joyful festival.



Chinese New Year Lucky Draw winners with exclusive hampers.

Professional Product Training

Two employee sessions on “Coloured Gemstones Grading” conducted by an overseas professional trainer from the International Gemological Institute (I.G.I.) were organized for retail sales and service consultants this year.

Thirty four employees benefited from the course which covered the fundamentals and characteristics of rubies, sapphire, emerald and tourmaline, the main factors which influenced its values, care and maintenance of these coloured gemstones. The course also included practical work and sales of the gems.



THE MARKETPLACE

Poh Kong has embedded CSR into its business model to meet the expectations of its stakeholders which includes its shareholders, suppliers and customers. The Group is committed to ethical business practices through a compliance with the law, honouring business obligations and ensuring integrity in its business dealings.

The majority of Poh Kong's outlets, speciality brands and retail concept stores are located in shopping malls to provide customers a conducive environment and enhance their shopping experience by offering the highest premium quality products.

The Group's professional retail sales consultants have built valued and trusted business partnership with its customers based on professional advice, courteous, efficient service and offering innovative solutions in every aspect of the business. Initiatives such as customer service programmes which effectively monitor complaints and compliments provide continuous improvements.

THE COMMUNITY

Poh Kong is committed to good corporate citizenship and in improving opportunities and quality of life of the community it serves. It makes donations to many charitable bodies and contribute to deserving organisations, and impoverished welfare homes.

The Group's CSR channeled financial aid and support, either in cash or kind to various communities, such as old folks, children's homes, stroke rehabilitation centre, societies, associations, education institutions, NGO's and foundations this year.

Towards Welfare, Health, Children's Home & Women's Day

- Donation to the Penang & Province Wellesley Silver Jubilee Fund;
- Donation in support of Sau Seng Lum (SSL) Dialysis & Stroke Rehabilitation Centre (Pemegang Amanah Yayasan Kebajikan SSL Strok dan Pembangunan Masyarakat Berdaftar);
- Donation to Jade Leaves Welfare and Cultural Association, Selangor and Kuala Lumpur;
- Donation to EMC Global Sdn Bhd's "Empowering Ladies towards National Transformation" in conjunction with 2012 International Woman's Day Celebration;
- Donation of medical equipment to Yayasan Latihan Insan Istimewa (home for handicapped) in Ipoh;
- Donation to House of Victory for the Elderly (Old folks Home in Jalan Klang Lama, KL);
- Donation to Yayasan Anak-Anak Yatim Sultanah Haminah;

Corporate Social Responsibility

Towards Arts, Culture, Entertainment/Fashion Show

- Donation to Persatuan Kebajikan dan Kebudayaan Telegu, Selangor & Kuala Lumpur (Cultural Show at PJ Civic Centre);
- Donation to Varia Music Production Sdn Bhd, Kuala Lumpur;
- Donation to RKL Production House Sdn Bhd (sponsorship of "THITTAM" the movie);
- Donation to Onam Culture Nite 2011;
- Donation to Concert Ingin Bersua – DJ Dave (Journey through Song) at Istana Budaya, Kuala Lumpur;
- Sponsorship of ntv7 Golden Awards entertainment in Putrajaya International Convention Centre;
- Sponsorship of Sarung Queen Pageant at Queensbay Mall, Penang;
- Sponsorship of Vogue for Virtue Charity Fashion Show 2012 at Queensbay Mall, Penang;

Vogue for Virtue Charity Fashion Show 2012



Model displaying a pair of earrings, bracelets and ring in diamonds.



Celebrity broadcaster Hansen Lee.



Celebrity Steve Yap

Towards Local & International Tourism

- Sponsorship of Miss Tourism Malaysia 2012 at Grand Dorsett Subang Hotel, Subang Jaya;
- Sponsorship of Miss Tourism International Pageant Grand Finals/Miss Poh Kong Glamour 2011/2012 beauty competition at 1 Utama Shopping Centre, Petaling Jaya;
- Sponsorship of Miss Tourism International Pageant Grand Finale 2011/2012 at Sunway Resort Hotel & Spa, Bandar Sunway;



Promoting Miss Tourism Malaysia 2012.



All winners ...



Supporting Miss Tourism International Pageant/ Miss Poh Kong Glamour.



Performance by an orphanage at the tourism cum festive Christmas event.



Malaysian Aileen Gabriella Robinson (centre) won the Miss Tourism International Pageant 2011/2012.



Ms Carolina Del Carmen Brid Cerrud from Panama was crowned Miss Poh Kong Glamour 2011 by Dato' Eddie Choon, PKHB Executive Chairman & Group Managing Director.



Contestant in the Sarung Queen 2012 decked with Poh Kong jewellery.



Search for the Sarung Queen (Adults) and Sarung Princess (Kids) winners.



Poh Kong ntv7 Golden Awards 2012.



Ms Cheryl Lee, Best Variety and Entertainment Host.



Ms Debbie Goh, Most Popular Actress.



Ms Remon Lim, Best Actress.

Towards Charity Golf Sponsorship

- Hole-in-one jewellery sponsorship to the MALGA (Malaysian Ladies Golf Association) Gold Cup Malaysia 2011 golf tournament worth RM30,000;
- Hole-in-one jewellery sponsorship to the MALGA Charity Golf Championship worth RM40,000;
- Hole-in-one jewellery sponsorship to the MALGA Piala Raja Permaisuri Agong Charity Golf Tournament worth RM50,000;
- Donation to Lions Club of Subang Jaya (18th Annual Charity Golf Tournament);

Towards Education/ Association/ Club Fund Raising

- Contribution to Sekolah Jenis Kebangsaan, On Pong;
- Contribution to Sekolah Jenis Kebangsaan, Huan Lian 2, Taiping;
- Contribution to Catholic High School, Petaling Jaya;
- Contribution to KL International School;
- Contribution to UTAR Graduation and Alumni Homecoming dinner;

Corporate Social Responsibility

Towards Community Funds Raising

- Contribution to Rotary Club of Bandar Utama installation dinner;
- Contribution to Kiwanis Kidney Dialysis and Stroke Foundation;
- Contribution to Grace Covenant Community Care Bhd for "Harmonious Charity Day" event;



"Harmonious Charity Day" for Grace Covenant Community Care.

Towards Humanitarian and Charity Causes

- Donation to Malaysia AEON Foundation "With All Our Hearts" project;
- Donation to Sin Chew Foundation "Harmony Home Building" fund;
- Donation to Mah Sing Foundation;
- Contribution to Malaysian Retailer-Chains Association Foundation for charity;

THE ENVIRONMENT

The Group is mindful of its responsibility towards preserving the environment and conserving resources wisely. It is committed to protect the environment through its green awareness and eco-friendly activities that reduces the carbon footprint and waste generated by the organization's infrastructure.

In its daily operations, environment friendly practices are observed, such as recycling of paper, increased electronic communication, energy saving bulbs for lighting and equipment are utilized. This include using light-emitting diode (LEDs) lighting for energy saving, 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.

Poh Kong is committed to the proper management of wastage to 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.

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) (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 responses, 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 Internal Audit function is performed in-house by the Group Internal Audit Department and is outsourced to two 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 2012 amounted to RM616,782. 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.

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.

Report Of The Audit Committee

- 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 2012/2013.
- 3.7 The Audit Committee met with the External Auditors twice (2) without the presence of the Executive Directors and the Management.

During the financial year ended 31 July 2012, the Audit Committee met six (6) times and the details of the attendance are as follows:

	Attendance
Dr Choong Tuck Yew	6/6
Encik Fazrin Azwar Bin Md Nor	6/6
Datin Shirley Yue Shou How	6/6

This Report was made in accordance with a resolution of the Board dated 22 November 2012.



VALUE

RETURN-ON-INVESTMENT

WORTH

PROFIT

PREFERENCE



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 2012 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 2012/2013. 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.

Statement On Internal Control

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.

3.3 Risk Management

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



3.4 Reporting and Review

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

3.5 Other Risks and Control Processes

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

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

4. CONCLUSION

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

The Board and Management will continue to take measures to strengthen the Internal Control environment.

This statement was made in accordance with a resolution of the Board dated 22 November 2012.

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 RM26,100 for acting as Reporting Accountant in relation to Islamic Commercial Papers/Islamic Medium Term Notes Programme, meeting attendance allowances and audit confirmation to landlords.

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) RECURRENT RELATED-PARTY TRANSACTIONS

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 34 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 2012, 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 22 November 2012.



CHOICE



♥ CONVENIENCE

♥ LOCATION

♥ PRICE

♥ DESIGN

Financial Statements

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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 2012.

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 9 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	51,565,625	10,409,431
Attributable to :-		
Equity holders of the Company	51,565,625	10,409,431

DIVIDENDS

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

At the forthcoming Annual General Meeting, a single tier first and final dividend of 1-50 sen on 410,351,752 ordinary shares of RM0-50 each amounting to RM6,155,276 in respect of the current financial year ended 31 July 2012 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 2013.

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	(Retired on 10 January 2012)
CHOON WAN JOO	(Retired on 10 January 2012)
CHANG KWONG HIM	(Appointed on 15 March 2012)
CHOON YEE BIN	(Appointed on 15 March 2012)
SLOW DER MING	(Appointed on 15 March 2012)
DR. CHOONG TUCK YEW	
FAZRIN AZWAR BIN MD. NOR	
DATIN YUE SHOU HOW, SHIRLEY	

In accordance with Article 80 of the Company's Articles of Association, DATO' CHOON YEE SEIONG and DATIN YUE SHOU HOW, SHIRLEY retire from the Board by rotation at the forthcoming annual general meeting and being eligible offers themselves for re-election at the forthcoming annual general meeting.

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 / 2011	Bought	Sold	At 31 / 7 / 2012
COMPANY				
<u>DIRECT INTEREST</u>				
DATO' CHOON YEE SEIONG	9,228,746	35,000	-	9,263,746
CHEONG TECK CHONG	2,273,928	-	-	2,273,928
CHOON NEE SIEW	4,706,742	-	-	4,706,742
CHANG KWONG HIM	585,006	-	290,000	295,006
SLOW DER MING	616,118	-	-	616,118
CHOON YEE BIN	30	-	-	30
DR. CHOONG TUCK YEW	217,500	-	-	217,500
FAZRIN AZWAR BIN MD. NOR	35,000	-	-	35,000

Directors' Report

DIRECTORS' INTERESTS (cont'd)

	Number of ordinary shares of RM0-50 each.....			
		At			At
		1 / 8 / 2011	Bought	Sold	31 / 7 / 2012
COMPANY					
INDIRECT INTEREST					
DATO' CHOON YEE SEIONG	(i)	249,517,528	100,000	135,000	249,482,528
CHEONG TECK CHONG	(i)	239,789,648	40,000	40,000	239,789,648
CHOON NEE SIEW	(ii)	252,254,572	175,000	175,000	252,254,572
CHANG KWONG HIM	(iii)	1,395,072	100,000	100,000	1,395,072
SLOW DER MING	(iii)	2,320,080	-	-	2,320,080
CHOON YEE BIN	(i)	257,068,034	135,000	135,000	257,068,034
DR. CHOONG TUCK YEW	(iii)	155,000	-	-	155,000

	Number of ordinary shares of RM1-00 each.....			
		At			At
		1 / 8 / 2011	Bought	Sold	31 / 7 / 2012

ULTIMATE HOLDING COMPANY

DIRECT INTEREST

POH KONG SDN BHD

DATO' CHOON YEE SEIONG		41,939,984	-	-	41,939,984
CHEONG TECK CHONG		22,963,625	-	-	22,963,625
CHOON NEE SIEW		19,338,967	-	-	19,338,967
CHANG KWONG HIM		2,329,136	-	-	2,329,136
SLOW DER MING		1,995,517	-	-	1,995,517
CHOON YEE BIN		3,440,892	-	-	3,440,892

- (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 30 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 34 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.

Directors' Report

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.
- 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 their 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 EVENTS

The significant events are disclosed in Note 39 to the financial statements.

Directors' Report

AUDITORS

The Auditors, GEP Associates, have indicated that they do not wish to seek re-election as Auditors of the Company for the ensuing year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 22 November 2012.

DATO' CHOON YEE SEIONG

Petaling Jaya

Dated : 22 November 2012

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 61 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 2012 and of its financial performance and cash flows for the year then ended.

The supplementary information set out in Note 40 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 22 November 2012.

DATO' CHOON YEE SEIONG

CHEONG TECK CHONG

Petaling Jaya

Dated : 22 November 2012

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 61 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 22 November 2012)

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 2012, 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 61 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 2012 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 40 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 : 22 November 2012

ESTHER TAN CHOON HWA

No : 1023 / 03 / 14 (J)
Chartered Accountant

Consolidated Statement Of Financial Position

As At 31 July 2012

	Note	2012 RM	2011 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	88,277,538	88,613,953
Investment property	5	240,000	240,000
Other investments	6	527,999	527,999
Goodwill on consolidation	7	1,485,140	1,485,140
Deferred tax assets	8	1,214,715	678,715
		91,745,392	91,545,807
Current assets			
Inventories	10	549,210,185	443,668,132
Trade receivables	11	1,321,888	1,498,621
Other receivables, deposits and prepayments	12	13,601,704	9,831,680
Tax assets	13	7,834,205	5,616,498
Fixed deposits with licensed banks	14	3,912,066	5,092,709
Cash and bank balances		18,273,892	19,155,534
		594,153,940	484,863,174
TOTAL ASSETS		685,899,332	576,408,981
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	16	205,175,876	205,175,876
Reserves	17	186,641,677	140,820,977
Total equity		391,817,553	345,996,853

Consolidated Statement Of Financial Position

As At 31 July 2012

	Note	2012 RM	2011 RM
Non-current liabilities			
Borrowings	18	131,831,614	24,974,331
Deferred tax liabilities	19	7,236,761	7,070,159
		139,068,375	32,044,490
Current liabilities			
Trade payables	20	33,032,216	28,674,879
Other payables and accruals	21	28,053,366	22,299,637
Borrowings	18	72,104,508	125,522,617
Amount due to Ultimate Holding Company	14	15,000,000	15,000,000
Amounts due to Directors	22	3,111,752	2,817,474
Provision for taxation		3,711,562	4,053,031
		155,013,404	198,367,638
Total liabilities		294,081,779	230,412,128
TOTAL EQUITY AND LIABILITIES		685,899,332	576,408,981

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

Consolidated Statement Of Comprehensive Income

For The Year Ended 31 July 2012

	Note	2012 RM	2011 RM
Revenue	23	830,118,256	692,418,929
Cost of sales		(593,770,216)	(487,653,434)
Gross profit		236,348,040	204,765,495
Other operating income		1,777,503	1,599,595
		238,125,543	206,365,090
Selling and distribution expenses		(76,161,153)	(71,912,622)
		161,964,390	134,452,468
Administrative expenses		(78,967,282)	(66,920,344)
Profit from operations	24	82,997,108	67,532,124
Finance costs	25	(12,048,081)	(9,860,142)
Profit before taxation		70,949,027	57,671,982
Tax expense	26	(19,383,402)	(16,467,376)
Profit after taxation, representing total comprehensive income for the year		51,565,625	41,204,606
Earnings per share attributable to equity holders of the Company (sen) :-			
Basic earnings per share	27	12-57	10-04
Proposed net dividends per share (sen)		1-50	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 2012

	Note	Attributable to equity holders of the Company			Total RM	Total equity RM
		Share capital RM	Non - distributable Capital reserve RM	Distributable Retained earnings RM		
At 1 August 2011		205,175,876	4,220,866	136,600,111	345,996,853	345,996,853
Total comprehensive income for the year		-	-	51,565,625	51,565,625	51,565,625
Dividends on ordinary shares	28	205,175,876 -	4,220,866 -	188,165,736 (5,744,925)	397,562,478 (5,744,925)	397,562,478 (5,744,925)
At 31 July 2012		205,175,876	4,220,866	182,420,811	391,817,553	391,817,553
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	28	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

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

Consolidated Statement Of Cash Flows

For The Year Ended 31 July 2012

	2012 RM	2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	70,949,027	57,671,982
Adjustments for :-		
Allowance for doubtful debts	-	47,495
Bad debts written off	18,650	-
Deposits written off	56,750	41,978
Depreciation of property, plant and equipment	9,613,913	8,867,091
Dividend income	(449,997)	(316,895)
Gain on disposal of property, plant and equipment	(234,403)	(781,083)
Impairment loss on property, plant and equipment	-	427,951
Impairment loss on transferable contribution rights	-	5,000
Interest expenses	12,048,081	9,860,142
Interest income	(158,112)	(134,047)
Inventories loss	381,659	143,169
Loss on disposal of property, plant and equipment	1,560	483
Property, plant and equipment written off	793,493	1,135,155
Reversal of allowance for doubtful debts	(218,687)	(4,040)
Short-term accumulating compensated absences	24,849	116,124
Operating profit before working capital changes	92,826,783	77,080,505
Increase in inventories	(105,923,712)	(60,197,032)
(Increase) / Decrease in receivables	(3,450,004)	109,999
Increase in payables	10,086,217	14,442,192
Increase in amounts due to Directors	294,278	782,886
	(98,993,221)	(44,861,955)
Cash (used in) / generated from operations	(6,166,438)	32,218,550
Income tax paid	(22,311,976)	(16,930,717)
Net cash (used in) / generated from operating activities carried forward	(28,478,414)	15,287,833

Consolidated Statement Of Cash Flows

For The Year Ended 31 July 2012

	Note	2012 RM	2011 RM
Net cash generated from operating activities brought forward		(28,478,414)	15,287,833
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received		449,997	316,895
Proceeds from disposal of property, plant and equipment		424,827	866,869
Purchase of property, plant and equipment	4	(7,147,272)	(6,552,975)
Interest received		158,112	134,047
Net withdrawal / (placement) of fixed deposits		1,180,643	(92,812)
Net cash used in investing activities		(4,933,693)	(5,327,976)
		(33,412,107)	9,959,857
CASH FLOWS FROM FINANCING ACTIVITIES			
Net bank borrowings raised		10,305,790	17,300,272
Net term loans raised / (paid)		54,469,653	(3,615,128)
Net finance lease raised		-	373,835
Repayments of finance lease payables		(461,644)	(3,546,512)
Repayments of hire purchase payables		(1,677,658)	(1,825,971)
Interest paid		(12,048,081)	(9,860,142)
Dividend paid		(5,744,925)	(5,744,925)
Net cash generated from / (used in) financing activities		44,843,135	(6,918,571)
Net increase in cash and cash equivalents		11,431,028	3,041,286
Cash and cash equivalents brought forward		3,388,071	346,785
Cash and cash equivalents carried forward	29	14,819,099	3,388,071

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

Statement Of Financial Position

As At 31 July 2012

	Note	2012 RM	2011 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,818,044	1,792,748
Deferred tax assets	8	1,214,715	678,715
Investments in Subsidiary Companies	9	161,094,281	156,773,424
		164,127,040	159,244,887
Current assets			
Trade receivables	11	4,448,544	4,608,384
Other receivables, deposits and prepayments	12	2,648,440	247,612
Tax assets	13	6,955,272	4,492,855
Amounts due by Subsidiary Companies	15	196,074,272	139,597,152
Dividend receivable		20,707,000	15,938,000
Fixed deposits with licensed bank	14	30,000	-
Cash and bank balances		1,424,160	823,177
		232,287,688	165,707,180
TOTAL ASSETS		396,414,728	324,952,067
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	16	205,175,876	205,175,876
Reserves	17	25,986,846	21,322,340
Total equity		231,162,722	226,498,216
Non-current liability			
Borrowings	18	120,163,496	13,164,283
Current liabilities			
Other payables and accruals	21	11,333,948	6,681,772
Amounts due to Directors	22	1,253,485	1,007,609
Borrowings	18	92,689	52,019,644
Amount due to Ultimate Holding Company	14	15,000,000	15,000,000
Amounts due to Subsidiary Companies	14	17,408,388	10,580,543
		45,088,510	85,289,568
Total liabilities		165,252,006	98,453,851
TOTAL EQUITY AND LIABILITIES		396,414,728	324,952,067

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

Statement Of Comprehensive Income

For The Year Ended 31 July 2012

	Note	2012 RM	2011 RM
Revenue	23	44,015,520	34,360,885
Other operating income		129,040	55,577
		44,144,560	34,416,462
Administrative expenses		(23,666,835)	(15,362,663)
Profit from operations	24	20,477,725	19,053,799
Finance costs	25	(7,998,399)	(5,553,611)
Profit before taxation		12,479,326	13,500,188
Tax expense	26	(2,069,895)	(2,560,074)
Profit after taxation, representing total comprehensive income for the year		10,409,431	10,940,114
Proposed net dividends per share (sen)		1-50	1-40

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

Statement Of Changes In Equity

For The Year Ended 31 July 2012

	Note	Share capital RM	Distributable retained earnings RM	Total equity RM
At 1 August 2011		205,175,876	21,322,340	226,498,216
Total comprehensive income for the year		-	10,409,431	10,409,431
Dividends on ordinary shares	28	-	(5,744,925)	(5,744,925)
At 31 July 2012		205,175,876	25,986,846	231,162,722
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	28	-	(5,744,925)	(5,744,925)
At 31 July 2011		205,175,876	21,322,340	226,498,216

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

Statement Of Cash Flows

For The Year Ended 31 July 2012

	Note	2012 RM	2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		12,479,326	13,500,188
Adjustments for :-			
Depreciation of property, plant and equipment		527,292	473,070
Dividend income		(25,784,848)	(20,026,926)
Gain on disposal of property, plant and equipment		(22,820)	(15,466)
Loss on disposal of investments in Subsidiary Companies		1,554	-
Interest expenses		7,998,399	5,553,611
Interest income		(5,816,964)	(4,025,193)
Short-term accumulating compensated absences		14,868	(7,838)
Operating loss before working capital changes		(10,603,193)	(4,548,554)
Increase in receivables		(2,240,988)	(488,615)
Increase in payables		4,637,308	1,742,340
Increase in amounts due to Directors		245,876	124,729
		2,642,196	1,378,454
Cash used in operations		(7,960,997)	(3,170,100)
Income tax refunded		22,000	395,405
Income tax paid		(12,464)	(22,000)
Net cash used in operating activities		(7,951,461)	(2,796,695)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		5,816,964	4,025,193
Dividend received		15,938,000	12,693,000
Proceeds from disposal of property, plant and equipment		71,800	35,000
Proceeds from disposal of investments in Subsidiary Companies		2	-
Additional shares subscribed on investments in Subsidiary Companies		(4,322,413)	-
Purchase of property, plant and equipment	4	(501,368)	(591,632)
Net cash generated from investing activities		17,002,985	16,161,561
Balance carried forward		9,051,524	13,364,866

Statement Of Cash Flows

For The Year Ended 31 July 2012

	Note	2012 RM	2011 RM
Balance brought forward		9,051,524	13,364,866
CASH FLOWS FROM FINANCING ACTIVITIES			
Net bank borrowings raised		70,000,000	20,000,000
Placement of fixed deposits		(30,000)	-
Repayments of term loans		(14,761,889)	(2,857,151)
Repayments of finance lease payables		(192,375)	(579,228)
Repayments of hire purchase payables		(73,678)	(100,026)
Interest paid		(7,998,399)	(5,553,611)
Dividend paid		(5,744,925)	(5,744,925)
Increase in amounts due by Subsidiary Companies		(56,477,120)	(21,735,189)
Increase in amounts due to Subsidiary Companies		6,827,845	3,180,935
Net cash used in financing activities		(8,450,541)	(13,389,195)
Net increase / (decrease) in cash and cash equivalents		600,983	(24,329)
Cash and cash equivalents brought forward		823,177	847,506
Cash and cash equivalents carried forward	29	1,424,160	823,177

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

Notes To The Financial Statements

31 July 2012

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 9. 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 22 November 2012.

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 2011, the Group and the Company adopted the following 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 2011 and 1 July 2011 :-

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First Time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	
IC Int. 4	Determining Whether an Arrangement contains a Lease
IC Int. 18	Transfers of Assets from Customers
Amendments to IC Int. 14	Prepayments of a Minimum Funding Requirement
TR i-4	Syariah Compliant Sale Contract

The adoption of the above Amendments to FRSs, IC Int., Amendments to IC Int. and TR are not expected to have any significant impact on the results and financial position of the Group and the Company except for those discussed below :-

Amendments to FRS 7 [Improvements to FRSs (2010)]

The Amendments clarifies that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk.

Amendments to FRS 101 [Improvements to FRSs (2010)]

The Amendments clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

Notes To The Financial Statements

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2. BASIS OF PREPARATION (CONT'D)

Changes in accounting policies (cont'd)

Amendments to FRS 7 Improving Disclosures about Financial Instruments

The Amendments to FRS 7 expand the disclosures required in respect of fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. The Amendments to FRS 7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy :-

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The Amendments also clarify the requirements for liquidity risk disclosures.

Accounting standards issued but not yet effective

To converge with International Financial Reporting Standards in 2012, the Malaysian Accounting Standards Board ("MASB") had on 19 November 2011, issued a new MASB approve accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), which are mandatory for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Int. 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer ("Transitioning Entities").

Transitioning Entities will be allowed to defer the adoption of the new MFRS framework for an additional one year. Consequently, adoption of MFRS framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013. However, the Group and the Company do not qualify as Transitioning Entities and are therefore required to adopt the MFRS framework and prepare its first financial statements using the MFRS framework for the financial period beginning on or after 1 January 2012.

In presenting its first financial statements adopting MFRS framework, the Group and the Company may be required to restate the comparative financial statements to amounts reflecting the application of the MFRS framework. The Group and the Company are currently in the process of determining the financial impact arising from the adoption of the MFRS framework.

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

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

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

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

Notes To The Financial Statements

31 July 2012

2. BASIS OF PREPARATION (CONT'D)

Accounting standards issued but not yet effective (cont'd)

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

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangement
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 101	Presentation of Financial Statements
IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine

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

Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
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v) Effective for financial period on or after 1 January 2015

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

Summary of the Standards and Amendments

MFRS 9 Financial Instruments

This Standard addresses the classification and measurement of financial assets and financial liabilities. All financial assets shall be classified on the basis of the Group's and the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets and financial liabilities are initially measured at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, particular transaction costs. Financial assets and financial liabilities are subsequently measured at amortised cost or fair value. However, changes due to own credit risk in relation to the fair value option for financial liabilities shall be recognised in other comprehensive income.

MFRS 13 Fair Value Measurements

MFRS 13 conceptualises the meaning of fair value and provides a framework on how to measure fair value of assets, liabilities and equity required or permitted by other FRSS.

MFRS 119 Employee Benefits (revised)

This revised Standard require the Group and the Company to recognise all changes in the defined benefit obligations and in the fair value of related plan assets when those changes occur. The Group and the Company are also required to split the changes in the net defined benefit liability or asset into the following three components: service cost (presented in profit or loss), net interest on the net defined benefit liability (presented in profit or loss) and rereasurement of the net defined benefit liability (presented in other comprehensive income and not recycled through profit or loss).

Notes To The Financial Statements

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2. BASIS OF PREPARATION (CONT'D)

Summary of the Standards and Amendments (cont'd)

MFRS 124 Related Party Disclosures

MFRS 124 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The MFRS 124 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The Standard also introduces a partial exemption of disclosure requirements for government-related entities. If a government controlled or significantly influenced an entity, the entity requires disclosures that are important to users of financial statements but eliminates requirements to disclose information that is costly to gather and of less value to users. This balance is achieved by requiring disclosure about these transactions only if they are individually or collectively significant. As this is a disclosure standard, the Standard will have no impact on the financial position and performance of the Group and Company when implemented.

Amendments to MFRS 7 Disclosures – Transfers of Financial Assets

The Amendments amended the required disclosures to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position.

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

The Amendments to MFRS 101 changes the grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified.

Amendments to MFRS 112 Deferred Tax : Recovery of Underlying Assets

The Amendments apply to the measurement of deferred tax liabilities and deferred tax assets when investment properties are measured using the fair value model under MFRS 140 Investment Property. The Amendments introduce a rebuttable presumption that an investment property measured at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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.

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;

Notes To The Financial Statements

31 July 2012

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 :- (cont'd)

- (b) valuation of investment property (Note 5) - the measurement of the fair value for investment property of the Group 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. The Directors also made reference to the valuation assessed by the independent firms of professional valuers in prior years;
- (c) impairment of goodwill (Note 7) - 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 2012 was RM1,485,140 (2011 : RM1,485,140). Further details are disclosed in Note 7;
- (d) deferred tax assets (Notes 8) - 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 RM1,214,715 of unabsorbed capital allowances and unrecognised tax losses on 31 July 2012 as the Management considered that are probable that taxable profits will be available against which the unabsorbed capital allowances and unrecognised tax losses can be utilised;
- (e) inventories (Note 10) - the Group recognises valuation of inventory based on the cost model and the inventories comprise solely jewellerys, precious stones and gold ornaments. Due to the limitation in quantity and high demand of these inventories, these inventories on its own carries a high value and are precious. In determining the genuinity and valuation of the inventories, the Group relied on the representation by the Directors that the inventories are genuine and at the same time make reference to the price in open market, particularly for gold ornaments;
- (f) impairment on receivables (Note 11) - 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;
- (g) amounts due by Subsidiary Companies (Note 15) - 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 no allowance for doubtful debts is to be provided 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 debts owed by the Company to the other Subsidiary Companies or companies under common control by the Ultimate Holding Company, should such need arises; and

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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 :- (cont'd)

- (h) provision for taxation (Note 26) – 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.

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 profit or loss.

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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 %
- leasehold	remaining lease periods of ranges from 41 to 91 years
Leasehold land	remaining lease periods of ranges from 41 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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

3.7 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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial assets (cont'd)

(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.

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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment of financial assets (cont'd)

- (a) Trade and other receivables and other financial assets carried at amortised cost (cont'd)

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.

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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

As lessee

Finance leases, which transfer to the Group and to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the asset or, if lower, at the present value of the minimum leased payments. Any incidental direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group and the Company will obtain ownership by the end of the leased term, the asset is depreciated over the shorter of the estimated useful life and the leased term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. 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.

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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Revenue recognition (cont'd)

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 using the effective interest method.

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.

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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

3.19 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Alternatively, the fair value of the investment properties are performed by using discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

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

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

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4. PROPERTY, PLANT AND EQUIPMENT

GROUP

Net carrying amount	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
At 1 / 8 / 2011	10,476,667	8,329,526	28,941,708	-	33,122,882	2,405,954	5,337,216	88,613,953
Additions	-	-	-	-	7,489,146	764,779	2,009,050	10,262,975
Disposals / Written off	-	-	-	-	(872,599)	-	(112,878)	(985,477)
Current depreciation charge	-	(150,696)	(595,488)	-	(6,283,500)	(483,731)	(2,100,498)	(9,613,913)
At 31 / 7 / 2012	10,476,667	8,178,830	28,346,220	-	33,455,929	2,687,002	5,132,890	88,277,538
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

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

GROUP

2012	Valuation / Cost RM	Accumulated depreciation RM	Accumulated impairment losses RM	Net carrying amount RM
At valuation;				
Freehold land	10,476,667	-	-	10,476,667
Leasehold land	10,305,075	(2,126,245)	-	8,178,830
Buildings	30,566,744	(2,220,524)	-	28,346,220
At cost;				
Building-in-progress	427,951	-	(427,951)	-
Equipment, furnitures and fittings	75,405,151	(41,949,222)	-	33,455,929
Plant and machinery	6,723,537	(4,036,535)	-	2,687,002
Motor vehicles	12,263,848	(7,130,958)	-	5,132,890
	156,474,048	(59,589,729)	(427,951)	96,456,368
2011				
At valuation;				
Freehold land	10,476,667	-	-	10,476,667
Leasehold land	-	-	-	-
Effect of adopting Amendments to FRS 117	10,305,075	(1,975,549)	-	8,329,526
Leasehold land (as restated)	10,305,075	(1,975,549)	-	8,329,526
Buildings	30,566,744	(1,625,036)	-	28,941,708
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

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

COMPANY

Net carrying amount	At 1 / 8 / 2011 RM	Additions RM	Written off / Disposals RM	Current depreciation RM	At 31 / 7 / 2012 RM
Equipment, furniture and fittings	1,511,887	478,593	-	(446,426)	1,544,054
Motor vehicles	280,861	122,975	(48,980)	(80,866)	273,990
	1,792,748	601,568	(48,980)	(527,292)	1,818,044

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

2012	Cost RM	Accumulated depreciation RM	Net carrying amount RM
Equipment, furniture and fittings	2,938,484	(1,394,430)	1,544,054
Motor vehicles	414,172	(140,182)	273,990
	3,352,656	(1,534,612)	1,818,044

2011

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

- During the year, the Group and the Company acquired property, plant and equipment with aggregate costs of RM10,262,975 (2011 : RM11,256,626) and RM601,568 (2011 : RM1,026,032) respectively of which RM3,115,703 (2011 : RM4,703,651) and RM100,200 (2011 : RM434,400) were acquired by means of hire purchase and finance lease arrangements respectively. Cash payments of RM7,147,272 (2011 : RM6,552,975) and RM501,368 (2011 : RM591,632) were used to acquire property, plant and equipment for the Group and for the Company respectively.
- 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 RM737,991 (2011 : RM754,243) which has a lease period of less than 50 years.
- 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.

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

- 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	
	2012 RM	2011 RM	2012 RM	2011 RM
- Motor vehicles	5,132,035	5,290,383	273,990	258,463

- 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	
	2012 RM	2011 RM	2012 RM	2011 RM
- Equipment, furniture and fittings	5,263,111	7,455,587	189,000	252,200

- f) Net carrying amounts of properties pledged as securities for bank borrowings (Note 18) are as follows :-

	GROUP	
	2012 RM	2011 RM
At valuation		
- Freehold land	6,500,000	6,500,000
- Long-term leasehold land	1,973,585	5,770,226
- Buildings	26,610,432	22,246,551

- g) The freehold land and buildings of the Group were revalued on 31 July 2008 by the Directors since the last revaluation 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	
	2012 RM	2011 RM
- Freehold land	4,287,782	4,287,782
- Long-term leasehold land	2,463,499	2,574,506
- Buildings	9,751,285	10,471,581

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5. INVESTMENT PROPERTY

	GROUP	
	2012 RM	2011 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 2012 and 2011 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.

6. OTHER INVESTMENTS

	GROUP	
	2012 RM	2011 RM
Unquoted shares, at cost	299,999	299,999
Transferable contribution right	233,000	233,000
Less : Accumulated impairment loss		
At 1 August	(5,000)	-
Addition	-	(5,000)
At 31 July	(5,000)	(5,000)
	228,000	228,000
	527,999	527,999

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

7. GOODWILL ON CONSOLIDATION

	GROUP	
	2012 RM	2011 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.

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7. GOODWILL ON CONSOLIDATION (CONT'D)

7.1 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	
	2012 RM	2011 RM
Trading	1,485,140	1,485,140

7.2 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% (2011 : 6.8%) is consistent with the long-term average growth rate of the Group.

7.3 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.

8. DEFERRED TAX ASSETS

	GROUP / COMPANY	
	2012 RM	2011 RM
At 1 August	678,715	122,209
Recognised in profit or loss	536,000	556,506
At 31 July	1,214,715	678,715

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8. DEFERRED TAX ASSETS (CONT'D)

Presented after appropriate offsetting as follows :-

	GROUP / COMPANY	
	2012 RM	2011 RM
Deferred tax assets	1,523,102	981,614
Deferred tax liabilities	(308,387)	(302,899)
	1,214,715	678,715

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	
	2012 RM	2011 RM
Differences between the carrying amount of property, plant and equipment and their tax base	(308,387)	(302,899)
Other timing differences	19,510	15,793
Unutilised tax losses	887,980	455,331
Unabsorbed capital allowances	615,612	510,490
	1,214,715	678,715

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.

9. INVESTMENTS IN SUBSIDIARY COMPANIES

	COMPANY	
	2012 RM	2011 RM
Unquoted shares, at cost		
At 1 August	156,773,424	156,773,424
Additional shares subscribed (Note *)	4,322,413	-
	161,095,837	156,773,424
Less : Disposals (Note *)	(1,556)	-
At 31 July	161,094,281	156,773,424

Note * :-

Both the additions and disposals of investments in Subsidiary Companies are shares acquired from / disposed to Subsidiary Companies within the Group. As such, no new Subsidiary Company has been acquired or incorporated and the Company's holdings on the effective equity interest of the Subsidiary Companies are still intact.

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9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The Subsidiary Companies, all incorporated in Malaysia, are as follows :-

Name of Company	Effective equity interest (%)		Principal activities
	2012	2011	
In Vogue Sdn Bhd *	100.00	100.00	Under member voluntary winding up
Jungmax Property Sdn Bhd	100.00	100.00	Property investment
Kedai Emas Likwong Sdn Bhd	100.00	100.00	Dormant
Pajak Gadai Anda Sdn Bhd *	100.00	100.00	Under member voluntary winding up
Poh Kong International Sdn Bhd	100.00	100.00	Overseas investment holding
PK Design Sdn Bhd * #	100.00	100.00	Under member voluntary winding up
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. The Company ceased operation on 31 December 2011
Poh Kong Jewellers (Bangsar) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments. The Company ceased operation on 31 May 2012
Poh Kong Jewellers (Banting) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments. The Company ceased operation on 31 May 2012
Poh Kong Jewellers (Batu Pahat) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments. The Company ceased operation on 31 December 2011
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. The Company ceased operation on 31 December 2011
Poh Kong Jewellers (Ipoh) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments. The Company ceased operation on 31 May 2012

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9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Effective equity interest (%)		Principal activities
	2012	2011	
Poh Kong Jewellers (Jaya) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Jln. Taman Malacca) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments. The Company cease operation on 31 May 2012
Poh Kong Jewellers (Kajang) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments. The Company ceased operation on 31 May 2012
Poh Kong Jewellers (Kinta City) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments. The Company ceased operation on 31 May 2012
Poh Kong Jewellers (Klang) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
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. The Company ceased operation on 31 December 2011
Poh Kong Jewellers (Malacca) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments. The Company ceased operation on 31 May 2012
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. The Company ceased operation on 31 December 2011
Poh Kong Jewellers (Muar) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments. The Company ceased operation on 31 December 2011
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. The Company ceased operation on 31 May 2012
Poh Kong Jewellers (Peringgiti) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments. The Company ceased operation on 31 December 2011

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9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Effective equity interest (%)		Principal activities
	2012	2011	
Poh Kong Jewellers (Permas Jaya) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (PHT) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments. The Company ceased operation on 31 December 2011
Poh Kong Jewellers (Puchong) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments. The Company ceased operation on 31 December 2011
Poh Kong Jewellers (Selayang) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments. The Company ceased operation on 31 December 2011
Poh Kong Jewellers (Seremban) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments. The Company ceased operation on 31 May 2012
Poh Kong Jewellers (Shah Alam) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (SS2) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Subang Parade) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Summit) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments. The Company ceased operation on 31 December 2011
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. The Company ceased operation on 31 May 2012
Poh Kong Jewellers (Tmn Universiti J.B.) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments. The Company ceased operation on 31 May 2012
Poh Kong Jewellers (Wangsamaju) Sdn Bhd @	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments. The Company ceased operation on 31 May 2012
Poh Kong Jewellers Sdn Bhd ("PKJ")	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments

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9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Effective equity interest (%)		Principal activities
	2012	2011	
Poh Kong Jewellery Manufacturer Sdn Bhd	100.00	100.00	Manufacturer and dealers of jewelleries, precious stones and gold ornaments
Poh Kong Properties Sdn Bhd	100.00	100.00	Property investment
Poh Kong Wholesale Sdn Bhd ("PKW") (formerly know as Precious Jewellery Sdn Bhd)	100.00	100.00	Investment holding, suppliers and retailers of packing and utility products.

All the companies in the Group are incorporated in Malaysia.

As a result of the restructuring exercise on internal reorganisation undertaken by the Group and the Company :-

- @ the operations of these Companies were transferred to PKJ on 31 December 2011 or 31 May 2012 respectively;
- # the operation of the Company was transferred to PKW on 31 December 2011; and
- * these Companies, being the dormant Companies, were to wind up accordingly.

10. INVENTORIES

	GROUP	
	2012 RM	2011 RM
At cost		
Raw material	8,288,108	7,086,865
Work-in-progress	17,979,693	12,453,412
Finished goods		
- Jewelleries, precious stones and gold ornaments	522,225,944	423,465,078
- Packing and utility products	716,440	662,777
	522,942,384	424,127,855
	549,210,185	443,668,132

During the financial year, the cost of inventories recognised as an expense in the Group amounted to RM593,770,216 (2011 : RM487,653,434).

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11. TRADE RECEIVABLES

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Trade receivables	1,529,215	1,924,635	4,448,544	4,608,384
Less : Allowance for doubtful debts	(207,327)	(426,014)	-	-
	1,321,888	1,498,621	4,448,544	4,608,384

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	
	2012 RM	2011 RM
Taiwanese New Dollar	237,138	78,205

Ageing analysis of trade receivables

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

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Neither past due nor impaired	927,345	445,873	920,490	1,303,018
Past due but not impaired :-				
1 to 30 days	57,014	293,561	12,145	900
31 to 60 days	78,676	43,020	15,156	15,685
61 to 90 days	29,955	105,625	16,586	17,628
91 to 120 days	25,399	214,530	22,303	10,961
More than 121 days	203,499	396,012	3,461,864	3,260,192
	394,543	1,052,748	3,528,054	3,305,366
Impaired	207,327	426,014	-	-
	1,529,215	1,924,635	4,448,544	4,608,384

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11. TRADE RECEIVABLES (CONT'D)

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.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM394,543 (2011 : RM1,052,748) and RM3,528,054 (2011 : 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 :-

	Individually impaired RM
Trade receivables	207,327
Less : Allowance for doubtful debts	(207,327)
	-

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Other receivables	1,694,283	485,315	11,836	11,739
Deposits	7,782,854	8,353,171	27,636	40,269
Prepayments	4,124,567	993,194	2,608,968	195,604
	13,601,704	9,831,680	2,648,440	247,612

Included in other receivables of the Group are amounts of RM669,004 (2011 : RM325,396) due by fellow Subsidiary Companies under the common control of the Ultimate Holding Company. The amounts due are unsecured, interest free and repayable on demand by cash.

Included in prepayments of the Group and of the Company are amounts of RM1,149,377 (2011 : Nil) being guarantee fee paid in advance to Danajamin Nasional Berhad ("Danajamin") for its involvement as the guarantor on the Islamic Commercial Papers and Islamic Medium Term Loans programme ("ICP / IMTN") undertaken by the Company as mentioned in Note 18.2 and RM1,227,279 (2011 : Nil) being prepaid interest expense for the utilisation of ICP / IMTN programme in Note 18.2 respectively.

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13. TAX ASSETS

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

14. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits of the Group and of the Company earns weighted average effective interest rate of 2.35% (2011 : 2.63%) per annum.

The fixed deposits of the Group and of the Company amounting to RM3,910,720 and RM30,000 (2011 : RM5,091,363 and Nil) respectively are pledged to licensed banks for banking facilities granted to the Group and to the Company as mentioned in Notes 18.2, 18.5 and 18.6.

15. AMOUNTS DUE BY SUBSIDIARY COMPANIES / TO SUBSIDIARY COMPANIES / AMOUNT DUE TO ULTIMATE HOLDING COMPANY

GROUP / COMPANY

The amount due to Ultimate Holding Company is unsecured, bears effective interest at 6.60% (2011 : 6.60%) per annum and repayable on demand by cash.

COMPANY

The amounts due by / to Subsidiary Companies are unsecured, repayable on demand by cash and bears effective interest at rates ranges from 6.00% to 6.91% (2011 : 6.00% to 6.91%) per annum.

16. SHARE CAPITAL

	GROUP / COMPANY	
	2012 RM	2011 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

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17. RESERVES

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
NON-DISTRIBUTABLE				
Capital reserve	4,220,866	4,220,866	-	-
DISTRIBUTABLE				
Retained earnings	182,420,811	136,600,111	25,986,846	21,322,340
	186,641,677	140,820,977	25,986,846	21,322,340

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.

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 2012 under the single tier system.

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18. BORROWINGS

	Note	GROUP		COMPANY	
		2012 RM	2011 RM	2012 RM	2011 RM
Long-term borrowings					
<u>Secured</u>					
Term loans	18.1	7,581,264	21,308,210	-	13,001,272
ICP / IMTN	18.2	120,000,000	-	120,000,000	-
<u>Unsecured</u>					
Hire purchase payables	18.3	3,192,980	3,078,448	163,496	139,386
Finance lease payables	18.4	1,057,370	587,673	-	23,625
		131,831,614	24,974,331	120,163,496	13,164,283
Short-term borrowings					
<u>Secured</u>					
Bank overdrafts	18.5	3,456,139	15,768,809	-	-
Bankers' acceptance	18.6	52,160,000	41,790,000	-	-
Revolving credit	18.6	3,000,000	3,000,000	-	-
Short-term loan	18.6	8,442,311	8,506,521	-	-
Term loans	18.1	619,417	2,422,818	-	1,760,617
<u>Unsecured</u>					
Hire purchase payables	18.3	1,594,008	1,409,767	69,064	66,652
Finance lease payables	18.4	2,832,633	2,624,702	23,625	192,375
Commercial Papers	18.7	-	20,000,000	-	20,000,000
Medium Term Notes	18.7	-	30,000,000	-	30,000,000
		72,104,508	125,522,617	92,689	52,019,644
Total borrowings		203,936,122	150,496,948	120,256,185	65,183,927

18.1 Term loans

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Repayable within twelve months	619,417	2,422,818	-	1,760,617
Repayable after twelve months	7,581,264	21,308,210	-	13,001,272
	8,200,681	23,731,028	-	14,761,889

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18. BORROWINGS (CONT'D)

18.1 Term loans (Cont'd)

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

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

Term loan facilities of the Group and of the Company are denominated in RM, incur weighted average effective interest at rates of 5.13% (2011 : 6.66%) and Nil (2011 : 7.85%) per annum respectively.

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

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Amount repayable :-				
Within one year	619,417	2,422,818	-	1,760,617
After one year but within two years	639,444	2,560,193	-	1,901,330
After two years but within three years	660,327	2,755,120	-	2,058,651
After three years but within four years	682,152	2,962,499	-	2,226,198
After four years but within five years	705,055	3,185,803	-	2,407,381
After five years	4,894,286	9,844,595	-	4,407,712
	8,200,681	23,731,028	-	14,761,889

18.2 ICP / IMTN

	GROUP / COMPANY	
	2012 RM	2011 RM
Repayable after twelve months	120,000,000	-

The ICP / IMTN programme is a facility denominated in RM of up to RM150 million granted to the Group and to the Company and is based on Islamic financing principles in accordance with Syariah concept and principle of Al-Kafalah.

The proceeds of the ICP / IMTN programme shall be utilised for the following purposes :-

- a) to finance group wide restructuring programme; and
- b) to finance capital expenditure.

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18. BORROWINGS (CONT'D)

18.2 ICP / IMTN (Cont'd)

The ICP / IMTN bear interest at rates ranging from 3.85% to 4.20% (2011 : Nil) per annum, with Danajamin to act as guarantor to guarantee the repayment obligations and is secured by way of third party first fixed legal charge over the following properties of the Group :-

- 1) a four storey leasehold shop office (expiring in 2059) located at No.16, Jalan 52/4, 46200 Petaling Jaya,
- 2) a four storey leasehold shop office (expiring on 2060) located at No.18, Jalan 52/4, 46200 Petaling Jaya,
- 3) freehold commercial shplot located at G-19, Subang Parade, Selangor,
- 4) leasehold commercial shplot (expiring in 2090) located at G-14, Mahkota Parade, Melaka,
- 5) leasehold commercial shplot (expiring in 2090) located at G-29, Mahkota Parade, Melaka,
- 6) leasehold commercial shplot (expiring in 2095) located at GF-119, Queensbay Shopping Mall, Penang,
- 7) leasehold commercial shplot (expiring in 2095) located at GF-120 Queensbay Shopping Mall, Penang,
- 8) freehold commercial shplot located at G-13, Summit Parade, Batu Pahat, Johor;
- 9) unconditional and irrevocable corporate guarantee of PKJ for the entire amount of the facility and any guarantee fee, profit accruing and other payment obligations thereon;
- 10) a legal assignment / charge over present and future rights, title, benefits and interests in and to the designated accounts and all monies from time to time standing to the credit of the designated accounts; and
- 11) any other security / support as may be deemed applicable by Danajamin.

The ICP / IMTNs programme contained financial covenants which required the Group to maintain its debt to tangible networth and finance service cover ratios.

The maturity structure of the ICP / IMTN is as follows :-

	GROUP / COMPANY	
	2012 RM	2011 RM
Amount repayable :-		
After three years but within four years	40,000,000	-
After four years but within five years	30,000,000	-
After five years	50,000,000	-
	120,000,000	-

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18. BORROWINGS (CONT'D)

18.3 Hire purchase payables

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

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Minimum hire purchase payments :				
- not later than one year	1,810,710	1,585,703	80,292	76,451
- later than one year but not later than five years	3,634,737	3,518,093	189,845	163,302
	5,445,447	5,103,796	270,137	239,753
Future finance charges	(658,459)	(615,581)	(37,577)	(33,715)
Present value of hire purchase payments	4,786,988	4,488,215	232,560	206,038
Present value of hire purchase payments :				
- not later than one year	1,594,008	1,409,767	69,064	66,652
- later than one year but not later than five years	3,192,980	3,078,448	163,496	139,386
	4,786,988	4,488,215	232,560	206,038
Less : Amount repayable within one year	(1,594,008)	(1,409,767)	(69,064)	(66,652)
Amount repayable after one year	3,192,980	3,078,448	163,496	139,386

Hire purchase facilities of the Group and of the Company incurs weighted average effective interest at 3.07% (2011 : 2.86%) per annum.

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

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Amount repayable :-				
Within one year	1,594,008	1,409,767	69,064	66,652
After one year but within two years	1,313,701	1,226,210	69,064	49,006
After two years but within three years	1,029,542	973,634	56,508	49,006
After three years but within four years	651,213	615,824	24,984	36,449
After four years but within five years	198,524	262,780	12,940	4,925
	4,786,988	4,488,215	232,560	206,038

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18. BORROWINGS (CONT'D)

18.4 Finance lease payables

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

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Minimum lease payments :				
- not later than one year	3,036,206	2,851,807	25,658	208,928
- later than one year but not later than five years	1,131,430	638,220	-	25,658
	4,167,636	3,490,027	25,658	234,586
Future finance charges	(277,633)	(277,652)	(2,033)	(18,586)
Present value of lease payments	3,890,003	3,212,375	23,625	216,000
Present value of lease payments :				
- not later than one year	2,832,633	2,624,702	23,625	192,375
- later than one year but not later than five years	1,057,370	587,673	-	23,625
	3,890,003	3,212,375	23,625	216,000
Less : Amount repayable within one year	(2,832,633)	(2,624,702)	(23,625)	(192,375)
Amount repayable after one year	1,057,370	587,673	-	23,625

Finance lease facilities of the Group and of the Company incurs weighted average effective interest at 4.16% (2011 : 4.50%) per annum.

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

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Amount repayable :-				
Within one year	2,832,633	2,624,702	23,625	192,375
After one year but within two years	1,057,370	587,673	-	23,625
	3,890,003	3,212,375	23,625	216,000

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18. BORROWINGS (CONT'D)

18.5 Bank overdrafts

The bank overdrafts of the Group are denominated in RM and incurs weighted average effective interest at 8.46% (2011 : 8.04%) per annum. The securities for bank overdrafts are as disclosed in Note 18.6.

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

The bank overdrafts, bankers' acceptance, revolving credit and short-term loan facilities of the Group are denominated in RM and 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 14.

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

	2012 %	2011 %
Bankers' acceptance	4.57	4.63
Revolving credit	6.45	6.45
Short-term loan	3.22	5.50

18.7 Murabahah Commercial Papers ("CP") / Medium Term Notes ("MTN")

The Murabahah CPs / MTNs programme of up to RM200 million is hereafter referred to as "RM200 million Islamic CPs / MTNs programme".

	GROUP / COMPANY	
	2012 RM	2011 RM
Commercial Papers	-	20,000,000
Medium Term Notes	-	30,000,000
	-	50,000,000
Amount repayable within one year		
Commercial Papers	-	20,000,000
Medium Term Notes	-	30,000,000
	-	50,000,000

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18. BORROWINGS (CONT'D)

18.7 Murabahah Commercial Papers ("CP") / Medium Term Notes ("MTN") (Cont'd)

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

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

- finance the expenses relating to the RM200 million Islamic CPs / MTNs programme;
- repay the shareholders and / or Directors' advances made prior to the issuance of the CPs / MTNs to the Company and/or its Subsidiary Companies ("the Group") not exceeding RM17.8 million;
- refinance the credit facilities of the Group; and
- 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 was allowed to utilise the unutilised portion to meet items (c) and (d) above.

The CPs and MTNs bore weighted average effective interest rates of 5.95% and 7.45% per annum respectively.

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

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

	GROUP / COMPANY	
	2012 RM	2011 RM
Amount repayable within one year	-	50,000,000

During the year, the Company had fully settled the RM200 million Islamic CPs / MTNs programme and the programme was subsequently cancelled.

19. DEFERRED TAX LIABILITIES

	GROUP	
	2012 RM	2011 RM
At 1 August	7,070,159	5,963,189
Recognised in profit or loss	166,602	1,106,970
At 31 July	7,236,761	7,070,159

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19. DEFERRED TAX LIABILITIES (CONT'D)

Presented after appropriate offsetting as follows :-

	2012 RM	2011 RM
Deferred tax assets	(44,051)	(376,633)
Deferred tax liabilities	7,280,812	7,446,792
	7,236,761	7,070,159

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

	2012 RM	2011 RM
Differences between the carrying amount of property, plant and equipment and their tax base	5,050,730	5,572,722
Revaluation surplus	2,240,830	1,874,070
Other timing differences	(54,799)	(98,069)
Unutilised tax losses	-	(168,548)
Unabsorbed capital allowances	-	(110,016)
	7,236,761	7,070,159

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

	GROUP	
	2012 RM	2011 RM
Unutilised tax losses	178,500	136,000
Unabsorbed capital allowances	57,100	900
	235,600	136,900

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.

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20. TRADE PAYABLES

GROUP

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

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

	GROUP	
	2012 RM	2011 RM
Taiwanese New Dollar	217,726	-
US Dollar	402,461	-
Hong Kong Dollar	455,057	-
Euro	950,192	-
	2,025,436	-

21. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Other payables	11,357,545	9,509,142	6,210,522	2,573,304
Accruals	11,185,282	9,406,492	5,123,426	4,108,468
Deposits	7,500	7,500	-	-
Customers' deposits	5,503,039	3,376,503	-	-
	28,053,366	22,299,637	11,333,948	6,681,772

Included in other payables of the Group are amounts of RM1,814,564 (2011 : RM1,850,864) due to the Directors of the Subsidiary Companies.

22. AMOUNTS DUE TO DIRECTORS

GROUP / COMPANY

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

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23. REVENUE

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Advertising and promotion recovery	-	-	8,142,139	6,718,597
Dividend income	-	-	25,784,848	20,026,926
Interest income	39,643	2,371	5,816,964	4,025,193
Management fee	-	-	4,271,569	3,590,169
Sale of goods	830,078,613	692,416,558	-	-
	830,118,256	692,418,929	44,015,520	34,360,885

24. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging :-

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Allowance for doubtful debts	-	47,495	-	-
Auditors' remuneration	308,935	310,000	15,000	15,000
Bad debts written off	18,650	-	-	-
Deposits written off	56,750	41,978	-	-
Depreciation of property, plant and equipment	9,613,913	8,867,091	527,292	473,070
Employee benefits expenses (Note 30)	82,658,274	71,030,728	10,042,848	7,949,136
Impairment loss on property, plant and equipment	-	427,951	-	-
Impairment loss on transferable contribution rights	-	5,000	-	-
Inventories loss	381,659	143,169	-	-
Lease rental	258,460	79,546	258,460	79,546
Loss on disposal of property, plant and equipment	1,560	483	-	-
Loss on disposal of investments in Subsidiary Companies	-	-	1,554	-
Property, plant and equipment written off	793,493	1,135,155	-	-
Realised loss on foreign exchange	40,472	14,308	-	-
Shop rental	23,127,760	22,013,724	192,400	163,475
Profit from operations is arrived at after crediting :-				
Car rental income	-	-	600	3,600
Dividend income	449,997	316,895	-	-
Equipment rental income	-	-	99,340	31,557
Gain on disposal of property, plant and equipment	234,403	781,083	22,820	15,466
Insurance claim	305,880	90,541	-	-
Interest income	158,112	134,047	-	-
Premises rental income	184,447	33,700	-	-
Realised gain on foreign exchange	-	1,616	-	-
Reversal of allowance for doubtful debts	218,687	4,040	-	-

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25. FINANCE COSTS

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Interest expenses on bank borrowings	11,520,140	9,247,578	7,971,037	5,489,455
Hire purchase and finance lease charges	527,941	612,564	27,362	64,156
	12,048,081	9,860,142	7,998,399	5,553,611

26. TAX EXPENSE

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Income tax :-				
Current year's provision	19,219,846	15,896,729	2,163,500	2,661,712
Underprovision in prior year	532,954	20,183	442,395	454,868
	19,752,800	15,916,912	2,605,895	3,116,580
Deferred tax :-				
Relating to origination and reversal of temporary differences	(369,398)	550,464	(536,000)	(556,506)
	19,383,402	16,467,376	2,069,895	2,560,074

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	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit before taxation	70,949,027	57,671,982	12,479,326	13,500,188
Tax at Malaysian statutory tax rate at 25%	17,737,257	14,417,996	3,119,832	3,375,047
Expenses not deductible for tax purposes	1,575,868	3,424,284	299,640	91,136
Income not subject to tax	(2,710)	(1,183,869)	(1,374,920)	(921,672)
Deferred tax assets not recognised during the year	24,675	3,770	-	-
Utilisation of previously unrecognised tax assets	(2,457)	(159,155)	-	-
Underprovision of taxation in prior year	532,954	20,183	442,395	454,868
(Over) / Under provision of deferred tax liabilities in prior year	(65,133)	383,472	-	-
Overprovision of deferred tax assets in prior year	(417,052)	(439,305)	(417,052)	(439,305)
	19,383,402	16,467,376	2,069,895	2,560,074

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26. TAX EXPENSE (CONT'D)

Tax savings recognised during the year arising from :-

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Utilisation of current year tax losses	2,304,074	1,061,149	2,304,074	1,061,149
Utilisation of tax losses brought forward from previous years	83,856	45,727	-	-
Utilisation of current year capital allowances	2,696,652	2,298,014	-	-
Utilisation of unabsorbed capital allowances brought forward from previous years	127,875	113,428	-	-
	5,212,457	3,518,318	2,304,074	1,061,149

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	
	2012 RM	2011 RM	2012 RM	2011 RM
Unutilised tax losses	4,265,034	4,438,562	3,551,920	3,551,920
Unabsorbed capital allowances	2,464,248	2,365,638	2,462,448	2,127,326
	6,729,282	6,804,200	6,014,368	5,679,246

27. 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	
	2012	2011
Net profit attributable to shareholders (RM)	51,565,625	41,204,606
Weighted average number of ordinary shares in issue	410,351,752	410,351,752
Basic earnings per share (sen)	12-57	10-04

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28. DIVIDENDS ON ORDINARY SHARES

	GROUP / COMPANY	
	2012 RM	2011 RM
Final dividend of 1-40 (2011 : 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 1-50 sen on 410,351,752 ordinary shares of RM0-50 each amounting to RM6,155,276 in respect of the current financial year ended 31 July 2012 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 2013.

29. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Fixed deposits with licensed banks	3,912,066	5,092,709	30,000	-
Cash and bank balances	18,273,892	19,155,534	1,424,160	823,177
	22,185,958	24,248,243	1,454,160	823,177
Less : Bank overdrafts (Note 18)	(3,456,139)	(15,768,809)	-	-
Fixed deposits pledged (Note 14)	(3,910,720)	(5,091,363)	(30,000)	-
Cash and cash equivalents	14,819,099	3,388,071	1,424,160	823,177

30. EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Salaries, bonus, overtime and allowances	70,131,875	60,468,181	7,855,675	7,074,927
Defined contribution plan				
- EPF	4,582,513	4,045,388	520,127	446,428
Other staff related expenses	7,943,886	6,517,159	1,667,046	427,781
	82,658,274	71,030,728	10,042,848	7,949,136

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30. EMPLOYEE BENEFITS EXPENSES (CONT'D)

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

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
<u>Executive Directors</u>				
- Salaries and other emoluments (including estimated monetary value of benefits-in-kind)	7,808,976	6,960,561	3,103,775	2,970,305
- Fees	246,000	248,400	-	-
	8,054,976	7,208,961	3,103,775	2,970,305
<u>Non-Executive Directors</u>				
- Fees	180,000	108,000	180,000	108,000
- Non-fees	77,600	61,600	77,600	61,600
	257,600	169,600	257,600	169,600
Total Directors' remuneration	8,312,576	7,378,561	3,361,375	3,139,905

31. CAPITAL COMMITMENTS

	GROUP	
	2012 RM	2011 RM
Capital expenditure in respect of purchase of property, plant and equipment :		
- Contracted but not provided for	1,817,730	1,817,730

32. 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.

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32. OPERATING LEASE ARRANGEMENTS (CONT'D)

The Group as Lessee (Cont'd)

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	
	2012 RM	2011 RM	2012 RM	2011 RM
Future minimum rental payments :-				
Not later than one year	17,755,093	17,871,198	75,900	104,400
Later than one year and not later than five years	11,174,123	13,099,350	-	75,900
	28,929,216	30,970,548	75,900	180,300

33. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
<u>Secured</u>				
Guarantees given in support of banking facilities granted to Subsidiary Companies	-	-	161,951,999	122,185,999
<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	7,474,928

Contingent liabilities are secured by charges as disclosed in Note 18.

34. 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.

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34. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Related parties transactions

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Dividend income received and receivable from				
- Subsidiary Companies	-	-	25,784,848	20,026,926
- Company connected to a Director of the Company	449,997	316,895	-	-
Interest income received and receivable from Subsidiary Companies	-	-	5,777,321	4,022,822
Management fee, advertisement and promotions charges received and receivable from Subsidiary Companies	-	-	12,413,708	10,308,766
Car rental received and receivable from Subsidiary Company	-	-	600	3,600
Equipment rental charges received and receivable from Subsidiary Companies	-	-	99,340	31,557
Sale of goods to :-				
- Certain Directors of the Company	324	56,453	-	-
- Directors of Subsidiary Companies	808,139	230,086	-	-
Hostel rental paid to :				
- Certain Directors of the Company	114,000	80,900	114,000	42,500
- Directors of Subsidiary Companies	48,600	10,200	-	-
Disposals of property, plant and equipment to Subsidiary Companies	-	-	65,000	35,000
Purchased of property, plant and equipment from Subsidiary Companies	-	-	16,000	31,589
Disposal of motor vehicles to				
- Certain Directors of the Company	-	226,000	-	-
- Directors of Subsidiary Companies	-	85,000	-	-
Purchase of goods from a Director of Subsidiary Company	1,881,000	-	-	-
Legal and professional fees paid to a firm connected to a Director of the Company	2,877	-	-	-
Interest expenses paid to Ultimate Holding Company	992,712	990,000	992,712	990,000

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34. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Related party balances

Information on outstanding balances with related parties is disclosed in Notes 11, 12, 15, 21 and 22.

(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	
	2012 RM	2011 RM	2012 RM	2011 RM
Directors of the Company and Subsidiary Companies				
Short-term employment benefits (including estimated monetary value of benefits-in-kind)	14,268,619	12,603,457	3,158,527	2,940,165
Post employment benefits	895,148	858,288	202,848	199,740
Other key management personnels				
Short-term employment benefits (including estimated monetary value of benefits-in-kind)	9,770,261	8,187,437	1,737,720	1,377,177
Post employment benefits	810,221	672,429	193,260	154,750
	25,744,249	22,321,611	5,292,355	4,671,832

35. 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.

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35. OPERATING SEGMENT (CONT'D)

<u>As at 31 July 2012</u>	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Consolidated RM
Revenue					
External sales	828,594,186	92,221	1,431,849	-	830,118,256
Inter-segment sales	444,118,163	367,631,152	50,368,659	(862,117,974)	-
Total revenue	1,272,712,349	367,723,373	51,800,508	(862,117,974)	830,118,256
Results					
Segment results	89,129,679	19,130,746	25,119,326	(50,382,643)	82,997,108
Unallocated corporate expenses					-
Finance costs					82,997,108
Tax expense					(12,048,081)
					(19,383,402)
Profit for the year					51,565,625
Assets					
Segment assets	836,243,529	102,624,828	430,516,965	(692,534,910)	676,850,412
Unallocated corporate assets					9,048,920
Consolidated total assets					685,899,332
Liabilities					
Segment liabilities	473,998,122	20,380,421	48,582,368	(478,763,577)	64,197,334
Unallocated corporate liabilities					229,884,445
Consolidated total liabilities					294,081,779
Other information					
Capital expenditure					10,262,975
Depreciation of property, plant and equipment					9,613,913
Non-cash expenses other than depreciation and impairment losses					893,742
Non-cash income					218,687

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35. OPERATING SEGMENT (CONT'D)

<u>As at 31 July 2011</u>	<u>Trading RM</u>	<u>Manufacturing RM</u>	<u>Others RM</u>	<u>Eliminations RM</u>	<u>Consolidated RM</u>
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)
					(16,467,376)
Profit for the year					41,204,606
Assets					
Segment assets	589,471,215	94,896,195	349,897,536	(464,151,178)	570,113,768
Unallocated corporate assets					6,295,213
Consolidated total assets					576,408,981
Liabilities					
Segment liabilities	265,123,018	19,187,484	25,165,984	(255,684,496)	53,791,990
Unallocated corporate liabilities					176,620,138
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

b) Geographical Segments

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

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36. 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 2012, 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 RM140,099,131 and RM120,000,000 expose the Group and the Company to cash flow interest rate risk respectively whilst borrowings at fixed rate amounting to RM63,836,991 and RM256,185 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 profit for the year ended 31 July 2012 would decrease / increase by RM633,276 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.

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

ii) Credit risk (cont'd)

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.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 11. 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 11.

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 14 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, Taiwanese 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.

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

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

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.

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	33,032,216	-	-	-	33,032,216
Other payables and accruals	28,053,366	-	-	-	28,053,366
Amounts due to Directors	3,111,752	-	-	-	3,111,752
Amount due to Ultimate Holding Company	15,000,000	-	-	-	15,000,000
Secured bank overdrafts	3,456,139	-	-	-	3,456,139
Hire purchase payables	1,594,008	1,313,701	1,879,279	-	4,786,988
Finance lease payables	2,832,633	1,057,370	-	-	3,890,003
Secured bankers' acceptance	52,160,000	-	-	-	52,160,000
Secured revolving credit	3,000,000	-	-	-	3,000,000
Secured short-term loan	8,442,311	-	-	-	8,442,311
Secured term loans	619,417	639,444	2,047,534	4,894,286	8,200,681
ICP / IMTN	-	-	70,000,000	50,000,000	120,000,000
	151,301,842	3,010,515	73,926,813	54,894,286	283,133,456

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36. 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 :- (Cont'd)

COMPANY

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Above 5 years RM	Total RM
Other payables and accruals	11,333,948	-	-	-	11,333,948
Amount due to Directors	1,253,485	-	-	-	1,253,485
ICP / IMTN	-	-	70,000,000	50,000,000	120,000,000
Hire purchase payables	69,064	69,064	94,432	-	232,560
Finance lease payables	23,625	-	-	-	23,625
Amount due to Ultimate Holding Company	15,000,000	-	-	-	15,000,000
Amounts due to Subsidiary Companies	17,408,388	-	-	-	17,408,388
	45,088,510	69,064	70,094,432	50,000,000	165,252,006

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.

37. 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 2012 and 2011.

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 monitor 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.

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37. CAPITAL MANAGEMENT (CONT'D)

The gearing ratio for the Group and for the Company respectively as at 31 July 2012 and 2011 are as follows :-

GROUP

	2012 RM	2011 RM
Total net debts	185,662,230	131,341,414
Total capital plus net debts	577,479,783	477,338,267
Gearing ratio	0.32	0.28

COMPANY

	2012 RM	2011 RM
Total net debts	118,832,025	64,360,750
Total capital plus net debts	349,994,747	290,858,966
Gearing ratio	0.34	0.22

38. 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 :-

- (a) **Cash and cash equivalents, trade and other receivables, deposits and prepayments, trade and other payables, accruals, amounts due to Directors, advances from Ultimate Holding Company, other bank borrowings, amounts due by / to Subsidiary Companies**

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

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38. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(b) Hire purchase and finance lease payables, transferable contribution rights

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

	2012		2011	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
GROUP				
Financial assets				
Transferable contribution right	228,000	228,000	228,000	228,000
Financial liabilities				
Hire purchase payables	4,786,988	4,605,311	4,488,215	4,381,538
Finance lease payables	3,890,003	3,848,698	3,212,375	3,081,865
COMPANY				
Financial liabilities				
Hire purchase payables	232,560	223,742	206,038	197,566
Finance lease payables	23,625	23,625	216,000	215,026

(c) Floating rates term loans, ICP / IMTN and CPs / MTNs

The carrying amount of floating rates term loans, ICP / IMTN and CPs / MTNs approximate their fair value as these borrowings will be repriced to market interest rate on or near reporting date.

(d) Other investments

It is not practical to estimate the fair value of the Group'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 does not intend to dispose of these investments in the foreseeable future.

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39. SIGNIFICANT EVENTS

- a) The Company has received approval from the Securities Commission on 27 October 2011 for the ICP / IMTN Programme of up to RM150.0 million in nominal value, to be guaranteed by Danajamin.

The ICP / IMTN Programme shall have a tenor of seven (7) years from the date of the first issue under the 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 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 ICP / IMTN Programme.

The proceeds raised from the 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 of the Group; and
- ii) Up to RM50.0 million to finance capital expenditure of the Group which includes opening of new branches and purchase of manufacturing equipments.
- b) On 9 December 2011, the Group and the Company had embarked on a group wide internal reorganisation exercise which involved the consolidation of the Group's existing business activities into six main activities or specific functions namely :-
- (i) retail;
- (ii) wholesale and distribution;
- (iii) manufacturing;
- (iv) property investment;
- (v) franchise; and
- (vi) overseas investment.

The internal reorganisation will ultimately result in the winding up of the non-key / dormant subsidiaries, and the acquisition of all the retail businesses which are currently held under 36 Subsidiary Companies by PKJ which will be the sole entity managing all the retail outlets.

In line with the internal reorganisation exercise, the Group will consolidate its existing banking facilities amongst the existing financial institutions with the new borrowings structure which comprises primarily Bankers' Acceptance and ICP / IMTN Programme.

- c) On 20 March 2012, the Company had fully settled all the outstanding on the RM200 million Islamic CPs / MTNs programme ahead of the its maturity and the programme was cancelled on the same date.
- d) During the year, the Company had issued in stages the IMTN under the ICP / IMTN Programme, in total amounting to RM120 million and the proceeds from the issuance of the IMTN was utilised by the Company for the following purposes :-
- i) to finance group wide restructuring programme; and
- ii) to refinance existing borrowings.

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40. 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 2012 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 2012 is analysed as follows :-

	GROUP RM	COMPANY RM
Total retained earnings of the Company and its Subsidiary Companies :-		
- realised	319,506,402	25,986,846
- unrealised	20,207,983	-
	339,714,385	25,986,846
Less : Consolidation adjustments	(157,293,574)	-
Total retained earnings	182,420,811	25,986,846

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 19 December 2012

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 19 DECEMBER 2012

Size of shareholdings	No. of Shareholders	%	No. of Shareholdings	%
1 - 999	248	6.05	51,559	0.01
1000 - 10,000	2,100	51.23	12,004,360	2.93
10,001 - 100,000	1,548	37.77	50,447,280	12.29
100,001 - 20,517,586(*)	202	4.93	108,639,667	26.47
20,517,587 and above (**)	1	0.02	239,208,886	58.29
Total	4,099	100.00	410,351,752	100.00

Remark : * - Less than 5% of issued holdings

** - 5% and above of issued holdings

30 LARGEST SHAREHOLDERS AS AT 19 DECEMBER 2012

No.	Name	No. of Ordinary Shares of RM0.50 each	% of Shares
1	Poh Kong Sdn. Bhd.	239,208,886	58.29
2	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Teo Siew Lai	10,750,000	2.62
3	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Teo Kwee Hock	9,187,500	2.24
4	Dato' Choon Yee Seiong	9,176,246	2.24
5	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt An For British and Malayan Trustees Limited	5,040,000	1.23
6	M&A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Choon Nee Siew	4,700,000	1.15
7	Maybest Enterprise Sdn Bhd	3,718,500	0.91
8	Choon Wan Joo	2,320,080	0.57

Analysis Of Shareholdings

As At 19 December 2012

30 LARGEST SHAREHOLDERS AS AT 19 DECEMBER 2012 (CONT'D)

No.	Name	No. of Ordinary Shares of RM0.50 each	% of Shares
9	Cheong Teck Chong	1,960,328	0.48
10	Haw Yoo Hoon	1,933,800	0.47
11	Hon Wee Fong	1,814,666	0.44
12	Hon Wei Sun	1,775,900	0.43
13	PM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kong Kok Choy	1,540,000	0.38
14	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG Singapore For MGH Investment Fund Limited	1,400,000	0.34
15	M&A Nominee (Tempatan) Sdn Bhd Pledged Securities Account For Choon Yoke Ying	1,390,000	0.34
16	Public Nominees (Asing) Sdn Bhd Pledged Securities Account For Tan Chee Wee	1,303,100	0.32
17	Lee Guan Huat	1,259,400	0.31
18	Tan Kim Chai	1,211,400	0.30
19	HDM Nominees (Asing) Sdn Bhd DBS Vickers SECS (S) Pte Ltd for Lim Mee Hwa	1,125,000	0.27
20	ECML Nominees (Tempatan) Sdn Bhd Visitor Christian Brothers' Schools Malaysia	1,108,200	0.27
21	Ng Boon Thiam	1,000,015	0.24
22	Teoh Boon Beng @ Teoh Eng Kuan	996,000	0.24
23	Tan Boon Hooi	920,000	0.22
24	Tan Lee Hwa	755,000	0.18
25	Tan Ai Guat	745,200	0.18
26	Au Yong Mun Yue	725,000	0.18
27	Amanahraya Trustees Berhad Public Strategic Smallcap Fund	690,000	0.17
28	Teo Kwee Hock	688,500	0.17
29	Siow Der Ming	616,118	0.15
30	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Tan Boon Heong	600,000	0.15
Total		309,658,839	75.48

Analysis Of Shareholdings

As At 19 December 2012

Substantial Shareholders as per the Register of Substantial Shareholders as at 19 December 2012

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Poh Kong Sdn Bhd	239,208,886	58.29	-	-
Dato' Choon Yee Seiong	9,263,746	2.26	249,682,528 ⁽¹⁾	60.85
Choon Nee Siew	4,706,742	1.15	252,254,572 ⁽⁴⁾	61.47
Cheong Teck Chong	2,273,928	0.55	239,769,648 ⁽²⁾	58.43
Choon Wan Joo	2,320,080	0.57	255,392,602 ⁽⁵⁾	62.24
Datin Hon Wee Fong	1,814,710	0.44	250,426,944 ⁽³⁾	61.03
Choon Yoke Ying	1,395,072	0.34	255,996,498 ⁽⁵⁾	62.38
Choon Yee Bin	200,030	0.05	257,068,034 ⁽⁶⁾	62.65
Mohd Annuar Choon Bin Abdullah	30	0.00	257,124,534 ⁽⁶⁾	62.66
Choon Yee Fook	82	0.00	257,096,482 ⁽⁷⁾	62.65
Choong Bee Chu	-	-	257,121,066 ⁽⁹⁾	62.66
Chong Siew Loi @ Chong Kim Loi	103,012	0.03	241,482,814 ⁽¹⁰⁾	58.85
Cheong Poh See	37,750	0.01	246,196,556 ⁽¹¹⁾	60.00
Cheong Chee Kong	7,000	0.00	246,247,306 ⁽¹¹⁾	60.01
Choon Ching Yih	1,896	0.00	256,894,668 ⁽⁸⁾	62.60
Cheong Chee Khoon	-	-	246,234,306 ⁽¹¹⁾	60.01
Choon King Han	35,000	0.01	250,287,342 ⁽¹²⁾	61.00
Pang Cheow Mooi	413,000	0.10	241,482,814 ⁽¹³⁾	58.85
Elizabeth Choon Ee Ling	-	-	250,322,342 ⁽¹²⁾	61.00

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 and 122A of 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 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 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 19 December 2012

Directors' Shareholdings as per the Register of Directors' Shareholdings as at 19 December 2012

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Choon Yee Seiong	9,263,746	2.26	249,682,528 ⁽¹⁾	60.85
Cheong Teck Chong	2,273,928	0.55	239,769,648 ⁽²⁾	58.43
Choon Nee Siew	4,706,742	1.15	252,254,572 ⁽³⁾	61.47
Choon Yee Bin	200,030	0.05	257,068,034 ⁽⁴⁾	62.65
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	-	-	-	-
Chang Kwong Him	295,006	0.07	1,395,072 ⁽⁶⁾	0.34
Siow Der Ming	616,118	0.15	2,320,080 ⁽⁷⁾	0.57

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.
6. Deemed interested by virtue of the shareholding of his spouse's direct shareholding in PKHB.
7. 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 2012

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG JEWELLERS SDN BHD							
Lot 10, PN3792, Section 9 Township of Petaling Jaya District of Kuala Lumpur Selangor Darul Ehsan	Single storey detached house incorporating attic floor	Leasehold (Expiring in 2053)	Residential	1,024.6 square metres	Approximately 40 years	737,991	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 40 years	2,241,960	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	14 years	2,252,333	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	15 years	1,114,286	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 40 years	3,216,350	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 40 years	170,390	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 2012

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG JEWELLERS (SS2) SDN BHD							
Lot 25674, HS(D) 87319 Bandar Petaling Jaya District of Petaling Selangor Darul Ehsan	An intermediate unit of 3-storey shophouse	Freehold	Shophouse	156.07 square metres	Approximately 35 years	2,223,729	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 35 years	2,590,000	28.8.08
No.23, Jalan SS2/55 47300 Petaling Jaya Selangor Darul Ehsan							
POH KONG JEWELLERS (SUBANG PARADE) SDN BHD							
PT 16955, HS(M) 9168 Mukim of Damansara District of Petaling Selangor Darul Ehsan	An intermediate unit of double-storey terrace house	Leasehold (Expiring in 2095)	Residential	160 square metres	Approximately 17 years	341,493	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 27 years	338,000	10.6.95
No.87, Jalan SS17/2 47500 Subang Jaya Selangor Darul Ehsan							

List Of Properties

Held By The Group As At 31 July 2012

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG JEWELLERS (AMPANG POINT) SDN BHD							
Lot 26451 PN807/M7/4/241 Mukim of Ampang District of Hulu Langat Selangor Darul Ehsan	Apartment	Leasehold (Expiring in 2088)	Residential	95 square metres	20 years	138,000	15.7.97
No.33, 3rd Floor, Block Melor Apartment Desa 288 Persiaran Memanda 1 Taman Dato' Ahmad Razali 68000 Ampang, Selangor.							
POH KONG JEWELLERY MANUFACTURER SDN BHD							
PT 17654, HS(D) 142709 Mukim of Damansara District of Petaling Selangor Darul Ehsan	Double-storey detached with basement	Freehold	Office cum Factory	7,570.31 square metres	11.5 years	12,112,000	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 building Selangor Darul Ehsan	Agricultural land with a detached building	Leasehold (Expiring in 2070)	Residential	0.6146 hectare	23 years	1,361,761	15.8.97
No.276, Jalan 4D, Kampung Baru Subang, Shah Alam, Selangor							
POH KONG JEWELLERS (THE MALL) SDN BHD							
No.33-A-8-7, 8th Floor Villa Putra Condominium Jalan Tun Ismail 50480 Kuala Lumpur	Condominium	Freehold	Residential	107.13 square metres	18 years	239,200	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	18 years	257,600	6.4.96

List Of Properties

Held By The Group As At 31 July 2012

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG PROPERTIES SDN BHD							
LG-48, Lower Ground Floor le Summit, Subang USJ 47600 Subang Jaya Selangor Darul Ehsan	Commercial shoplot	Freehold	Shopping Complex Lot	51.19 square metres	15 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	19 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	20 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	20 years	1,360,000	13.3.99
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	6 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 14 years	2,099,999	21.4.08
Lot G-19, Ground Floor Subang Parade 47500 Subang Jaya Selangor Darul Ehsan	Commercial shoplot	Freehold Complex Lot	Shopping	139.3 square metres	Approximately 28 years	2,538,000	26.1.99
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	12 years	121,290	17.2.01
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	15 years	182,867	21.11.94

List Of Properties

Held By The Group As At 31 July 2012

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG PROPERTIES SDN BHD							
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 20 years	146,254	15.8.97
302-L, Taman Bukit Baru 75450 Bukit Beruang Melaka							
PT 16, HS(D) 143184 Township of Petaling Jaya District of Petaling 2059) Selangor Darul Ehsan	4-storey shopoffice	Leasehold (Expiring in	Shophouse	174.1875 square metres	Approximately 40 years	2,368,555	6.6.00
No.16, Jalan 52/4 46200 Petaling Jaya Selangor Darul Ehsan							
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 40 years	2,500,000	17.2.89
No.18, Jalan 52/4 46200 Petaling Jaya Selangor							
1262 Lorong S2 A35/1 Central Park Seremban 70300 Seremban Negeri Sembilan	Double storey 2 house	Freehold	Residential	154 square metres	Approximately 12 years	149,317	12.11.09
JUNGMAX PROPERTY SDN BHD							
Lot PT31176, HS(M)23999 Mukim and District of Kelang Selangor Darul Ehsan	Agricultural land	Leasehold (Expiring in 2092)	Agricultural land zoned for residential land use	2.00 acres	N/A	240,000	24.11.98

List Of Properties

Held By The Group As At 31 July 2012

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG JEWELLERS (KLANG) SDN BHD							
PT 5999, HS(D) 57880, Mukim Kapar, District of Klang Selangor Darul Ehsan	Single storey terrace house	Freehold	Residential	0.0121 Hectare	N/A	130,000	30.7.02
No.30, Jalan Sungai Keramat 7A Taman Klang Utama 42100 Klang Selangor Darul Ehsan							
PT 71, HS(D) 38993 Mukim Kapar, District of Klang Selangor Darul Ehsan	Double storey bungalow	Leasehold (Expiring in 2088)	Residential	1,649.4395 square metres	N/A	1,537,320	30.7.02
No.8, Jalan 9/5E 40100 Shah Alam Selangor Darul Ehsan							

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of **POH KONG HOLDINGS BERHAD** (Company No. 586139-K) will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 31 January 2013 at 10.30 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 July 2012 together with the Reports of the Directors and Auditors thereon.
2. To declare a First and Final Single Tier Dividend of 1.50 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2012. Resolution 1
3. To approve the payment of Directors' fees for the financial year ended 31 July 2012. Resolution 2
4. To re-elect the following Directors retiring under Article 80 of the Articles of Association:-
 - a) Dato' Choon Yee Seiong Resolution 3
 - b) Datin Shirley Yue Shou How Resolution 4
5. To re-elect the following Directors retiring under Article 85 of the Articles of Association:-
 - a) Chang Kwong Him Resolution 5
 - b) Siow Der Ming Resolution 6
 - c) Choon Yee Bin Resolution 7
6. To re-appoint Dr Choong Tuck Yew who retires in accordance with Section 129(2) of the Companies Act, 1965. Resolution 8
7. To appoint Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 9

Notice of Nomination from a shareholder pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed in the 2012 Annual Report to as "Appendix I" have been received by the Company for the nomination of Messrs Baker Tilly Monteiro Heng for appointment as Auditors in place of the retiring Auditors, Messrs GEP Associates and of the intention to propose the following Ordinary Resolution:

"THAT Messrs Baker Tilly Monteiro Heng be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs GEP Associates and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Notice Of Annual General Meeting

SPECIAL BUSINESS

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

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

Resolution 10

“**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.”

8.2 Proposed Amendments to the Company’s Articles of Association

Special Resolution

“**THAT** the proposed amendments to the Articles of Association of the Company as contained in Appendix II of the Annual Report 2012 (“Proposed Amendments”) be and are hereby approved and adopted.”

ANY OTHER BUSINESS

9. 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 DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a First and Final Single Tier Dividend of 1.50 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2012 will be payable on 8 March 2013 to Depositors registered in the Record of Depositors at the close of business on 13 February 2013.

A Depositor shall qualify for entitlement only in respect of:

- a. Shares transferred to the Depositor’s Securities Account before 4.00 pm on 13 February 2013 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 : 7 January 2013

Notice Of Annual General Meeting

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. 8 under item 6 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.

6. Explanatory Notes on Special Business

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

The proposed Ordinary Resolution No. 10 under item 8 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 Ninth Annual General Meeting held on 10 January 2012. 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 Ninth Annual General Meeting because there was no need for any fund raising activity for the purpose of investment, acquisition or working capital.

(b) Proposed Amendments to the Company's Articles of Association

The proposed Special Resolution under item 8.2 is to amend the Company's Articles of Association to be in line with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The details of the Proposed Amendments are as set out in Appendix II on pages 142 - 144 of this Annual Report.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd in accordance with Article 55(3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 7 January 2013. Only a depositor whose name appears on the Record of Depositors as at 7 January 2013 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his stead.

Statement Accompanying Notice Of Tenth Annual General Meeting

Details of the Directors who are standing for re-election or re-appointment at the Tenth Annual General Meeting of Poh Kong Holdings Berhad are laid out in pages 16 - 21 of this Annual Report.

- i. Dato' Choon Yee Seiong
- ii. Datin Shirley Yue Shou How
- iii. Chang Kwong Him
- iv. Siow Der Ming
- v. Choon Yee Bin
- vi. Dr Choong Tuck Yew

APPENDIX I

Notice Of Nomination Of Auditors

POH KONG SDN. BHD.

Our Ref: PK/PKSB/063/12

Date: 21 December 2012

The Board of Directors
Poh Kong Holdings Berhad
No.16-20, Jalan 52/4,
46200 Petaling Jaya.

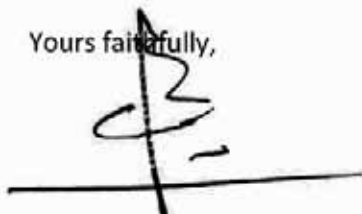
Dear Sirs,

RE: NOTICE OF NOMINATION OF MESSRS BAKER TILLY MONTEIRO HENG

We, being a registered substantial shareholder of the Company, hereby give notice, pursuant to Section 172(11) of the Companies Act, 1965 of our nomination of Messrs Baker Tilly Monteiro Heng for appointment as Auditors of the Company in place of the retiring Auditors, Messrs GEP Associates at the forthcoming Annual General Meeting.

Thank you.

Yours faithfully,



.....
Director

Dato' Choon Yee Seiong

APPENDIX II

Special Resolution - Proposed Amendments to the Company's Articles of Association

THAT the Articles of Association of the Company be amended in the following manner:-

Article No.	Existing Articles		Amended Articles	
2 Interpretation	WORDS -	MEANINGS No Provision No Provision	WORDS Exempt Authorised Nominee Cash Distributions	MEANINGS An authorised nominee defined under the Central Depositories Act which is exempted from compliance with provisions of subsection 25A(1) of the Central Depositories Act. Cash payments made by the Company in respect of its securities which are listed and quoted for trading on the Exchange, as prescribed by the Exchange from time to time which include – (a) cash dividends; (b) payments of interest or profit rates on debt securities or sukuk respectively; (c) income distributions made by collective investment schemes; (d) capital repayment; and (e) cash payments in lieu of odd lots arising from distribution in specie.
66 Right to vote	Subject to any rights or restrictions for the time being attaching to any class or classes of shares, at meetings of members or of classes of members each member entitled to vote may vote in person or by proxy or by representative and on a show of hands every person present who is a member or a representative or a proxy or an attorney of a member shall have one vote, and on a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for every such share he holds.		Subject to any rights or restrictions for the time being attaching to any class or classes of shares, at meetings of members or of classes of members each member entitled to vote may vote in person or by proxy or by representative and on a show of hands every person present who is a member or a representative or a proxy or an attorney of a member shall have one vote, and on a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for every such share he holds. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.	

APPENDIX II

Article No.	Existing Articles	Amended Articles
71 Number of Proxy	A holder may appoint more than one proxy to attend the same meeting. Where a holder appoints two or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.	<p>A holder may appoint more than one proxy to attend the same meeting. Where a holder appoints two or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.</p> <p>Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.</p>
72 Proxy to be in writing	The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a member of the Company and the provisions of Section 149(1) (b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll	<p>The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer.</p> <p>A member of a Company entitled to attend and vote at a meeting of a Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.</p>
74 Instrument appointing proxy to be deposited	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company, or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company, or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote. The completed instrument of proxy once deposited will not preclude the member from attending and voting in person at the General Meeting should the member subsequently wish to do so.

APPENDIX II

Article No.	Existing Articles	Amended Articles
		<p>A Member who is not resident in Malaysia or Singapore may be cable or other telegraphic communication appoint a proxy/proxies to vote for him at any General Meeting of the Company PROVIDED:-</p> <p>(a) such cable or other telegraphic communication shall have been received at the Office not less than forty-eight (48) hours before the time for the holding of the General Meeting or adjourned meeting as the case may be at which the person named in such cable or other telegraphic communication proposes to vote; and</p> <p>(b) the Directors are satisfied as to the genuineness of such cable or other telegraphic communication</p>
128 Dividend payable by cheques	<p>Any dividend or other money payable in cash in respect of a share may be paid by cheque or warrant sent through the post directed to the registered address of the member or person entitled thereto, or, if several persons are entitled in consequence of the death or bankruptcy of the holder, to any one of such persons or to such persons and such address as such persons may by writing direct or by directly crediting the dividend entitlement into the member's bank account as provided to the Central Depository from time to time. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or such person as the holder may direct and payment of the cheque or the direct crediting shall be a good discharge to the Company. Every such cheque or warrant shall be sent or directly credited to the member's bank account at the risk of the person entitled to the money represented thereto. Where the members have provided to the Central Depository the relevant contact details for purposes of electronic notifications, the Company shall notify them electronically once the Company has paid the cash dividends into the member's bank account.</p>	<p>Any cash distributions of a share may be paid by cheque or warrant sent through the post directed to the registered address of the member or person entitled thereto, or, if several persons are entitled in consequence of the death or bankruptcy of the holder, to any one of such persons or to such persons and such address as such persons may by writing direct or by directly crediting into the member's bank account as provided to the Central Depository from time to time. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or such person as the holder may direct and payment of the cheque or the direct crediting shall be a good discharge to the Company. Every such cheque or warrant shall be sent or directly credited to the member's bank account at the risk of the person entitled to the money represented thereto. Where the members have provided to the Central Depository the relevant contact details for purposes of electronic notifications, the Company shall notify them electronically once the Company has paid the cash distributions into the member's bank account.</p>

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 Tenth Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 31 January 2013 at 10.30 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 1.50 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2012.		
2.	To approve the payment of Directors' fees for the financial year ended 31 July 2012.		
3.	To re-elect Dato' Choon Yee Seiong retiring under Article 80 of the Articles of Association.		
4.	To re-elect Datin Shirley Yue Shou How retiring under Article 80 of the Articles of Association.		
5.	To re-elect Mr. Chang Kwong Him retiring under Article 85 of the Articles of Association.		
6.	To re-elect Mr. Siow Der Ming retiring under Article 85 of the Articles of Association.		
7.	To re-elect Mr. Choon Yee Bin retiring under Article 85 of the Articles of Association.		
8.	To re-appoint Dr Choong Tuck Yew who retires in accordance with Section 129(2) of the Companies Act, 1965.		
9.	To appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
10.	To authorize the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		
	Special Resolution		
	To approve the proposed Amendments to the Company's Articles of Association.		

[Please indicate with (X) in the spaces provided how you wish your vote to be cast. If no specific direction as to voting is given, the Proxy will vote or abstain at his(her) discretion]

Dated this _____ day of _____ 2013

Number of shares held :

[Signature/Common Seal of Shareholder]

[* Delete if not applicable]

Notes:-

- 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.
- 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.
- 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.
- 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.

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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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