

POH KONG®

POH KONG HOLDINGS BERHAD
(586139-K)

*To achieve product
and service excellence*

Annual Report 2014

CORE BUSINESS

Philosophy

Quality

Product
Service
Excellence
Craftsmanship

Value

Preference
Profit
Worth
Return-On-Investment

Trust

Reputation
Commitment
Honesty
Transparency

Choice

Design
Price
Location
Convenience



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Quali



ty

PRODUCT, SERVICE,
EXCELLENCE &
CRAFTSMENSHIP

CORPORATE

Information

BOARD OF DIRECTORS

Dato' Choon Yee Seiong
Mr Cheong Teck Chong
Madam Choon Nee Siew
Mr Chang Kwong Him
Mr Siow Der Ming
Mr Choon Yee Bin
Datin Hon Wee Fong
Dato' Dr Choong Tuck Yew
Encik Fazrin Azwar Bin Md Nor
Datin Shirley Yue Shou How
Madam Esther Tan Choon Hwa

AUDIT COMMITTEE

Dato' Dr Choong Tuck Yew, Chairman
Encik Fazrin Azwar Bin Md Nor, Member
Datin Shirley Yue Shou How, Member
Madam Esther Tan Choon Hwa, Member

RISK MANAGEMENT COMMITTEE

Madam Esther Tan Choon Hwa,
Chairperson
Encik Fazrin Azwar Bin Md Nor
Dato' Choon Yee Seiong
Mr Cheong Teck Chong
Mr Siow Der Ming

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

Datin Shirley Yue Shou How,
Chairperson
Dato' 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
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7804 5929
Fax : 03-7805 2559

CORPORATE OFFICE

No. 16-20, Jalan 52/4
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7940 3333
Fax : 03-7957 2404, 7958 8398

AUDITORS

**Messrs Baker Tilly Monteiro Heng
(Firm No. AF 0117)**
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : 03-2297 1000
Fax : 03-2282 9980



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

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 7, Menara UOB
Jalan Raja Laut
50738 Kuala Lumpur
Tel : 03-2692 7722
Fax : 03-2691 6073

Malayan Banking Berhad (3813-K)

Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel : 03-2776 5716
Fax : 03-2026 5267

POH KONG

Website: www.pohkong.com.my
Web Portal: www.pohkong.listedcompany.com
Facebook: www.facebook.com/pohkongjewellers

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)
Stock Code: 5080**



CORPORATE

Structure

POH KONG HOLDINGS BERHAD

100%

Poh Kong Jewellers
(Ampang Point) S/B

Poh Kong Jewellers
(Kinta City) S/B*

Poh Kong Jewellers
(Permas Jaya) S/B

Poh Kong Jewellers
(The Mines) S/B*

Poh Kong Jewellers
(Bangsar) S/B*

Poh Kong Jewellers
(Klang) S/B

Poh Kong Jewellers
(PHT) S/B*

Poh Kong Jewellers
(Wangsamaju) S/B*

Poh Kong Jewellers
(Banting) S/B

Poh Kong Jewellers
(Kuantan) S/B*

Poh Kong Jewellers
(Puchong) S/B*

Poh Kong Jewellers S/B

Poh Kong Jewellers
(Batu Pahat) S/B*

Poh Kong Jewellers (M) S/B*

Poh Kong Jewellers
(Selayang) S/B*

Poh Kong Jewellery
Manufacturer S/B

Poh Kong Jewellers
(Franchise) S/B

Poh Kong Jewellers
(Malacca) S/B

Poh Kong Jewellers
(Seremban) S/B*

Poh Kong Properties S/B

Poh Kong Jewellers
(Gold Seremban) S/B

Poh Kong Jewellers (Maluri)
S/B

Poh Kong Jewellers
(Shah Alam) S/B

Poh Kong Wholesale S/B

Poh Kong Jewellers
(Ipoh) S/B

Poh Kong Jewellers
(Meru) S/B*

Poh Kong Jewellers
(SS 2) S/B

Poh Kong International S/B

Jungmax Property S/B[‡]

Poh Kong Jewellers
(Jaya) S/B

Poh Kong Jewellers
(Muar) S/B*

Poh Kong Jewellers
(Subang Parade) S/B

PK Design S/B*

PK Jewellery Export S/B

Poh Kong Jewellers
(Jln Taman Malacca) S/B

Poh Kong Jewellers (MV) S/B

Poh Kong Jewellers
(The Mall) S/B

Poh Kong Jewellers
(Kajang) S/B

Poh Kong Jewellers
(Old Klang Road) S/B*

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

Poh Kong Jewellers
(Peringgit) S/B*

* Under members' voluntary winding up

[‡] Disposed in August 2014

5 YEAR GROUP
FINANCIAL

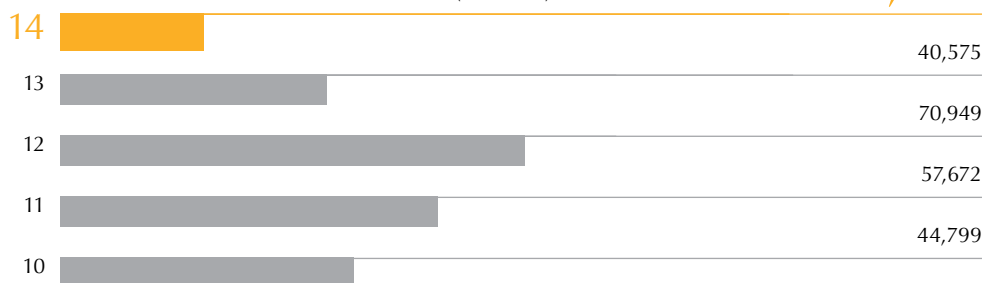
Highlights

FYE 31 JULY - RM'000

	2010	2011	2012	2013	2014
Revenue	561,244	692,419	830,118	975,784	798,937
Profit before taxation	44,799	57,672	70,949	40,575	21,867
Taxation	(12,282)	(16,467)	(19,383)	(6,606)	(8,557)
Profit after taxation	32,517	41,205	51,566	33,969	13,310
Profit attributable to:-					
Equity holders of the Company	32,517	41,205	51,566	33,969	13,310
Non-Controlling Interests	-	-	-	-	-
	32,517	41,205	51,566	33,969	13,310

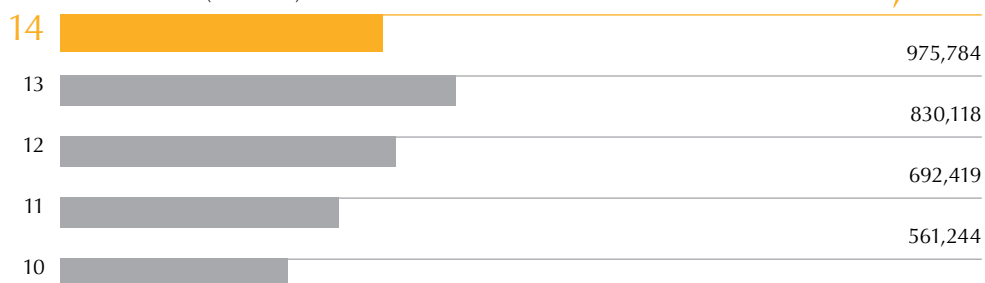
PROFIT BEFORE TAXATION (RM'000)

21,867



REVENUE (RM'000)

798,937



Milestones



THE STORY BEGINS...

Poh Kong Jewellers (PKJ) commenced business on 26 March 1976 with its first outlet at Jalan 52/4, 46200 Petaling Jaya. Today Poh Kong is a household name in Malaysia. The Company was co-founded 38 years ago by Dato' Eddie Choon, Poh Kong Holdings Berhad's Executive Chairman & Group Managing Director.



Poh Kong Headquarters

1982 - 1992

- PKJ opened its first branch in SS2, Petaling Jaya, taking up retail space of 1,500 sq ft and 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 nationwide.

1993 - 2003



- PKJ invested RM12 million to establish a 60,000 sq ft manufacturing facility in Shah Alam.



Manufacturing plant in Shah Alam

- Poh Kong launched its first in-house brand, Tranz in collaboration with the 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 patronage 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.
- Poh Kong was one of the winners of the Malaysian Retailer-Chains Association (MRCA) Elite Awards in recognition of its contributions towards the development of the retail chain industry.

2013

- Poh Kong launched the exclusive brand HEMERA™, the world's most brilliant 101 cut diamond, from Belgium.
- Poh Kong set up its first online store at Rakuten portal and re-launched its websites with more user-friendly interface.



2014

- Poh Kong registered 106 stores as at FYE2014.
- RAM Ratings Services Berhad (RAM) reaffirmed Poh Kong's reputation and strong market position as Malaysia's largest jewellery retail chain store.
- Retail Asia Publishing magazine (June issue) listed Poh Kong as one of Malaysia's Top 10 Retailers in the Asia-Pacific Top 500 retail companies.

2015

...AND OUR JOURNEY CONTINUES.

Highlights

EVENTS / LAUNCHES / CAMPAIGNS / CONTESTS / AWARDS / WORKSHOPS / ROAD SHOWS



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● ELEVENTH ANNUAL GENERAL MEETING

Poh Kong Holdings Berhad held its Annual General Meeting for shareholders at the Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Kuala Lumpur on January 10.

● CHAP GOH MEH CELEBRATIONS

Poh Kong enliven the traditional Chap Goh Meh Festival at Taman Tasik Permaisuri, Cheras and The Esplanade, Penang as a co-sponsor, giving away more than RM10,000 worth of prizes to winners on February 15. Exciting party activities, interactive games, stage quizzes, lucky draws, were held including mandarins and oranges thrown into water. The events ended with explosion of fireworks in a dazzling display.

2014 CORPORATE HIGHLIGHTS



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“MLM - THE STORY OF LOVE CONTEST” WINNERS

Poh Kong hosted the grand finale event for 9 winning couples of the “Make Love Memoirs (MLM) ‘The Story of Love’ Contest,” season 2 at 1Utama Shopping Centre on May 10. Three out of 9 couples with their ‘Best Proposals’ comprising most heart-warming and creative love declarations were each rewarded with Hemera diamond rings worth RM8,000 and other gifts.

Photo Captions:

1. The Eleventh Annual General Meeting.
2. Youths prepare to toss mandarins, oranges and bananas.
3. Crowds picking up the oranges with Poh Kong branding and Lucky Draw code.
4. Spectacular fireworks lit the night skies.
5. Public wait eagerly at the Esplanade, Penang.
6. Poh Kong’s “Chap Goh Meh” festive booth in Cheras, KL.
7. Couples in three age-group categories each won Hemera diamond rings.
8. A winning couple performs their tear-jerking proposal.
9. The 9 finalist couples in a group photo.

2014 CORPORATE HIGHLIGHTS

EVENTS / LAUNCHES / CAMPAIGNS / CONTESTS / AWARDS / WORKSHOPS / ROAD SHOWS

POH KONG GALLERY PRESENTS "SPLENDOUR IN BLOOM"

Poh Kong unveiled its latest Spring-Summer 2014 collection featuring design elements based on spring with flowers, leaves and butterfly motifs, to jewellery lovers, featuring brands from Schoeffel of Germany, Luca Carati and Moraglione 1922, both from Italy, to Poh Kong Gallery Collections at the KL Hilton in June 2014. Spotlighted were Schoeffel's Ballets Russes and Fleur d'Amour pearl collections, Luca Carati's Leaves Collection jewellery, Moraglione 1922 masterpieces of coloured stones and Poh Kong Gallery's fine array of beautiful gems.





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● ANGGUN IN HIJABNISTA STYLING WORKSHOP

Poh Kong collaborated with a local celebrity to share finer tips on various methods of hijab-styling and pairing it with Anggun Collection to create a “Hijabnista” look for the Hari Raya season in July. Media journalists and bloggers were invited to take part in the workshop on tying a headscarf using Anggun jewellery to add class and glamour to hijab styles.

● GLAMING UP WITH SAREE MASTER

Poh Kong teamed up with a Malaysian Saree Master to educate the public on creative ways to tie a saree and matching it with Bombay Collection jewellery to achieve ultimate elegance in a styling workshop in August. Guests and the media were invited to the step-by-step Saree Styling Guide that was shared through Poh Kong’s facebook pages.

Photo Captions:

10. A model adorned with fine jewellery.
11. Models with collections from Schoeffel, Luca Carati, Moraglione 1922, and Poh Kong Gallery.
12. Up close a model in an exquisite collection of earrings, bangle, ring, and brooch.
13. Dato’ Eddie Choon (fourth from left), Poh Kong Holdings Berhad (PKHB) Executive Chairman & Group Managing Director, Datin Jennifer Hon (fifth from left), PKHB Executive Director, and Dato’ Alice Choon (sixth from left), Poh Kong Group Merchandising Director, posing with models.
14. Sharing tips with the audience on creating the hijabnista look.
15. Demonstrating ways to tie a basic saree.
16. Pairing Poh Kong’s Bombay Collection jewellery with a Bollywood-style saree.
17. Malaysian Saree Master share finer tips on complementing Bombay Collection jewellery with various saree styles.

2014 CORPORATE HIGHLIGHTS

EVENTS / LAUNCHES / CAMPAIGNS / CONTESTS / AWARDS / WORKSHOPS / ROAD SHOWS



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POH KONG LISTED AS MALAYSIA'S TOP 10 RETAILERS

Poh Kong Holdings Berhad was ranked among Malaysia's Top 10 Retailers in the 2014 Retail Asia-Pacific Top 500 Award from Retail Asia Publishing and Euromonitor International at a presentation ceremony held in Marina Bay Sands, Singapore on November 10. Retail Asia Publishing magazine (June 2014 issue) listed Poh Kong among the Top 500 retail companies in the region based on annual sales revenues generated.



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DISNEY JEWELLERY LAUNCH ONLINE

In November 2014, Poh Kong launched Disney Jewellery on its Rakuten online store in Malaysia. Poh Kong's Rakuten online store is the first and the only platform which sells Disney Jewellery, a timeless brand loved by both children and adults alike.

ON-THE-ROAD SHOWS

Road Shows were organised nationwide in conjunction with special themes, such as Chinese New Year, Mother's Day, Lunar Leap Month and Bridal Fairs to engage with Poh Kong's customers and to showcase our latest jewellery collections.



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2014 CORPORATE HIGHLIGHTS



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Photo Captions:

18. The Retail Asia-Pacific Top 500 Awards corporate branding.
19. Dato' Choon Yee Seiong (left), Poh Kong Holdings Berhad Executive Chairman & Group Managing Director, receiving the "Top 10 Retailers Award" in Malaysia from Mr Brian Miles, Regional Managing Director, SSI Schaefer (a gold sponsor).
20. Disney Jewellery on Poh Kong's Rakuten Online Shop.
21. Chinese New Year Diamonds & Gems Mega Promotion at Balakong, Selangor.
22. Conducting lucky draws at the promotion in Balakong.
23. Crowds mill around Poh Kong's AEON Station 18 outlet in Ipoh.
24. Interacting with the public during Mother's Day in 1 Utama Shopping Centre, Petaling Jaya.
25. A singer and an emcee on stage at 1 Utama Shopping Centre.
26. Happy Mother's Day backdrop was a special set-up by Poh Kong.
27. "Now you see, now you don't," says the magician in a performance.
28. Visitors at Poh Kong booths during the Lunar Leap Month at AEON, Bukit Indah Shopping Centre in Johor Bahru.





Value

PREFERENCE,
PROFIT,
WORTH &
RETURN-ON-
INVESTMENT

BOARD OF

Directors

DATO' CHOON YEE SEIONG

Executive Chairman and Group Managing Director

MR CHEONG TECK CHONG

Executive Director

MADAM CHOON NEE SIEW

Executive Director

MR CHANG KWONG HIM

Executive Director

MR SIOW DER MING

Executive Director

MR CHOON YEE BIN

Executive Director

DATIN HON WEE FONG

Executive Director

DATO' DR CHOONG TUCK YEW

Senior Independent Non-Executive Director

ENCIK FAZRIN AZWAR BIN MD NOR

Independent Non-Executive Director

DATIN SHIRLEY YUE SHOU HOW

Independent Non-Executive Director

MADAM ESTHER TAN CHOON HWA

Independent Non-Executive Director



PROFILE OF BOARD OF

Directors

DATO' CHOON YEE SEIONG

Executive Chairman & Group Managing Director

Dato' Choon Yee Seiong, age 60 years, a Malaysian, was appointed to the Board of Directors of Poh Kong Holdings Berhad (PKHB) as Executive Chairman & Group Managing Director on 13 January 2004. A visionary and influential leader, Dato' Choon was one of the founders of Poh Kong Jewellers Sdn Bhd (PKJ) in 1976 when he started a modest jewellery store in Petaling Jaya at the age of 22. He has since headed the Poh Kong Group which has evolved into the largest jewellery retail chain store in Malaysia with 106 outlets nationwide. He holds several directorships in the companies within the Group. He is the Chairman of Executive Committee, and also serves as a member of the Remuneration Committee and Risk Management Committee of PKHB.

Dato' Choon is responsible for the Group's overall direction and strategy, marketing and management policies, business expansion and operations. His ability to direct and manage his teams has seen Poh Kong's massive 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 which cater to the mass market segments of Malaysians from middle incomes to high net worth individuals. 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 meticulous hands-on business which requires resilience, focus, hard work, observation, perseverance and a positive mental attitude to succeed.

He has been a first-mover in the acquisition of brands and companies, the successful development of a portfolio of international and speciality brands, and pioneering retail concept stores. He was the prime mover in developing sole distributorship for world-renowned international jewellery brands, such as the Disney Collection, Schoeffel luxury pearls from Germany, Angel Diamond from Belgium, Luca Carati and Moraglione 1922 diamonds and coloured gems jewellery from

Italy. In 2013, the exclusive brand Hemera, the world's most brilliant 101 cut diamond, was successfully launched.

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 for over two decades. In 2014, he received Poh Kong's award as one of Malaysia's Top 10 Retailers in the Asia-Pacific Top 500 retail companies ranking by Retail Asia Publishing and Euromonitor International.

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 who is also a PKHB Executive Director. His siblings Madam Choon Nee Siew, Dato' 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 his daughters, Ms Choon Ee Ling and Ms Choon Ee Teng are also shareholders of the Company.



PROFILE OF BOARD OF DIRECTORS

MR CHEONG TECK CHONG

Executive Director

Mr Cheong Teck Chong, age 65 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 is a member of Executive Committee and a member of the Risk Management Committee of PKHB.

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 59 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. She is a member of Executive Committee of PKHB. She is also director of Jungmax Property Sdn. Bhd.

Madam Choon's siblings Dato' Choon Yee Seiong, Dato' 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. Her brothers-in-law Mr Siow Der Ming and Mr Chang Kwong Him are also shareholders of the Company. Her sister-in-law Datin Hon Wee Fong is also shareholder 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 64 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, 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, a Director of Superior Valve Development Sdn Bhd, and a Director of Pakatan Ladang Mulia Sdn Bhd, Etomo Sdn Bhd, Julong Hormat Sdn Bhd and Jungmax Property Sdn Bhd.

Mr Chang is the spouse of Dato' Choon 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 and Datin Hon Wee Fong who are shareholders of the Company.



MR SIOW DER MING

Executive Director

Mr Siow Der Ming, age 57 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 also a member of Risk Management Committee of PKHB.

He is the President of the Federation of Goldsmiths and Jewellers Associations of Malaysia (FGJAM) since April 2014 and committee member 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, Dato' 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 and Datin Hon Wee Fong who are shareholders of the Company.

PROFILE OF BOARD OF DIRECTORS

MR CHOON YEE BIN

Executive Director

Mr Choon Yee Bin, age 46 years, a Malaysian, 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 in other companies within the Group.

Mr Choon's sibilings Dato' Choon Yee Seiong, Madam Choon Nee Siew, Dato' 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. His sister-in-law Datin Hon Wee Fong is also shareholder of the Company.

DATIN HON WEE FONG

Executive Director

Datin Hon Wee Fong, age 54 years, a Malaysian, was appointed to the Board of Directors of PKHB as Executive Director on 11 April 2014.

Datin Hon has 24 years experience in the jewellery business and is appointed the treasurer at Poh Kong Jewellers Sdn Bhd headquarters. She joined Poh Kong Jewellers in 1980 as a partner before being appointed as Finance Director of Poh Kong Jewellers Sdn Bhd in 1993. Her main responsibilities are primarily in treasury, finance and administrative matters of the Company. She is a Director of other companies within the Group.

She is also a substantial shareholder and a Director of Choon Yee Seiong Sdn Bhd, which is an investment holding company. She is also a member of Executive Committee of PKHB.

Datin Hon holds a LCCI Higher Level qualification from the London Chambers of Commerce & Industry in the United Kingdom.

She is the spouse of Dato' Choon Yee Seiong and the sister-in-law of Madam Choon Nee Siew, Dato' Choon Yoke Ying, Encik Annuar Choon Bin Abdullah, Madam Choon Wan Joo, Mr Choon Yee Bin, Mr Siow Der Ming, and Mr Chang Kwong Him, who are shareholders of the Company. Her son Mr Choon King Han and daughters, Ms Choon Ee Ling and Ms Choon Ee Teng are also shareholders of the Company.



PROFILE OF BOARD OF DIRECTORS

DATO' DR CHOONG TUCK YEW

Senior Independent Non-Executive Director

Dato' Dr Choong Tuck Yew, age 76 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, an 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, Dato' 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, Dato' 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 UOB Asset Management (Malaysia) Berhad, and SCC Holdings Bhd.

Dato' Dr Choong was a Council Member of the World Association of Detectives and a life member of the International Professional Security Association and Asian Professional Security Association. He has been a guest speaker at various conferences in Malaysia as well as abroad.

In 2014, he was conferred the Darjah Indera Mahkota Pahang (D.I.M.P.) which carries the title of Dato'.

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

ENCIK FAZRIN AZWAR BIN MD NOR

Independent Non-Executive Director

Encik Fazrin Azwar Bin Md Nor, age 48 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 Azwar 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, and Daya Materials Berhad. He was also previously an Independent Non-Executive Director of Englotechs Holding Berhad, Tek Seng Holdings Berhad, DPS Resources Berhad and Ire-Tex Corporation 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 Institute of Internal Auditors, Malaysia.

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

PROFILE OF BOARD OF DIRECTORS

DATIN SHIRLEY YUE SHOU HOW

Independent Non-Executive Director

Datin Shirley Yue, age 65 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 Solomon Smith Barney, and 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 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.

MADAM ESTHER TAN CHOON HWA

Independent Non-Executive Director

Madam Esther Tan Choon Hwa, age 64 years, a Malaysian, was appointed to the Board of Directors of PKHB as an Independent Non-Executive Director on 11 April 2014.

She is a Fellow Member of the Institute of Chartered Accountants in England and Wales (FCA), a Member of the Malaysian Institute of Accountants (CA) and a Fellow Member of the Chartered Tax Institute of Malaysia.

Madam Esther Tan began her career as an auditor with Grant Thornton in UK and later with Kingston Smith in UK before coming back to Malaysia. In 1984, she started her practice which eventually merged to be what is known as GEP Associates. The Firm is a member firm of an International Organisation called AGN International with its headquarters in the United Kingdom boasting of 465 offices worldwide. In 2008 and 2009, Madam Esther Tan became its first lady Chairperson who led the international organization and is today still an active International Board member representing the Asia Pacific region.

She is an auditor of various companies with activities ranging from manufacturing, associations, retailing, constructions, developers, trusts, and multinationals etc; and is well exposed to the requirements of regulatory bodies, as well as Public Listed Companies compliance matters. She has conducted several due diligence and fund raising exercises as Reporting Accountant for clients. She was previously the auditor of several Public Listed Companies.

In 2006, Madam Esther Tan received the award from the National Association of Women Entrepreneur Malaysia as “the woman entrepreneur of the year” under the Finance section.

She is also a Tax Director of GEP Associates and was previously a Finance Director of a manufacturing company before setting up the practice. Currently, she also manages the AGN Asia Pacific region as one of the four Directors.

She is the Chairperson of the Risk Management Committee and a member of the Audit Committee of PKHB.

CHAIRMAN'S

Statement

DEAR VALUED SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS ("BOARD") OF **POH KONG HOLDINGS BERHAD** ("THE COMPANY" OR "**POH KONG**"), 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 2014 ("FYE 2014").

ECONOMIC FORECAST

The global economy experienced uneven growth across countries and regions in 2014. The year under review was fraught with challenges and uncertainties in the US economy growing at an annual pace of 3%. Two of the world's developed economies, Eurozone was burdened with faltering debts, high unemployment and risks of stagnation, while Japan fell into recession when it failed to bolster growth. Asian economies were in turn largely under pressure and their growth rates declined. China's double digit growth experienced rapid economic slowdown as the country matures.

IMF has revised downward the growth forecast for the world economy to 3.3% in 2014 and a forecast of 3.8 percent in 2015. (Source: *IMF World Economic Outlook 2014*).

The Malaysian economy, on the other hand, continued to expand steadily, driven largely by strong growth in domestic demand, based on positive initiatives implemented by the Government. The economy is expected to remain on a steady growth path in 2014, expanding by 4.5% to 5.5% after a year-on-year GDP growth rate of 4.7% in 2013 against 5.6% in 2012. "Domestic demand will remain the key driver of growth, albeit at a moderate pace." (Source: *BNM Annual Report 2013*). The Economic Report 2014/2015 has projected a 5% to 6% GDP growth in 2015. (Source: *Budget 2015 tabled on 10 October 2014*).



CHAIRMAN'S STATEMENTS

RETAIL OUTLOOK

The local gold and jewellery industry plays an important role in contributing to the economic growth in the country, especially in the retail sector. Traditionally, the industry is fairly resilient in weathering various economic cycles without experiencing negative impact due to strong consumer demand for gold.

However, the gold and jewellery industry suffered setbacks in 2014 when cyclical shifts in gold price did not create consumer excitement resulting in poor sentiment and demand. Industry players decline in revenues were mainly due to weaker demand and the absence of gold rush compared to the previous year. The volatility of gold prices resulted in thin profit margins.

According to Retail Group Malaysia (RGM), an independent retail research firm, has maintained a 6% growth rate for the Malaysian retail industry in 2014 despite the escalation of price hikes for goods and services. This was further supported by the Malaysian Retail Industry in its report in March which forecasted retail sales in the second quarter of the year to grow at 5% due to cautious consumer spending.



The biggest challenges in the retail industry are the rising cost-of-living, price hikes of goods and services, transportation, utilities, and interest rates, thus reducing the purchasing power of consumers. In spite of the increasing cost of goods and services, the retail sector is still projecting constant growth, although at a slower pace. With limited disposal incomes, shoppers will continue to be cautious and generally seek value-added goods and services or look for value-for-money purchases.

In view of the above challenges and volatility in gold prices, the Company plans to introduce more effective product portfolios to ensure better alignment with consumers' changing needs. Lower price range products to make jewellery affordable will be introduced, after taking the impending GST into consideration and launching price aggressive promotions to stimulate spending.

Notwithstanding promotional efforts to encourage more shoppers, both local and foreign, to patronize the 1Malaysia Mega Sale Carnival 2014 and Malaysia Year of Festivals 2015, the Group remains vigilant in FYE2015. It adopts a prudent stance in retail expansion by carefully evaluating the potential and growth of each location to ensure its profit performance.

FINANCIAL PERFORMANCE

The Group's revenue for the FYE2014 decreased by 18% at RM798.94 million compared to RM975.78 million in the FYE2013. The drop in group revenue of RM176.84 million was due to the absence of gold rush and weak market sentiment.

Pre-tax profit registered RM21.87 million in FYE2014, compared to RM40.57 million in FYE2013, a decline of 46% or a decrease of RM18.70 million over the previous year. Profit after tax at RM13.31 million for FYE2014 was lower compared to RM33.97 million in the corresponding period of FYE2013.

The decline in profit in FYE2014 was mainly due to the decrease in sales volume and weaker demand for gold jewellery and gold investment products. The fluctuations in



CHAIRMAN'S STATEMENTS

gold prices inevitably affected the Group's operating profits in FYE2014.

Moving forward, the Group is aware of the business risks on its operations, and is committed to the long-term prospects for gold in spite of its higher operations cost and volatility of prices. The World Gold Council in its "Gold Investor," Volume 7 edition, September 2014 quotes, "Investors can benefit from modest, long-term holdings of gold instead of solely tactical short-term positions."

The Group's net assets stood at RM448.88 million over the previous year of RM441.32 million.

REVIEW OF OPERATIONS

Business and corporate strategies formulated are described in Review of Operations on pages 36-39 in this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The Group fully subscribes to the principles and practices of sustainable corporate social responsibility. Its CSR initiatives are set out separately on pages 40-41 in this Annual Report.

FUTURE PROSPECTS

The Group operated in an unstable global economy but a fairly resilient domestic economy in FYE2014. Despite the uncertainties of a global economy and challenges faced in the retail industry, the Group maintains a positive long-term outlook and is committed to meeting the business goals.

Barring unforeseen circumstances, the Board of Directors is cautiously optimistic of the Group's performance and business recovery plans for financial year ending 31 July 2015.

EARNINGS PER SHARE

The basic earnings per share for FYE2014 stands at 3.24 sen (FYE2013: 8.28 sen).

DIVIDEND

The Board of Directors recommend a first and final single tier dividend of 1.00 sen per ordinary share of RM0.50 each in respect of FYE2014 (FYE2013: 1.40 sen single tier dividend per ordinary share of RM0.50 each). The proposed dividend will be subject to shareholders' approval at the forthcoming Twelve Annual General Meeting to be held on 9 January 2015.

ACKNOWLEDGEMENTS

On behalf of the Board, I wish to thank our valued customers, shareholders, business partners, financiers, Government authorities, and statutory bodies for their support and confidence in the Group. Finally, I would like to thank my fellow Directors, the Management and Staff for their dedication, hard work, and invaluable contribution and commitment to the Group.

DATO' CHOON YEE SEIONG

Executive Chairman & Group Managing Director

Petaling Jaya

18 December 2014



PENYATA

Pengerusi

PEMEGANG-PEMEGANG SAHAM YANG DIHORMATI,

BAGI PIHAK LEMBAGA PENGARAH (“LEMBAGA”) **POH KONG HOLDINGS BERHAD** (“SYARIKAT” ATAU “POH KONG”), SAYA DENGAN SUKACITANYA MEMBENTANGKAN LAPORAN TAHUNAN DAN PENYATA KEWANGAN TERAUDIT SYARIKAT DAN ANAK-ANAK SYARIKATNYA (“KUMPULAN”) BAGI TAHUN KEWANGAN BERAKHIR 31 JULAI 2014 (“FYE2014”).

RAMALAN EKONOMI

Ekonomi global mengalami pertumbuhan yang tidak sekata di semua negara dan kawasan pada 2014. Tahun di bawah kajian adalah penuh dengan cabaran dan ketidakpastian dalam ekonomi US yang berkembang pada kadar tahunan sebanyak 3%. Dua daripada negara maju di dunia, zon Euro telah dibebani dengan hutang yang semakin goyah, pengangguran yang tinggi dan risiko tiada perubahan, manakala Jepun mengalami kemelesetan apabila ia gagal untuk meningkatkan pertumbuhan. Ekonomi Asia sebaliknya pula kebanyakannya mengalami tekanan dan kadar pertumbuhan yang merosot. Pertumbuhan dua angka China mengalami kemelesetan ekonomi yang pesat apabila negara semakin matang.



IMF telah menyemak turun ramalan pertumbuhan ekonomi dunia kepada 3.3% pada 2014 dan ramalan sebanyak 3.8 peratus pada 2015. (Sumber: *Tinjauan Ekonomi Dunia IMF 2014*).

Ekonomi Malaysia, sebaliknya, terus berkembang secara stabil, dipacu sebahagian besarnya oleh pertumbuhan kukuh dalam permintaan domestik, berdasarkan inisiatif-inisiatif positif yang dilaksanakan oleh Kerajaan. Ekonomi dijangka akan kekal pada laluan pertumbuhan teguh pada 2014, berkembang sebanyak 4.5% kepada 5.5% selepas kadar pertumbuhan Keluaran Dalam Negara Kasar (KDNK) tahun ke tahun sebanyak 4.7% pada 2013 berbanding 5.6% pada 2012. “Permintaan domestik akan kekal menjadi pemacu utama pertumbuhan, meskipun pada kadar yang sederhana.” (Sumber: *Laporan Tahunan BNM 2013*). Laporan Ekonomi 2014/2015 telah mengunjurkan pertumbuhan KDNK sebanyak 5% sehingga 6% pada 2015. (Sumber: *Belanjawan 2015 dibentangkan pada 10 Oktober 2014*).

TINJAUAN RUNCIT

Industri emas dan barang kemas tempatan memainkan peranan penting dalam menyumbang kepada pertumbuhan ekonomi di negara ini khususnya dalam sektor runcit. Secara tradisi, industri adalah agak berdaya tahan dalam mengharungi pelbagai kitaran ekonomi tanpa mengalami kesan negatif disebabkan oleh permintaan kukuh pengguna terhadap emas.

Walaupun bagaimanapun, industri emas dan barang kemas mengalami kemunduran pada 2014 apabila anjakan berkitar dalam harga emas tidak mencetuskan keterujaan pengguna mengakibatkan sentimen dan permintaan yang kurang memuaskan. Pengusaha-pengusaha industri mengalami penurunan dalam hasil terutamanya disebabkan oleh permintaan yang lebih lemah dan ketiadaan kerubut emas berbanding dengan tahun sebelumnya. Turun naik harga emas mengakibatkan kemerosotan margin keuntungan.

Mengikut Kumpulan Runcit Malaysia (RGM), sebuah firma penyelidikan runcit bebas, kadar pertumbuhan bagi industri runcit Malaysia kekal 6% pada 2014 di sebalik harga meningkat naik dengan pesat bagi barangan dan perkhidmatan. Ini telah disokong selanjutnya oleh Industri Runcit Malaysia dalam Lapornya pada Mac yang meramalkan jualan runcit dalam suku tahun kedua akan berkembang pada 5% disebabkan oleh perbelanjaan pengguna yang berhati-hati.

Cabaran terbesar dalam industri runcit adalah kos kehidupan yang meningkat, kenaikan harga barangan dan perkhidmatan, pengangkutan, utiliti, dan kadar faedah, dengan yang demikian mengurangkan kuasa membeli pengguna-pengguna. Walaupun kos barangan dan perkhidmatan meningkat, sektor runcit masih mengunjurkan pertumbuhan yang malar, walaupun pada kadar yang lebih perlahan. Dengan pendapatan boleh guna yang terhad, pembeli-pembeli akan terus berhati-hati dan biasanya mencari barangan dan perkhidmatan nilai ditambah atau mencari pembelian yang menguntungkan dari segi wang.

Memandangkan cabaran-cabaran di atas dan turun naik dalam harga emas, Syarikat merancang untuk memperkenalkan lebih banyak portfolio produk berkesan untuk memastikan penjajaran yang lebih baik dengan keperluan pengguna yang berubah-ubah. Produk rangkaian harga lebih rendah untuk menjadikan barang kemas mampu dibeli akan diperkenalkan, selepas mengambil kira GST yang bakal dilaksanakan dan pelancaran promosi harga yang sengit untuk merangsang perbelanjaan.



Di sebalik usaha-usaha promosi untuk menggalakkan lebih banyak pembeli belah, tempatan dan juga asing, untuk mengunjungi Karnival Jualan Mega 1Malaysia 2014 dan Festival Tahun Malaysia 2015, Kumpulan kekal berhati-hati pada FYE 2015. Ia menerima pendirian berhemat dalam pengembangan runcit dengan menilai secara berhati-hati potensi dan pertumbuhan setiap lokasi untuk memastikan prestasi keuntungannya.

PRESTASI KEWANGAN

Hasil Kumpulan bagi FYE2014 berkurangan sebanyak 18% pada RM798.94 juta berbanding dengan RM975.78 juta pada FYE2013. Kejatuhan dalam hasil kumpulan sebanyak RM176.84 juta adalah disebabkan ketiadaan situasi kerubut emas dan sentimen pasaran yang lemah.

Keuntungan pra cukai mencatatkan RM21.87 juta pada FYE2014, berbanding dengan RM40.57 juta pada FYE2013, satu penurunan sebanyak 46% atau pengurangan sebanyak RM18.70 juta berbanding tahun sebelumnya. Keuntungan pra cukai pada RM13.31 juta bagi FYE2014 adalah lebih rendah berbanding dengan RM33.97 juta dalam tempoh sepadan FYE2013.

Penurunan keuntungan dalam FYE2014 adalah terutamanya akibat daripada pengurangan dalam jumlah jualan dan permintaan yang lebih lemah untuk barang kemas emas dan produk pelaburan emas. Turun naik dalam harga emas akan pastinya mempengaruhi keuntungan operasi Kumpulan dalam FYE2014.

PENYATA Pengerusi

Maju ke hadapan, Kumpulan sedar akan risiko perniagaan operasinya, dan adalah komited kepada prospek jangka panjang bagi emas di sebalik kos operasinya yang lebih tinggi dan turun naik harga. Majlis Emas Dunia dalam "Gold Investor," Jilid edisi ketujuh, September 2014 menyebut, "Pelabur-pelabur boleh mendapat manfaat daripada pemegangan sederhana, jangka panjang emas berbanding kedudukan taktikal jangka pendek semata-mata."

Aset bersih Kumpulan berada pada RM448.88 juta berbanding tahun sebelumnya sebanyak RM441.32 juta.

ULASAN OPERASI

Strategi perniagaan dan korporat yang dirumuskan diterangkan dalam Ulasan Operasi pada muka surat 36-39 Dalam Laporan Tahunan ini.

TANGGUNGJAWAB SOSIAL KORPORAT

Kumpulan mematuhi sepenuhnya prinsip-prinsip dan amalan-amalan tanggungjawab sosial korporat yang boleh dipertahankan. Inisiatif-inisiatif CSRnya dinyatakan secara berasingan pada muka surat 40-41 dalam Laporan Tahunan ini.

PROSPEK MASA HADAPAN

Kumpulan beroperasi dalam ekonomi global yang tidak stabil tetapi dalam ekonomi domestik yang agak berdaya tahan dalam FYE2014. Di sebalik ketidakpastian ekonomi global dan cabaran yang dihadapi dalam industri runcit, Kumpulan mengekalkan prospek jangka panjang yang positif dan adalah komited untuk memenuhi matlamat perniagaan.

Dalam ketiadaan keadaan di luar jangkaan, Lembaga Pengarah agak optimis akan prestasi dan rancangan pemulihan perniagaan Kumpulan bagi tahun kewangan akan berakhir 31 Julai 2015.



PEROLEHAN SETIAP SAHAM

Perolehan asas setiap saham bagi FYE2014 berada pada 3.24 sen (FYE2013: 8.28 sen).

DIVIDEN

Lembaga pengarah mengesyorkan dividen satu tier pertama dan akhir sebanyak 1.00 sen setiap saham biasa bernilai RM0.50 sesaham berhubung dengan FYE2014 (FYE2013: 1.40 sen dividen satu tier setiap saham biasa bernilai RM0.50 sesaham). Dividen dicadangkan akan tertakluk kepada kelulusan pemegang-pemegang saham dalam Mesyuarat Agung Tahunan Kedua Belas akan datang yang akan diadakan pada 9 Januari 2015.

PENGHARGAAN

Bagi pihak Lembaga, saya ingin mengucapkan terima kasih kepada pelanggan, pemegang saham, rakan perniagaan, pembiaya-pembiaya, pihak berkuasa Kerajaan, dan badan berkanun bagi sokongan dan keyakinan mereka dalam Kumpulan. Akhir sekali, saya ingin mengucapkan terima kasih kepada para Pengarah, Pengurusan dan Kakitangan kami atas dedikasi, kerja keras, dan sumbangan dan komitmen tidak ternilai kepada Kumpulan.

DATO' CHOON YEE SEIONG

Pengerusi Eksekutif & Pengarah Urusan Kumpulan

Petaling Jaya
18 Disember 2014

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“**POH KONG**”）董事会（“**董事会**”）欣然提呈本公司及各子公司（“**本集团**”）截至2014年7月31日之财政年（“**2014财政年**”）的年度报告和已审计财务报告。

经济预测

在2014年，全球各国和区域的经济经历了不均匀的成长率。受检讨的年度，以3%速率成长的美国经济充满挑战和不确定性。全球两个发达经济体当中，欧元区肩负着沉重的债务，高失业率和经济呆滞风险，日本则因为无法巩固成长率而陷入经济衰退。亚洲各经济体基本上面对压力和成长率下降问题。中国的两位数成长率也随着该国逐渐成熟而经历快速的经济放缓。

国际货币基金组织分别下调它对 2014 年和 2015 年世界经济成长率的预测至3.3%和3.8%。（资料来源：国际货币基金组织2014年世界经济展望报告）。

另一方面，马来西亚的经济继续稳健扩展，主要是因为政府所落实的积极倡议推动了国内需求的强劲成长。我国经济预料将于2014年维持稳定成长趋势和由4.5%增至5.5%，年对年国内生产总值成长率则由2012年的5.6%降至2013年的4.7%。“国内需求将继续成为成长率的主要推动力，尽管其成长步伐属于适度。”（资料来源：马来西亚中央银行2013年度报告）。2014/2015年经济报告预测2015年的国内生产总值成长率将介于5%至6%。（资料来源：于2014年10月10日提呈的2015年预算案）。

零售业务展望

本地金饰珠宝业在为国家的经济增长作出贡献方面扮演重要角色，尤其是在零售领域。传统上，这个行业在经历各种经济周期方面相当具有弹力和不会受到负面影响，这是因为消费人对黄金的需求强劲。然而，金饰珠宝业却在2014年遭遇挫折，因为金价的周期性变化无法挑起消费人的兴趣，导致购兴和需求差劲。业者的营业额降低，主要是因为需求疲弱，前一年的买金热潮也没有重演。金价的波动也造成利润偏低。

Retail Group Malaysia (RGM)，即一家独立零售调查机构认为，尽管货品和服务的价格涨升，马来西亚零售业可于2014年维持6%成长率。这个观点获得马来西亚零售业的三月份报告进一步支撑，它预测今年第二季度的零售营业额将因为消费人谨慎花费而以5%速率成长。



零售业的最大挑战是生活成本增加，货品和服务价格涨升，运输，公用事业和利率涨高，因此减低了消费人的购买力。尽管货品和服务成本涨高，零售领域依然预测持续的成长，但速率放慢。由于可动用的收入有限，购物者将继续保持谨慎和偏向物色加值货品和服务或确保物有所值。

鉴于上述各项挑战和金价波动，本公司有意推介更实际的产品组合以确保更配合消费人的瞬息万变需要。我们将推介较低价产品系列以让珠宝更容易负担，我们也考量到即将落实的消费税和举办价格吸引顾客的促销活动以刺激消费。

除了推行各项促销活动以鼓励更多本地及外国购物者光顾2014年1Malaysia Mega Sale嘉年华和2015年Malaysia Year of Festivals之外，本集团将于2015财政年继续努力不懈。它采取扩展零售的谨慎立场，即细心评估各地点的潜能和成长率，以保证其盈利表现。

财务表现检讨

在2014财政年，本集团的营业额降低了18%，即由2013财政年的RM9亿7千5百78万减至RM7亿9千8百94万。本集团的营业额减少RM1亿7千6百84万乃是因为买金热潮没有重演和市场购兴疲弱。

相较于2013财政年的RM4千零57万，2014财政年的RM2千1百87万扣税前盈利降低了46%或比前一年减少RM1千8百70万。2014财政年的RM1千3百31万扣税后盈利也比2013年财政年同时期的RM3千3百97万减少2014财政年的盈利降低主要是因为营业额减少和金饰珠宝及黄金投资产品的需求疲弱所致。金价波动无可避免地对本集团在2014财政年的营运盈利造成影响。

展望未来，本集团了解其营运上的营业风险，并投入于黄金的长远展望，即使其营运成本涨高和价格波动。世界黄金理事会在其在2014年9月发布的“Gold Investor” Volume 7版本中透露，“投资者可因为适度，长期持有黄金而受惠，但非纯粹充作战略性短期持有。”

本集团的净资产已由前一年的RM4亿4千1百32万增至RM4亿4千8百88万。

营运检讨

所制定的营业和企业策略已列于本年度报告的第36至39页的营运检讨。





企业社会责任

本集团全面遵照企业社会责任的原则和实践法。我们的各项企业社会责任倡议已列于本年度报告的第40至41页。

未来展望

本集团是于2014财政年在全球经济不稳定但国内经济相当具弹力的状况下营运。尽管全球经济展望不明朗加上零售业所面对的挑战，本集团维持正面的长期展望和致力实现营业目标。

若无出现不可预见的情况，董事会对本集团在截至2015年7月31日之财政年的表现和营业复苏计划抱谨慎乐观态度。

每股收益

2014财政年的基本每股收益是3.24分(2013财政年:8.28分)。

股息

董事会建议在2014财政年派发每一RM0.50普通股1.00分的首期和终期单层次股息(2013财政年: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2015年1月9日举行的第12届年度大会上获得股东通过。

鸣谢

我谨藉此机会代表董事会感激本公司尊贵的顾客，股东，来往商家，融资机构，政府当局，以及法定机构对本集团的支持和信心。最后，我要感谢诸位董事，管理层和员工们对本集团的献身精神，辛勤努力，以及对本集团的宝贵贡献和承诺。

拿督钟义翔

执行主席兼集团董事经理

2014年12月18日

于八打灵再也



Operations

INTRODUCTION

Poh Kong and its subsidiaries (“the Group”), Malaysia’s largest jewellery retail chain store with 38 years of expertise, is one of the most prominent gold and jewellery industry players in the country. Our integrated business model, anchored by two complementary activities in the retailing and manufacturing of jewellery has proven to be an overwhelming success since its inception.

Retail Asia Publishing magazine ranked Poh Kong among one of the Top 10 Retailers in Malaysia and was listed in the 2014 Asia-Pacific Top 500 retail companies, based on annual revenue.

Traditionally, the Malaysian local jewellery industry has experienced resilience in its ability to weather various global and regional economic crisis without seriously experiencing negative impact mainly due to strong consumer demand for gold.

The Group’s revenue in the last 10 years was largely attributed to stronger sales from its operations, as well as higher contributions from new and existing stores. In 2014, however, the gold and jewellery industry suffered setbacks when cyclical shifts in gold price resulted in poor consumer sentiment and demand which further depressed the market. Industry players recorded unprecedented declines in revenue and profit due to a weak market and the absence of gold rush experienced in the previous year.



RETAIL EXPANSION

To sustain our leadership position in the industry, we plan to expand strategically in high growth areas including East Malaysia. The Group adopts a cautious stance in its retail expansion by carefully evaluating each outlet’s business and economic potential to ensure its viability and profit performance.

Currently, the 106 outlets nationwide occupy a total retail space of approximately 129,000 sq ft as at FYE2014. The opening of new outlets located mostly in large shopping malls is to facilitate accessibility, provide convenience and to enhance visibility of its brands.

Besides its market reach and economies of scale, the Group’s large and extensive network also reinforces Poh Kong’s name in the jewellery industry.

The Company has opened three to five outlets from FYE2009 to FYE2012, and seven outlets in FYE2013. In FYE2014, four additional outlets were opened, namely AEON Kulaijaya, AEON Big Wangsa Maju, Jaya Shopping Mall and Palm Mall which contributed RM6 million revenue or a 1% growth for the financial year.

The Group renovated and refurbished ten stores during the year under review. In FYE2015, it plans to open another five stores with an estimated total capex including inventory of about RM16 million.

With the expansion, the Group’s total inventory comprising of gold and gems have increased from RM569 million in FYE2013 to RM608 million in FYE2014.

Poh Kong’s liquidity profile is enhanced by its gold inventory which is considered valuable and as good as cash. A portion of its gold inventory can be easily liquidated in support of Poh Kong’s financial expenditure, if required.



The Group has on-going business consolidation plans and carried out internal restructuring by closing retail outlets that has not been performing while some non-core subsidiaries have been dissolved. For the year under review, the Group voluntarily wound up twenty subsidiaries, dissolved two subsidiaries, and disposed one subsidiary, to create a leaner corporate structure.

CORE PRINCIPLES

The Group maintains market leadership and has processes in place to fulfil its vision and mission that are complemented by a set of business principles offering quality, value, trust and choice products.

The hallmarks in the Group's excellence, success and team spirit are embedded into the Company's corporate culture through a set of shared beliefs and core values as follows:

- (i) Quality - Product, Service, Excellence, Craftsmanship;
- (ii) Value - Preference, Profit, Worth, Return-on-investment;
- (iii) Trust – Reputation, Commitment, Honesty, Transparency; and
- (iv) Choice – Design, Price, Location, Convenience.

These shared beliefs and core values have been internalised by the Group as characteristics that are accepted and cherished by both the Company and employees.

Poh Kong's business principles are focused in the concept that the customer is in the centre of everything the Company does via its professional sales team by offering excellent and personalised service in fulfilling customers' satisfaction in the stores.

RETAILING OF JEWELLERY

The Group is the leader in the manufacturing and retailing of gold jewellery, gold investment products and fine gemstones. These products are the main contributors to the Group's revenue. Gold investment products consist of gold bars, bullions, wafers and coins.

The demand for both gold jewellery and gold related products is subject to the volatility of gold prices. The Group's profitability is susceptible to sharp fluctuations in gold prices between the time of purchases of gold and gold jewellery and its sales subsequently to consumers.



AEON Taiping Mall



IOI City Mall

REVIEW OF OPERATIONS

The Group has served their customers from all walks of life, and caters to various taste and preferences of different races in Malaysia by offering a comprehensive range of jewellery and exclusive designed products, and meeting the four core business principles of quality, value, trust and choice.

Quality – we offer fine jewellery of top notch quality and international standards to meet customers demand and satisfaction. For quality assurance, the Company ensures that stringent measures are constantly undertaken without compromising design and quality excellence.

Value – our goal is to exceed customers' satisfaction by delivering value-for-money products and value-added services with the objective of purchasing our jewellery as long-term investment option.

Trust – we must win customers' trust in providing products and service excellence, competitive pricing on quality products that meet or exceed their expectations and a commitment of continuous product and service innovation. Trust is earned through the fulfilment of our promise and commitment to go the extra mile in meeting customers' needs.

Choice – we provide a wide range, design and price of products to customers, targeting the mass and niche markets, with outlets and the retail concept stores strategically located for easy accessibility and convenience.



The number of outlets by state or territory as at FYE2014 is as follows: Selangor/Kuala Lumpur 61 (57%); Johore 11 (10%); Negeri Sembilan 9 (8%); Perak 7 (7%); Malacca 6 (6%); Penang 5 (5%); Kedah 3 (3%); Pahang 3 (3%); and Kelantan 1 (1%).

Retail outlets located within Kuala Lumpur and Selangor contributed 68% of the total revenue for FYE2014.

IN-HOUSE BRANDS

Poh Kong is a one-stop, preferred family jeweller with a comprehensive range of jewellery and exclusively designed products.

It offers wide selections of yellow and white gold, diamond, jade, pearl, gems, and coloured stones. Its yellow-gold jewellery is promoted under Poh Kong's in-house brands, such as the Anggun Series, Happy Love Collection, Tranz Collection and The Art of Auspicious Jewellery.

Anggun features modern Asian-styled designs of floral motifs that reflect the beauty of nature's flora, while Happy Love is inspired by Confucian tradition, and has a selection of elegant oriental gold jewellery that are suitable for traditional weddings. Tranz, designed for bold and daring men and women, offers contemporary gold jewellery which comes in four collections – Classic, Love, Nature and Duet. The Art of Auspicious Jewellery is a showcase of well-crafted masterpieces designed with fengshui elements.

The Group is the licensee for Disney Jewellery, the latest of which in the range of famous Disney characters are the Disney Princesses collection, comprising long lasting, fairy tale favourites that are treasured and adored by both adults and children.



RETAIL CONCEPT STORES / INTERNATIONAL BRANDS

Poh Kong outlets also carry non-gold jewellery so as to provide customers wider choices and collections of exquisite jewellery.

Some of the Group's non-gold products are promoted via retail concept stores which carry exclusive international brands. Among these are the world-renowned European jewellery brands, Schoeffel luxury pearls from Germany, the exquisite Luca Carati diamond jewellery, Moraglione 1922, an Italian brand specialising in coloured gemstones, Angel Diamond, the world's first ideal Square Cut Hearts and Arrows Diamond from Canada, and the Hemera Diamond, the world's most brilliant diamond with 101 facets.

Retail concept stores include Poh Kong, Poh Kong Gallery, Diamond & Gold, Diamond Boutique, Jade Gallery, Gold Boutique and Oro Bianco. These concept stores offer a wide range of jewellery from gold related jewellery to gold investment products, diamonds and coloured gems, specially created by its team of skilled craftsmen and designers.

Distribution of these speciality jewellery is through our professional sales team by offering excellent personalized service in fulfilling the customers' shopping needs at various touch-points in the stores.

MARKETING COMMUNICATIONS

Poh Kong's products are extensively promoted through brand building campaigns. These include advertising and promotion activities, such as annual road shows and ground events held in conjunction with strategic partners to reinforce awareness of the Poh Kong brand name in the marketplace. The Company also focuses on brand and product advertising and creates various innovative campaigns to engage with the public via traditional and new media.

In view of changing consumer buying pattern, especially young consumers, the Company introduced alternative channels and various interactive platforms in delivering sales to its customers. The Poh Kong Rakuten eCommerce portal and re-launched Poh Kong websites with more user-friendly interface were among some of its activities.

MANUFACTURING OF JEWELLERY

Poh Kong Jewellery Manufacturer Sdn Bhd set up in 2001, produces and supplies the majority of Poh Kong's finished gold jewellery.

The RM12 million manufacturing plant with a staff force of about 160 people, is equipped with a modern technology facility where the designers and craftsmen create new in-house designs, seasonal jewellery, as well as exclusive products based on the Group's research and development activities.

The plant also has imported machinery and a gold recovery and refinery system which enables the Group to refine all trade-in jewellery and/or used gold at a lower cost. Advanced IT systems are continuously improved for retail and internal operations.

FUTURE PROSPECTS

2015 will be a year of economic challenges as Malaysians continue to be cautious in their spending and that poses the biggest challenge in the retail industry.

To meet these challenges, the Group will continue to consolidate its business, align business strategies, and undertake initiatives, such as, implement stringent stock control, reduce costs, pursue sustainable growth and, ultimately to enhance profitability of the Group. It will also implement product portfolios to ensure better alignment with changing consumers' needs.

The Group is confident of maintaining its long-term plan to strengthen our market position as the premier and the largest jewellery retail chain store in Malaysia, as it looks toward expansion by identifying strategic locations for future growth, refurbish existing stores, enhance its product, merchandising mix and investment in brand development.

POH KONG RECOGNISES ACTING RESPONSIBLY AND SUSTAINABLY CREATES VALUE FOR THE COMPANY, ITS EMPLOYEES, CUSTOMERS, COMMUNITY AND THE ENVIRONMENT AS A WHOLE. SUSTAINABILITY AND **CORPORATE SOCIAL RESPONSIBILITY (CSR)** TO SOCIETY HAS ALWAYS BEEN A PART OF POH KONG'S BUSINESS MODEL THAT BALANCES GROWTH AND PROFITABILITY.

In 2014, Poh Kong continues to build sustainable practices in every aspect of the Group's business in achieving excellence in its CSR activities.

EMPLOYEES ENGAGEMENT

External courses, workshops and internal in-house product training are conducted for employees to enhance their knowledge and core competencies.

Jadeite Workshops

Jadeite Training Workshops aimed to enhance employees' knowledge were held in September, in addition to the diamond and gems grading training conducted in the past.



Jadeite Training Workshop conducted at Poh Kong headoffices, Petaling Jaya.



Employees examining closely some jadeite bangles.

Volunteerism & Charities

Employees are encouraged to participate in social, sports, recreational and leisure activities through volunteering and performing pro bono work with charities supported by the Company.

Poh Kong has granted numerous sponsorships and provided monetary support in the areas of healthcare and welfare for the underprivileged, as follows :

Alzheimer's Disease Foundation Malaysia

Supported a fund raising Royal Charity Concert organized by Alzheimer's Disease Foundation Malaysia to build a Dementia Homecare Centre in Section 1, Old Town Petaling Jaya, to cater to the needs of people with dementia and their caretakers.

Medical Outreach PJ

Supported Medical Outreach Petaling Jaya to provide free medical care and promote health awareness among the poor and less privileged in Malaysia in October.

National Stroke Association of Malaysia (NASAM)

Supported NASAM in their rehabilitation therapy programmes for stroke survivors and to raise public awareness of stroke and stroke prevention in late September.

EDUCATION AWARENESS

Poh Kong supported 9 education institutions in Malaysia by donating and participating in education fundraising programmes. The Company has granted sponsorship to less fortunate youths to continue their training programmes and supporting their educational needs. These include:

Montfort Boys Town

Supported Montfort Boys Town by granting a quarter year sponsorship to less fortunate youths to continue learning new skills in their development training programmes.

Selangor & KL Hua Lian (Taiping) Old Boys Association

Supported education fundraising event by the Selangor and Kuala Lumpur Hua Lian (Taiping) Old Boys Association in their fund building campaign for 6 primary Chinese schools and granting scholarships to students who are reading Mandarin at University of Malaya.

COMMUNITY RELATIONS

Malaysian AEON Foundation 'A Celebrations of Hearts'

AEON Group's charity arm, AEON Foundation has raised more than RM1.9 million in funds with the aim of reaching out and helping the under privilege and youths in Malaysia. AEON is the first and only retailer which has its own charity foundation in Malaysia.

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

Poh Kong donated RM 50,000 to the AEON Foundation to support the basic education and facilities upgrade in several schools located in Perak and Sarawak to provide students a better educational environment. Ten homes also benefitted from this year's charity fundraising.

MRCA Charity Run 2014

Malaysian Retailer-Chains Association (MRCA) organized a charity run with the aim to help more than 10 charitable homes by raising RM 10,000 per home. Poh Kong sponsored 61 of its employees to participate in the charity run on November 30.



Team Poh Kong at One City, USJ, Subang Jaya. In the centre are Dato' Eddy Choon, PKHB's Executive Chairman & Group Managing Director, and Datin Jennifer Hon, PKHB's Executive Director.



All ready to go at the Start/Finish line in the MRCA Charity Run 2014 with the organiser, sponsors, supporters and runners posing for a group photograph.

Poh Kong Water Vending Machines

Poh Kong sponsored Water Vending Machines in 5 locations, providing clean water to local communities and donating money collected from the machines to support children's homes and orphanages.



Water vending machine located in Kelana Jaya.



MY FM radio contest winners, the elderly couple (centre) posing with, from left to right, actor and producer Jack Lim, Dato' Alice Choon, Poh Kong's Group Merchandising Director, who sponsored the pair of gold rings, and their family members.

MY FM "My Hope Factory" Contest

Poh Kong fulfilled an elderly couple's wish list by sponsoring a pair of gold rings in support of the MY FM "My Hope Factory" Contest, organized by Astro Radio in their programme in August.

ARTS & CULTURE

Yuan Carnival

Poh Kong supported the Yuan Carnival, a popular yearly event that reaches out to the Malaysian Chinese community, bringing fun and happiness to visitors through entertainment and education.

Local and international celebrities made guests appearances in the Yuan Carnival which attracted about 450,000 visitors from 29 locations nationwide.

ANIMAL WELFARE

Persatuan Perlindungan dan Periharaan Haiwan Terbiar Skudai

Poh Kong supported an animal welfare society in their welfare programmes to protect and provide shelter for homeless animals on the streets.



Hong Kong's TVB artistes at the Yuan Carnival in a group photograph.



Local Celebrities were popular among the large audience.



A Lucky Draw winner with her prized Poh Kong necklace jewellery.

STATEMENT ON
CORPORATE

Governance

INTRODUCTION

The Board of Poh Kong fully supports the recommendations of the Malaysian Code on Corporate Governance 2012 (“MCCG 2012” or “the Code”) issued by the Securities Commission and Bursa Malaysia Securities Berhad (“Bursa Securities”) which sets out the broad principles and recommendations for good corporate governance and best practices for listed companies.

The Board is committed to apply the recommendations of the MCCG 2012 in ensuring and maintaining that good corporate governance is practised throughout the Group to effectively discharge its responsibilities to protect and enhance shareholders’ value and those of the other stakeholders.

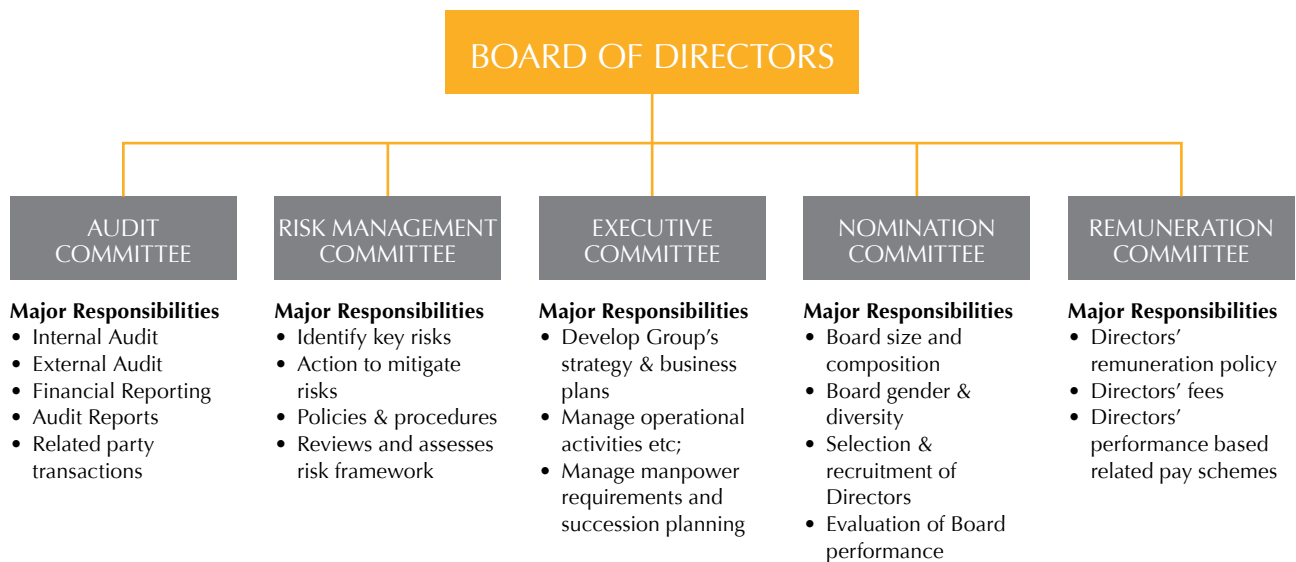
The Board of Directors is, therefore, pleased to report that this statement sets out the extent of the Group’s compliance with the recommendations of the Code for the financial year ended 31 July 2014. Where there are gaps in the Company’s observation of any of the recommendations of the Code, these are disclosed with explanations.

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear function of The Board and The Management

The Board leads the Group and plays a strategic role in overseeing the Group’s corporate objectives, directions and long term goals of the business. The Board is responsible for oversight and overall management of the Group.

The following diagram shows an overview of the five (5) main Board Committees of the Company, each of which is listed with its major responsibilities below:



STATEMENT ON CORPORATE GOVERNANCE

Each Board Committee will operate in accordance with the written terms of reference approved by the Board. The Board will review the terms of reference of the Board Committees from time to time. The Board appoints the members and the Chairman of each Board Committee.

The Board Committees are established to assist the Board in discharging its responsibilities. The Board delegates specific responsibilities to five (5) Board Committees, namely the Audit Committee, Risk Management Committee, Executive Committee, Nomination Committee and Remuneration Committee. All Board Committees have written terms of references and operating procedures and the Board receives reports on their proceedings and deliberations. The Chairman of the respective Committees shall report the outcome of their meetings to the Board, which are then incorporated into the minutes of the Board meetings.

Independent Non-Executive Directors provide unbiased and independent views in ensuring that the business plans proposed by the Management are fully deliberated and examined objectively, taking into perspective the long term interests of shareholders, other stakeholders and the community at large.

The Board recognizes the important role of the Independent Non-Executive Directors particularly in corporate accountability. They are essential for protecting the interests of non-controlling interests and can make significant contributions to a company's decision making by bringing in the quality of detached impartiality.

The Executive Directors take on primary responsibilities for implementing the Group's business plans and managing the business activities.

1.2 Clear Roles and Responsibilities

In fulfilling its fiduciary and leadership functions, the Board meets regularly to perform its functions, amongst others, as follows:

a. Reviewing and Adopting the Company's Business Plans

The Board provides strategic direction and guides the Group in promoting its core values, policies and objectives. The Board reviews the business plans presented by the Management.

b. Overseeing the Conduct of the Company's Business

To ensure the effective discharge of its functions and responsibilities, the Board delegates the day-to-day management of the Group's business to the Management. The Group Managing Director is responsible for the implementation of the Board's decisions, overall responsibilities over the day-to-day operations of the Group's business and operational efficiency.

c. Identifying Principal Risks and Ensuring the Implementation of Appropriate Systems to Manage them

The Risk Management Committee ("RMC") advises the Audit Committee and the Board on areas of risk faced by the Group and the adequacy of compliance and control throughout the Group.

Details on the RMC and the Company's Risk Management are set out in the Statement on Risk Management and Internal Control in this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

d. Succession Planning

The Board recognises the importance of succession planning in building long-term sustainable performance excellence.

The Group is embarking on a succession planning framework to identify candidates for senior managerial positions to ensure continuity of key positions.

e. Overseeing the Development and Implementation of a Communication Policy for the Company

The Board recognises the importance of keeping shareholders and investors informed of its latest business and corporate developments. The Board believes that an effective investor relationship is essential in enhancing value to its shareholders.

The dissemination of information about the Company, its businesses and its activities is conducted via the timely release of quarterly financial results, press releases and announcements. Whilst the Company endeavors to provide as much information as possible, it is aware of the legal and regulatory framework governing the release of material and price sensitive information.

The Company's website at www.pohkong.com.my provides easy access to corporate and financial information of the Group. The Investor Relations ("IR") updates and information of financial results are uploaded on the website immediately after announcements of the same are made to Bursa Securities. Poh Kong is a member of the Malaysian Investor Relations Association (MIRA).

During the financial period under review, the Company has been involved in investor relations activities to keep shareholders duly informed on the performance of the Group.

1.3 Formalized Ethical Standards through Code of Ethics and Conduct

The Board has adopted a Code of Ethics and Conduct for Directors and employees towards their Customers, Partners, Communities and Shareholders at a Board meeting on 10 June 2014. It sets out the ethical standards and underlying core ethical values to guide actions and behaviors of all Directors and employees in conducting the day to day duties and operations of the Group.

The principles upon which the Code of Ethics and Conduct relies on are principles in relation to accountability, anti-bribery, commitment, corporate social responsibility, diligence, discipline, excellence, fairness, honesty, independence, integrity, loyalty, respect, responsibility, professionalism, transparency and trust. The key principles and expected conducts and ethical behaviour are embedded into the Group's business operations and corporate culture. The Group strives to uphold ethical practices and high standards of integrity in the Group's dealings with employees, customers, suppliers, business associates and shareholders.

The Board will review the Code of Ethics and Conduct when necessary to ensure it remains relevant and appropriate. The full version of the Code of Ethics and Conduct is published on the Company's website at www.pohkong.com.my

STATEMENT ON CORPORATE GOVERNANCE

1.4 Strategies Promoting Sustainability

The Board has adopted a Sustainability and Corporate Responsibility Framework (“the Framework”) for the Group. The Framework reinforces the Group’s commitment to integrate sustainability and corporate responsibility strategies into daily operations. The ultimate objective is to achieve greater efficiency, better performance of the Group and improved quality of life to the society at large.

The Group’s activities on sustainability are included in the Sustainability and Corporate Responsibility section of this Annual Report and in the Company’s website.

1.5 Supply and Access to Information

The Board recognizes that the decision-making process is highly dependent on the quality of information furnished. In furtherance of this, every Director has access to all information within the Company. The Directors have access to information through the following means:

- Members of Senior Management attend Board and Board Committee meetings by invitation to report areas of the business within their responsibility including financial, operational, corporate, regulatory, business development, audit matters and information technology updates, for the Board’s informal decision making and effective discharge of the Board’s responsibilities.
- The Board and Board Committee papers are prepared and issued to the Directors or Board Committee Members at least seven (7) days before the Board and Board Committee meetings.
- The Audit Committee meets with the Management, Internal Auditors and External Auditors regularly to review the reports regarding internal control system and financial reporting.

The Directors have ready and unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Company Secretary, who oversee the Company’s compliance with the Companies Act, 1965, the Main Market Listing Requirements of Bursa Securities (“MMLR”) and the MCCG 2012, brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretary also keeps the Directors and principal officers informed of the closed period for trading in the Company’s shares.

Besides direct access to the Management, Directors may obtain independent professional advice at the Company’s expense, if considered necessary, in accordance with established procedures set out in the Board Charter in furtherance of their duties. The Directors may also consult the Chairman and other Board members prior to seeking any independent advice.

1.6 Qualified and competent Company Secretary

The Board is regularly updated and advised by the Company Secretary who is qualified, experienced and knowledgeable on new statutory and regulatory requirements relating to the Companies Act, 1965, MMLR and Corporate Governance, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities. The Company Secretary facilitates the flow of information to the Board and its Board Committees.

The Company Secretary maintains all secretarial and statutory records of the Company.

STATEMENT ON CORPORATE GOVERNANCE

1.7 Board Charter

The Directors are expected to act in a professional manner and discharge their duties with high ethical values, honesty and accountability in their commitment to good corporate governance practices. A Board Charter was formalised and adopted by the Board on 10 June 2014. The Board Charter clearly sets out the roles, responsibilities, authorities and operation of the Board and Board Committees. All Board members are aware of their duties and responsibilities.

The Board Charter also outlines:

- The division of responsibilities and powers between the board and management, the different committees established by the board, and position of the Chairman and the Group Managing Director;
- Set out processes and procedures for convening board meetings;
- The Board's commitment in upholding integrity in financial reporting, conflict of interests situations and related party transactions;
- List of matters reserved for decision by the Board;
- Board's access to information and independent advice and
- The role of the Company Secretary.

The Board Charter serves as a reference providing guidance to prospective and existing Board members and Management on the fiduciary and leadership functions of the Company's Directors. It also ensures that the principles and practices of good Corporate Governance are applied in all their dealings in respect of and on behalf of the Company; to help foster a culture of honesty and accountability and uphold the core values of integrity when dealing with ethical issues.

A copy of the Board Charter is made available on the Company's website and will be reviewed when necessary to ensure the Charter remains consistent with the Board's objectives, current law and practices.

PRINCIPLE 2 – STRENGTHEN COMPOSITION

2.1 The Board Composition and Management

The control environment set the tone for the Group and is driven by an effective 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 eleven (11) members, of whom seven (7) are Executive Directors and four (4) are Independent Non-Executive Directors. It has four (4) female Directors which reflects gender diversity and 36% female representation at Board level. 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.

STATEMENT ON CORPORATE GOVERNANCE

The Board delegates the implementation of its strategy to the Company's Management. However, the Board remains ultimately responsible for corporate governance and the affairs of the Company. While at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its responsibilities, the Board has established the Nomination and Remuneration Committees to perform certain of its functions and to provide it with recommendations and advice.

2.2 Nomination Committee

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

Dato' Dr Choong Tuck Yew

Senior Independent Non-Executive Director

Datin Shirley Yue Shou How

Independent Non-Executive Director

The Nomination Committee ensures adequate training 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 also assists the Board in its annual review of the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board and to assess the effectiveness of the Board as a whole, as well as, look into succession planning, boardroom and gender diversity and training courses.

The Nomination Committee met twice (2) during the financial year to deliberate on the above matters.

2.3 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

Appointment of Directors

The Nomination Committee, which comprises of Independent Directors, is responsible for making recommendations for any new appointments to the Board. In making these recommendations, the Nomination Committee considers the required mix of skills and experiences which the Directors would bring to the Board. Any new nomination received is recommended to the full Board for assessment and endorsement.

The key task of the Nomination Committee is to ensure that the Company recruits and retains the best available Executive and Non-Executive Directors with the right mix of skills and knowledge relevant to the Company.

STATEMENT ON CORPORATE GOVERNANCE

Re-election of Directors

The Articles of Association (“the Articles”) of the Company provides that 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”) at least once in every three (3) years.

The Articles of the Company further provides that all Directors who are appointed during the financial year are subject to retirement and re-election by the shareholders at the AGM following their appointment.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(2) of the Companies Act, 1965.

Gender Diversity Policy

The Group is an equal opportunity employer and does not practice discrimination of any form, whether based on age, gender, race or religion, throughout the organisation.

Where boardroom diversity is concerned, the Board practices gender diversity and has female representation at Board level, although it does not have a formalised policy on setting targets for female candidates.

The Group will continue to identify suitable candidates for appointment to the Board based on merit and competence and what the chosen candidate can bring to further strengthen the Board. The evaluation of the suitability of candidates as Board members is solely based on the candidates’ competency, character, time commitment, knowledge and experience in meeting the needs of the Group.

Annual Assessment

The Nomination Committee had reviewed and assessed the effectiveness of the Board as a whole and Board Committees, performance of the individual directors, mix of skills and experience of the Board and Board Committees, performance of the Group Accountant and level of independence of the Independent Directors.

All assessments and evaluations carried out by the Nomination Committee are properly documented. The assessment and comments by Directors’ are summarized pertaining to the effectiveness of the Board and its Board Committees are tabled at the Nomination Committee meeting. The Nomination Committee Chairman will then report to the Board on the Directors’ assessment and evaluation.

2.4 Directors’ Remuneration

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

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

STATEMENT ON CORPORATE GOVERNANCE

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

Dato' Dr Choong Tuck Yew

Senior Independent Non-Executive Director

Encik Fazrin Azwar Bin Md Nor

Independent Non-Executive Director

Dato' Choon Yee Seiong

Executive Chairman & Group Managing Director

The details of the remuneration for Directors of the Company during the financial year ended 31 July 2014 are as follows:

Aggregate Remuneration Categorization	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Fees	99	158
Non-Fees	2,789	92
Salaries	3,871	-
Bonuses	1,284	-
Benefits-in-kind	349	-
Total	8,392	250

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
RM00,001 to RM50,000	-	1
RM50,001 to RM100,000	-	3
RM500,001 to RM550,000	1	-
RM750,001 to RM800,000	2	-
RM850,001 to RM900,000	1	-
RM1,200,001 to RM1,250,000	1	-
RM1,550,001 to RM1,600,000	1	-
RM2,600,001 to RM2,650,000	1	-

STATEMENT ON CORPORATE GOVERNANCE

The Remuneration Committee reviews and recommends the remuneration of Managing Directors and Executive Directors of the Company and further recommends the Independent Non-Executive Directors' fees to the Board subject to shareholders' approval at the Company's AGM pursuant to the Articles of Association of the Company. The determination of the Directors' remuneration packages is a matter for the Board as a whole.

The Remuneration Committee met once (1) during the financial year ended 31 July 2014.

PRINCIPLE 3 - REINFORCE INDEPENDENCE

3.1 Assessment of Independence

The Board recognizes the importance of independence and objectivity in the decision-making process as advocated in the MCCG 2012. The Board is committed to ensure that the independent directors are capable to exercise independent judgment and act in the best interests of the Company.

The Independent Directors of the Company fulfilled the criteria of "Independence" as prescribed under the MMLR of Bursa Securities. The Board, via Nomination Committee, had developed the criteria to assess independence and formalize the current independence assessment practice.

3.2 Tenure of Independent Directors

The Board is aware of the recommended tenure of an Independent Director which should not exceed a cumulative or consecutive term of a total of nine (9) years as recommended by MCCG 2012 and that an Independent Director may continue to serve on the Board if the Independent Director is re-designated as a Non-Independent Non-Executive Director upon completion of the nine (9) years tenure.

Furthermore, the Board must justify the decision and seek shareholders' approval at a general meeting if the Board intends to retain the Director as Independent after the respective Independent Director has served a cumulative or consecutive term of nine (9) years.

The Board based on the review and recommendation made by the Nomination Committee, therefore, considers them to be independent and recommends that Dato' Dr Choong Tuck Yew, Senior Independent Non-Executive Director, and Encik Fazrin Azwar Bin Md Nor, Independent Non-Executive Director should continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

- The Group has benefited from these long serving Independent Directors who possessed detailed knowledge of the Group's business, standard operating procedures, internal controls and risk profile and have proven commitment, experience, competence and wisdom to effectively advise the Management from time to time.
- Dato' Dr Choong Tuck Yew and Encik Fazrin Azwar Bin Md Nor are independent in character and judgement, independent of management and free from any relationship or circumstances which are likely to affect or could affect their judgement or making of decisions in the best interest of the Company.

STATEMENT ON CORPORATE GOVERNANCE

- Dato' Dr Choong Tuck Yew and Encik Fazrin Azwar Bin Md Nor had fulfilled the criteria under the definition of Independent Directors as stated in the MMLR, and hence they would be able check and balance, and bring an element of objectivity to the Board.

Both of them have served the Group for more than nine (9) years and have agreed to be retained as Independent Non-Executive Directors.

3.3 Shareholders' Approval for the Appointment as an Independent Director after serving nine (9) years in that capacity

The Board will justify the decision and seek shareholders' approval at the general meeting if the Board intends to retain a Director as Independent Director after the respective Independent Director has served in that capacity for more than nine (9) years.

3.4 Separation of positions of the Chairman and Group Managing Director

Although the Executive Chairman is also the Group Managing Director, namely Dato' Choon Yee Seiong, all decisions of the Board are based on the decision of the majority of the Board and matters are deliberated with active participation of the four (4) Independent Non-Executive Directors. Therefore, no single Board member can make decision on behalf of the Board unless duly authorised by the entire Board. In addition, the good size and balance of the Board composition also ensure that no individual or group of individuals can dominate its decision making process.

The MCCG 2012 recommends that the majority of the Board members must comprise Independent Directors in the event the Board Chairman is not an Independent Director. The Board is of the view that this recommendation is currently not necessary for reasons mentioned above. However, the Board shall evaluate the need to adopt this recommendation during the annual assessment of the Board.

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE 4 – FOSTER COMMITMENT

4.1 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 2014 and details of attendance are as below:

	No. of Meetings attended by Directors
Executive Directors	
Dato' Choon Yee Seiong <i>(Executive Chairman & Group Managing Director)</i>	5/5
Mr Cheong Teck Chong	5/5
Madam Choon Nee Siew	4/5
Mr Chang Kwong Him	4/5
Mr Siow Der Ming	5/5
Mr Choon Yee Bin	4/5
Datin Hon Wee Fong (appointed on 11 April 2014)	1/1
Independent Non-Executive Directors	
Dato' Dr Choong Tuck Yew	5/5
Encik Fazrin Azwar Bin Md Nor	5/5
Datin Shirley Yue Shou How	5/5
Madam Esther Tan Choon Hwa (appointed on 11 April 2014)	1/1

To ensure that the Directors have the time to focus and fulfill their roles and responsibilities effectively, one of the criteria is they must not hold directorships at more than five (5) public listed companies. The Directors are required to submit an update of their other directorships annually. Directors are also required to notify the Chairman before accepting any new directorship.

4.2 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.

STATEMENT ON CORPORATE GOVERNANCE

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

Dato' Choon Yee Seiong

2014

- 12 February 2014 -- "Risk Awareness Training Programme," conducted by Tricor Roots Consulting.
- 11 March 2014 -- "Risk Facilitation Workshop I," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 29 April 2014 -- "Risk Facilitation Workshop II," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 17 October 2014 -- "GST Awareness Training," conducted by Messrs Baker Tilly Monteiro Heng at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.

Datin Hon Wee Fong

2014

- 12 February 2014 -- "Risk Awareness Training Programme," conducted by Tricor Roots Consulting.
- 11 March 2014 -- "Risk Facilitation Workshop I," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 29 April 2014 -- "Risk Facilitation Workshop II," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 17 October 2014 -- "GST Awareness Training," conducted by Messrs Baker Tilly Monteiro Heng at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.

Mr Cheong Teck Chong

2014

- 11 March 2014 -- "Risk Facilitation Workshop I," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 29 April 2014 -- "Risk Facilitation Workshop II," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 17 October 2014 -- "GST Awareness Training," conducted by Messrs Baker Tilly Monteiro Heng at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.

Madam Choon Nee Siew

2014

- 12 February 2014 -- "Risk Awareness Training Programme," conducted by Tricor Roots Consulting.
 - 11 March 2014 -- "Risk Facilitation Workshop I," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
 - 29 April 2014 -- "Risk Facilitation Workshop II," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
 - 17 October 2014 -- "GST Awareness Training," conducted by Messrs Baker Tilly Monteiro Heng at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
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STATEMENT ON CORPORATE GOVERNANCE

Mr Chang Kwong Him

2014

- 12 February 2014 -- "Risk Awareness Training Programme," conducted by Tricor Roots Consulting.
- 11 March 2014 -- "Risk Facilitation Workshop I," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 29 April 2014 -- "Risk Facilitation Workshop II," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 17 October 2014 -- "GST Awareness Training," conducted by Messrs Baker Tilly Monteiro Heng at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.

Mr Siow Der Ming

2013

- 5-7 December 2013 -- "Dubai International Jewellery Week," organized by Dubai World Trade Center in Dubai, UAE.

2014

- 12 February 2014 -- "Risk Awareness Training Programme," conducted by Tricor Roots Consulting.
- 11 March 2014 -- "Risk Facilitation Workshop I," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 29 April 2014 -- "Risk Facilitation Workshop II," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 14 May 2014 -- "Antwerp Diamond Seminar," conducted by HRD and Antwerp World Diamond Center at Grand Hyatt Hotel, Kuala Lumpur.
- 24-25 June 2014 -- "LBMA Bullion Market Forum 2014," organized by London Bullion Market Association (LBMA) and SGX Singapore at Marina Bay Sands Resort Hotel, Singapore.
- 28 June 2014 -- "Bursa Malaysia Gold & Precious Metals Price Outlook Symposium," conducted by Bursa Malaysia Derivatives Sdn Bhd at Pullman Hotel, Kuala Lumpur.
- 17 October 2014 -- "GST Awareness Training," conducted by Messrs Baker Tilly Monteiro Heng at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.

Mr Choon Yee Bin

2014

- 12 February 2014 -- "Risk Awareness Training Programme," conducted by Tricor Roots Consulting.
- 11 March 2014 -- "Risk Facilitation Workshop I," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 29 April 2014 -- "Risk Facilitation Workshop II," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 17 October 2014 -- "GST Awareness Training," conducted by Messrs Baker Tilly Monteiro Heng at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.

STATEMENT ON CORPORATE GOVERNANCE

Dato' Dr Choong Tuck Yew

2013

- 1 October 2013 -- "Leaders Communicate – from a Loudhailer to Communication and Leadership," organized by Taman Indrahana Toastmasters Club at Cobra Club, Petaling Jaya.
- 2 October 2013 -- "Gandhi's Teachings," a talk organized by the Gandhi Memorial Trust in conjunction with the 144th Anniversary of Mahatma Gandhi's birth at Royal Lake Club, KL.
- 26-27 November 2013 -- "Malaysia Institute of Accountants Conference," organized by MIA International Accountants at Kuala Lumpur Convention Centre, KL.

2014

- 10 January 2014 -- "Spreadable: The Science of Viral Marketing," a talk by CPA Australia at CPA Australia Seminar Room, KL.
- 12 February 2014 -- "Strategic Enterprise-wide Risk Management," training conducted by Tricor Roots Consulting at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 20 March 2014 -- "Stepping up for Better Governance," organized by Malaysia Institute of Accountants and The Institute of Internal Auditors Malaysia at Connexion @ Nexus, KL.
- 4-5 November 2014 -- "Malaysia Institute of Accountants Conference," organized by MIA International Accountants at Kuala Lumpur Convention Centre, KL.

Encik Fazrin Azwar Bin Md Nor

2014

- 21 January 2014 -- "The Transshipment Business," a talk by Mr Ruben Emir Gnanalingam, CEO Westports Holdings Berhad, organized by MIDF Amanah Investment Bank Berhad.
 - 12 February 2014 -- "Risk Awareness Training Programme," organized by Tricor Roots Consulting.
 - 20 March 2014 -- "2014 Audit Committee Conference – Stepping Up For Better Governance," organized by The Institute of Internal Auditors Malaysia.
 - 9 October 2014 -- 28th Sultan Azlan Shah Law Lecture on "Environmental Law in a Global Society," by The Right Hon Lord Carnwarth of Notting Hill, CVO.
 - 16 October to 19 October 2014 -- "The 5th International Greentech & Eco Products Exhibition and Conference 2014," organized by Ministry of Energy, Green Technology & Water.
 - 20 October 2014 -- "Where's the Smart Money Going," a talk by Dr Mark Mobius, organized by MIDF Amanah Investment Bank Berhad.
 - 6 November 2014 -- "Politics and the Business Community – A Holy Alliance or a Devil's Pact," a talk by Yang Berbahagia Tun Daim Zainuddin, organized by MIDF Amanah Investment Bank Berhad.
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STATEMENT ON CORPORATE GOVERNANCE

Datin Shirley Yue Show How

2014

- 12 February 2014 -- "Risk Awareness Training Programme," conducted by Tricor Roots Consulting.

Madam Esther Tan Choon Hwa

2014

- 12 February 2014 -- "Risk Awareness Training Programme," conducted by Tricor Roots Consulting.
- 29 April 2014 -- "Risk Facilitation Workshop II," held at Poh Kong Holdings Berhad, Board Meeting Room, Petaling Jaya.
- 7-8 May 2014 -- Attended Bursa Malaysia Securities Berhad Mandatory Accreditation Programme (MAP) Training.

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

PRINCIPLE 5 - UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Accountability and Audit

Financial Reporting

The Board is committed to provide a balanced, clear and comprehensive assessment of the Group's financial position and prospects by making sure the financial statements and quarterly announcements are prepared in accordance with the provisions of the Companies Act, 1965 ("the Act") and applicable approved accounting standards.

The Board is assisted by the Audit Committee in reviewing the appropriateness of accounting policies applied by the Group as well as the changes in these policies.

The Audit Committee also assists the Board in overseeing the financial reporting process and ensuring the quality of the financial reporting by the Group. The Audit Committee reviews and monitors the accuracy and integrity of the Group's annual and quarterly financial statements for announcement to the public within the stipulated time frame.

Statement on Directors' Responsibility

In reviewing all the published annual and quarterly financial statements during the financial year ended 31 July 2014, 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 74 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

5.2 Assessment of Suitability and Independence of External Auditors

The Board has maintained a transparent and professional relationship with the Group's external auditors through the Audit Committee.

The Group's external auditors are invited to attend the Audit Committee meetings when deemed necessary. The Audit Committee meets the external auditors to review the scope and adequacy of the audit process, the financial statements and their audit findings.

In addition, the external auditors are invited to attend the Company's Annual General Meeting and are available to answer any questions from shareholders on the conduct of the statutory audit and the contents of the Annual Audited Financial Statements.

During the financial period ended 31 July 2014, the Audit Committee met twice (2) with the external auditors without the presence of the management and Executive Directors.

The external auditors have declared their independence to the Group and their compliance with By-Laws (on professional ethics, conduct and practice) of the Malaysian Institute of Accountants – Section 290.

PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS

6.1 Sound Framework to Manage Risks

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal controls in the Company and the Group. These controls provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Directors' responsibilities for the Group's system of internal controls cover not only the financial aspects but also compliance and operational controls as well as risks management matters and reviewing the adequacy and integrity of the system. The Group has formalized Standard Operating Procedures which is subject to review by the Executive Committee from time to time.

In addition to Standard Operating Procedures, the Group also has in place a formalized whistle blowing policy and has established a risk management framework to identify, evaluate and manage key risks that may affect the achievement of the business objectives of the Group.

6.2 Internal Audit Function

The Group's internal audit function is carried out by both outsourced external consultants and in-house internal audit department to assist the Audit Committee and Board in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system.

Details of the Company's internal control processes are set out in the Statement on Risk Management and Internal Control of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Board has put in place a Corporate Disclosure Policy to ensure the disclosure of material information pertaining to the Company's performance and operations to the public is in accordance with the disclosure requirements under the MMLR and other applicable laws.

7.2 Leverage on Information Technology for Effective Dissemination of Information

The Board has established a dedicated section for corporate information on the Company's website where information on the Company's announcements, financial information, share prices and analysts' reports can be assessed.

PRINCIPLE 8 - STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage Shareholder Participation at General Meetings

Annual General Meeting ("AGM")

The AGM serves as the principal forum for direct interaction and dialogue among shareholders, the Board and management. The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance and other matters of concern.

Shareholders are encouraged to actively participate in the question and answer session. The Board, senior management and the external auditors will be present to answer and provide appropriate clarifications at the meeting.

Normally, a press conference will be held after the AGM to advise the media of the resolutions passed by shareholders, brief the media on the operations, performance and financial results of the Group for the year under review and clarify issues posed by the media.

The Company dispatches its notice of AGM and related papers to shareholders at least twenty one (21) days before the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed.

During the last AGM, Executive Directors also provided shareholders with a brief overview of the Company financial year's performance and operations.

8.2 Poll Voting

In line with recommendations of the MCCG 2012, the Board encourages participation at general meetings and will generally carry out resolutions by show of hands, except for Related Party Transaction, if any, (wherein poll will be conducted) unless otherwise demanded by the shareholders in accordance with the Articles of Association of the Company. The Chairman of the Board will inform the shareholders of their right to demand a poll vote at the commencement of the general meeting.

STATEMENT ON CORPORATE GOVERNANCE

8.3 Effective Communication and Proactive Engagement

It has always been the Company's practice to maintain good relationship with its shareholders. Major corporate developments and happenings in the Company have always been duly and promptly announced to all shareholders, in line with Bursa Securities's objectives of ensuring transparency and good corporate governance practices.

The Company's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly performance, annual report, corporate announcements to Bursa Securities and press conferences. Further updates of the Company's activities and operations are also disseminated to shareholders and investors through dialogue with analysts, fund managers, investor relations and the media.

Besides highlighting retail business promotional activities, the Company's website www.pohkong.com.my also contains all announcements made to Bursa Securities, as well as the contact details of the designated person to cater to any queries.

COMPLIANCE STATEMENT

The Board is of the view that the Group is generally in compliance with the Principles and Recommendations of the MCCG 2012. Where a specific Recommendation of the MCCG 2012 has not been observed during the financial period under review, the non-observance has been explained and the reasons thereof have been included in this Statement.

This statement was made in accordance with a resolution of the Board dated 19 November 2014.



Trust

REPUTATION,
COMMITMENT,
HONESTY &
TRANSPARENCY



REPORT OF THE AUDIT

Committee

1. COMPOSITION

The members of the Audit Committee comprised of a Senior Independent Non-Executive Director and three (3) Independent Non-Executive Directors are as follows:-

Dato' Dr Choong Tuck Yew

Chairman, Senior Independent Non-Executive Director

Encik Fazrin Azwar Bin Md Nor

Independent Non-Executive Director

Datin Shirley Yue Shou How

Independent Non-Executive Director

Madam Esther Tan Choon Hwa

Independent Non-Executive Director

2. TERMS OF REFERENCE

2.1 Objective

The primary objective of the Audit Committee is to assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, system of internal controls and risk management processes, management and financial reporting practices of the Group.

2.2 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, with a majority of them being Independent Directors.

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.

2.3 Qualification

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

- (a) must be a member of the Malaysian Institute of Accountants or
- (b) if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience and
 - he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or

REPORT OF THE AUDIT COMMITTEE

- he/she must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967 or
- fulfills such other requirement as prescribed or approved by the Bursa Securities.

The Audit Committee has two (2) members of the Malaysian Institute of Accountants, namely Dato' Dr Choong Tuck Yew and Madam Esther Tan Choon Hwa.

2.4 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. 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 with the Audit Committee if they consider it to be necessary. In addition, the Audit Committee shall meet with the External Auditors without the presence of any Executive Directors or management at least twice a year.

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

2.5 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.

2.6 Duties and Responsibilities

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

- 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 on the system of internal controls, their management letter and management's responses;
- d) To review the following in respect of Internal Audit:
 - adequacy of scope, functions and resources of the firm of Internal Auditors (that was engaged to undertake the Internal Audit function) and that it has the necessary authority to carry out its work;

REPORT OF THE AUDIT COMMITTEE

- 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 cognizance 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 review the adequacy and effectiveness of risk management, internal control and governance systems instituted in the Group;
- i) To perform such other functions and responsibilities as may be agreed by the Committee and the Board, and as may be required from time to time in compliance with the Main Market Listing Requirements.

3. 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 2014 amounted to RM459,446. The function is performed with impartiality, proficiency and due professional care.

REPORT OF THE AUDIT COMMITTEE

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.

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

During the financial year, the activities of the Audit Committee include:

- 4.1 Reviewed the quarterly financial result announcements of the Group prior to seeking the Board of Directors' approval and releasing the results to the Bursa Securities.
- 4.2 Reviewed the audit strategy and plan of the External Auditors.
- 4.3 Reviewed 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.
- 4.4 Reviewed the annual financial statements of the Group and the Company.
- 4.5 Reviewed the Internal Audit functions and the recommendations of their findings.
- 4.6 Reviewed and approving the Internal Audit Plan for the year 2014/2015.
- 4.7 Meeting with the External Auditors twice (2) without the presence of the Executive Directors and the Management.

The internal audits conducted during the financial period did not reveal material weaknesses which would result in material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

5. ATTENDANCE

The Audit Committee convened five (5) meetings during the financial year ended 31 July 2014. Details of the attendance are as follows:

	Attendance
Dato' Dr Choong Tuck Yew	5/5
Encik Fazrin Azwar Bin Md Nor	5/5
Datin Shirley Yue Shou How	5/5
Madam Esther Tan Choon Hwa (appointed as Audit Committee member on 6 June 2014)	1/1

This Report was made in accordance with a resolution of the Board dated 19 November 2014.

STATEMENT ON RISK MANAGEMENT AND INTERNAL

Control

1. INTRODUCTION

The MCGG requires listed companies to maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets.

Pursuant to Paragraph 15.26 (b) of the MMLR of Bursa Securities, the Board of Directors ("the Board") of Poh Kong Holdings Berhad is pleased to present the following Statement on Risk Management and Internal Control. This Statement outlines the nature and scope of risk management and internal control of the Group and covers all of the Group's operations.

2. BOARD'S RESPONSIBILITIES

The Board recognises its responsibilities over the Group's system of internal controls, covering all its financial and operating activities to safeguard shareholders' investment and the Group's assets.

The Board has a current internal control system which identifies, evaluates and manages the significant risks encountered by the Group.

In view of the limitations inherent in any system of internal controls, the system is designed to manage, rather than to eliminate the risk of failure to achieve the Group's corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

The Audit Committee ("AC") and Risk Management Committee ("RMC") have been constituted to assist the Board to review the adequacy and effectiveness of the system of internal controls in the Group and to ensure that a mix of techniques is used to obtain the level of assurance required by the Board.

The Board has received assurance from the Group Managing Director and the Group Accountant that the Group's risk management and internal control system will operate adequately and effectively, in all material aspects, based on the risk management and internal control system.

3. RISK MANAGEMENT FRAMEWORK

The Board has established the risk management framework to identify, measure and manage the Group's principal risks. It recognizes that a sound risk management framework is essential to ensure proper management of the risks that may impede the achievement of the Group's objectives.

The Group has established an Enterprise Risk Management ("ERM") framework to identify, evaluate and manage the risks.

The key features of the ERM framework are as follows:

- It outlines the ERM methodology on the identification of key business risks through a structured approach and to determine if controls are in place in mitigating the risks identified.
- It establishes guidelines to enable the Management to prioritize the risks and allocation of resources to manage the risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is supported by the RMC, headed by an Independent Non-Executive Director as Chairperson in overseeing the risk management efforts within the Group. The RMC comprises the Group Managing Director, Executive Directors and an Independent Non-Executive Director to ensure that the risk management and control framework is embedded into the culture, processes and structures of the Group.

The key aspects of the risk management process are:

- Business/Operations/Departmental Heads are accountable for all risks assumed under their respective areas of responsibility. They undertake to update their risk profiles on regular basis from the previous update and incorporate any new risk factor, review the risk profiles, ratings and update the management action plans;
- The RMC will review the updated Risk Register and evaluate the effectiveness of actions plans in mitigating the risks identified;
- The RMC meets periodically to discuss principal business risks in critical areas, assess the likelihood and impact of material exposures and determine its corresponding risk mitigation measures; and
- The RMC Chairperson will update the Audit Committee on the key risk related issues and the Audit Committee shall report to the Board on the status of the risk management.

The Board is fully responsible for the risk management of the Group and has carried out its duties by having regular Board meetings to review and approve business strategies, risk management policies and business performance of the Group.

The Audit Committee key function is to review the adequacy and effectiveness of internal control and governance systems of the Group. The AC's main role is to review, on behalf of the Board, the system of internal controls necessary to manage the key risk inherent in the business and to present its findings to the Board. The AC assumes its roles and responsibilities via the internal audit function.

The Risk Management Committee key function is to review the adequacy and effectiveness of risk management of the Group. The RMC is responsible for identifying the key risks by all operating units within the Group and the management action plans to mitigate these risks for report to the Board to ensure that the risk policies and procedures are aligned to the business strategies. It also reviews, assesses and ensures there is adequate framework for risk identification, measurement, monitoring and control.

3.1 Composition of Risk Management Committee

The Risk Management Committee comprises the following members:

Madam Esther Tan Choon Hwa

Chairperson, Independent Non-Executive Director

Encik Fazrin Azwar Bin Md Nor

Independent Non-Executive Director

Dato' Choon Yee Seiong

Executive Chairman & Group Managing Director

Mr Cheong Teck Chong

Executive Director

Mr Siow Der Ming

Executive Director

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

4. INTERNAL AUDIT FUNCTION

The Internal Audit Department independently reviews the risk identification procedures and control processes implemented by the Management, conducts audits that encompass reviewing critical areas that the Group faces, and will report to the Audit Committee on a quarterly basis.

The Internal Audit Department also carried out internal control reviews on key activities of the Group's business on the basis of an annual internal audit plan that will be presented and approved by the Audit Committee.

5. KEY INTERNAL CONTROL PROCESSES

The Board is committed to maintain a strong control structure whereby internal control is embedded in the business processes for the Group to pursue its objectives. The key features of the Group's internal control system are:

5.1 Control Environment

(i) Organization Structure and Authorization Procedures

The Group maintains formal and structured lines of reporting that includes clear definition of responsibilities and delegation of authority. It sets out the roles and responsibilities, review and approval procedures to enhance the Internal Control system of the Group's various operations. Limits of authorities are imposed for revenue and capital expenditure for all operating units to keep potential exposure under control. Capital and revenue expenditure, acquisition and disposal of investment interests are duly approved before they are carried out.

(ii) Annual Budget

Budgetary control is applied to every Company in the Group and actual performance is closely monitored against budgets to identify significant variances. Quarterly discussions are held between the Management and the Head of Operating Units to ensure the budgets are attainable and realistic.

(iii) Active Involvement by Executive Directors

The Executive Directors are actively involved in the running of the business and operations and they report to the Board on significant changes in the business and external environment, which affect the operations of the Group at large.

(iv) Policies and Procedures

Operational policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material losses. These include standard operating practices, memorandum, manuals and handbooks that are periodically updated when needs arise to meet the changing environment requirements.

(v) Trained Personnel

Emphasis is placed on enhancing the quality and ability of employees through a wide variety of training programmes and workshops to enhance their knowledge and expand the employees' competency level in executing daily jobs. Relevant training and courses have been provided to employees across all functions to maintain a high level of competency as follows.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- “GST Awareness Briefing” was conducted by Baker Tilly Tax Services for the Company’s personnel at its headquarters on 6 November 2014.
- A series of “Risk Awareness Training” was organised for the Group’s Directors and Senior Management which commenced on 12 February 2014.
- “Leadership & Management Skill Training” courses were organised for all the Group’s managers in November 2013.

(vi) Board Committees

Board Committees such as Audit Committee, Nomination Committee and Remuneration Committee are established with formal terms of references clearly outlining their functions and duties delegated by the Board. The Board Committees assist the Board to review the effectiveness of the on-going monitoring processes on risk and control matters for areas within their scope.

(vii) Insurance

Sufficient insurance coverage on major assets is in place to ensure the Group’s assets are adequately covered against risks that can result in material losses. The assets are insured at cost and it is reviewed on yearly basis to ensure adequate insurance coverage to protect the Group from potential loss. Besides, the Group also undertake other insurance coverage, namely, product liability and public liability to ensure the Group is adequately covered against any potential claim arising from robbery, fire and water damages, defective products or negligence.

5.2 Internal Audit Function

The Group’s internal audit function is carried out by both outsourced external consultants and in-house internal audit department to assist the Audit Committee and Board in providing independent assessment on the adequacy, efficiency and effectiveness of the Group’s internal control system.

During the financial period ended 31 July 2014, the internal audit function carried out audits in accordance with the internal audit plan approved by the Audit Committee. The results of the internal audit reviews and the recommendations for improvement were presented to the Audit Committee at their quarterly meetings.

Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

5.3 Information and Communication

Information critical to the achievement of the Group’s business objectives are communicated through established reporting lines across the Group. This is to ensure that matters that require the Board and Senior Management’s attention are highlighted for review, deliberation and decision on a timely basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5.4 Monitoring and Review

Scheduled quarterly operational and management meetings are held to discuss and review the business plans, budgets, financial and operational performances of the Group. The Senior Management Team meets regularly to review the reports, monitors the business development and resolves key operational and management issues. The quarterly financial statements containing key financial results and comparisons are presented to the Board for review.

6. WEAKNESSES IN INTERNAL CONTROLS

There were no major weaknesses in internal control which resulted in material losses during the current financial period.

7. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company for the financial year ended 31 July 2014 and reported to the Board that nothing has come to their attention that Statement on Risk Management and Internal Control intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

8. CONCLUSION

The Board is of the view that the Group's informal systems of risk management and internal control are adequate in achieving its business objectives. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board and the Management maintain an on-going commitment to continue taking appropriate measures to enhance and strengthen the risk management and internal control of the Group.

The Board is aware of the need to have in place a formalized risk management and internal control framework to safeguard shareholders' investment, interest of the customers, regulators, employees and the Group's assets. The process as outlined in this Statement for identifying, evaluating and managing risks has been in place for the year under review.

This statement was made in accordance with the resolution of the Board dated 19 November 2014.

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) Depository Receipt Programme

During the financial year, the Company did not sponsor any Depository Receipt Programme.

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 fee amounting to RM9,000 was paid to External Auditor in respect of the financial year.

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 33 to the Financial Statements.

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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 Malaysian Financial Reporting Standards in Malaysia and the provisions of the Act.

In preparing the financial statements for the year ended 31 July 2014, 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 19 November 2014.



FINANCIAL

Statements

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st July 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in business as investment holding and the provision of management services.

The principal activities of the subsidiary companies are stated in Note 5 to the financial statements.

Other than as disclosed in Note 5 to the financial statements, there have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit from continuing operations, net of tax	13,312,773	190,763
Loss from discontinued operations, net of tax	(2,461)	-
	13,310,312	190,763
Other comprehensive income, net of tax	-	-
Total comprehensive income for the financial year	13,310,312	190,763
Attributable to:-		
Owners of the Company	13,310,312	190,763

DIVIDENDS

Dividend paid or declared by the Company since the end of the previous financial year were as follows:-

	RM
(a) In respect of the financial year ended 31st July 2013:-	
– Single tier first and final dividend of 1-40 sen on 410,351,752 ordinary shares of RM0.50 each	5,744,925

At the forthcoming Annual General Meeting, a single tier first and final dividend of 1-00 sen on 410,351,752 ordinary shares of RM0.50 each amounting to RM4,103,518/- in respect of the current financial year ended 31st July 2014 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 31st July 2015.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT (CONT'D)

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment, and had satisfied themselves that all known bad debts had been written off and adequate allowance for impairment had been made.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or to make any allowance for impairment in respect of the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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.

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liabilities in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the directors, no contingent liabilities or other liabilities of the Group and of the Company 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 substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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 that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

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.

DIRECTORS' REPORT (CONT'D)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company did not issue any shares or debentures.

DIRECTORS

The directors in office since the date of the last report and the date of this report are:-

Dato' Choon Yee Seiong	
Cheong Teck Chong	
Choon Nee Siew	
Chang Kwong Him	
Choon Yee Bin	
Siow Der Ming	
Dato' Dr. Choong Tuck Yew	
Fazrin Azwar Bin Md. Nor	
Datin Yue Shou How, Shirley	
Datin Hon Wee Fong	- appointed on 11.4.2014
Tan Choon Hwa @ Esther Tan Choon Hwa	- appointed on 11.4.2014

In accordance with Article 80 of the Company's Articles of Association, Dato' Choon Yee Seiong, Datin Yue Shou How, Shirley and Mr. Choon Yee Bin retired 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.

Datin Hon Wee Fong and Ms. Tan Choon Hwa @ Esther Tan Choon Hwa being appointed to the board after the last annual general meeting retire in accordance with Article 85 of the Company's Articles of Association at the forthcoming annual general meeting and, being eligible offer themselves for re-election.

Dato' Dr. Choong Tuck Yew who retires pursuant to Section 129(2) of the Companies Act, 1965 in Malaysia, being eligible offers himself for re-appointment at the forthcoming annual general meeting.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those directors who held office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 31st July 2014 are as follows:-

	Number of ordinary shares of RM0.50 each			At 31.7.2014
	At 1.8.2013	Bought	Sold	
THE COMPANY				
POH KONG HOLDINGS BERHAD				
<i>DIRECT INTEREST</i>				
Dato' Choon Yee Seiong	11,392,246	-	-	11,392,246
Cheong Teck Chong	2,273,928	-	-	2,273,928
Choon Nee Siew	4,706,742	-	-	4,706,742
Chang Kwong Him	295,006	-	-	295,006
Siow Der Ming	616,118	-	-	616,118
Choon Yee Bin	200,030	-	-	200,030
Datin Hon Wee Fong	2,079,710	-	-	2,079,710
Dato' Dr. Choong Tuck Yew	217,500	-	-	217,500
Fazrin Azwar Bin Md. Nor	35,000	-	-	35,000

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (cont'd)

		Number of ordinary shares of RM0.50 each			
		At 1.8.2013	Bought	Sold	At 31.7.2014
THE COMPANY					
POH KONG HOLDINGS BERHAD					
<i>INDIRECT INTEREST</i>					
Dato' Choon Yee Seiong	(i)	250,637,528	-	-	250,637,528
Cheong Teck Chong	(i)	239,769,648	-	-	239,769,648
Choon Nee Siew	(ii)	254,563,072	-	-	254,563,072
Chang Kwong Him	(iii)	1,395,072	-	-	1,395,072
Siow Der Ming	(iii)	2,320,080	-	-	2,320,080
Choon Yee Bin	(i)	259,196,534	-	-	259,196,534
Datin Hon Wee Fong	(i)	251,519,544	-	(50,000)	251,469,544
Dato' Dr. Choong Tuck Yew	(iii)	155,000	-	-	155,000

		Number of ordinary shares of RM1.00 each			
		At 1.8.2013	Bought	Sold	At 31.7.2014
ULTIMATE HOLDING COMPANY					
POH KONG SDN. BHD.					
<i>DIRECT INTEREST</i>					
Dato' Choon Yee Seiong		36,566,090	19,448	-	36,585,538
Cheong Teck Chong		20,021,229	-	-	20,021,229
Choon Nee Siew		16,861,008	-	-	16,861,008
Chang Kwong Him		2,030,697	-	-	2,030,697
Siow Der Ming		1,739,826	-	-	1,739,826
Choon Yee Bin		3,000,000	-	-	3,000,000
Datin Hon Wee Fong		3,592,916	-	-	3,592,916

- (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, these 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' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was 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.

SUBSEQUENT EVENT

Significant event that occurred subsequent to the financial year is disclosed in Note 37 to the financial statements.

ULTIMATE HOLDING COMPANY

The directors regard Poh Kong Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the ultimate holding company.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the Board,

DATO' CHOON YEE SEIONG

Director

Petaling Jaya

Date: 19th November 2014

CHEONG TECK CHONG

Director

STATEMENTS OF FINANCIAL POSITION

AS AT 31ST JULY 2014

	Note	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	116,239,908	118,054,351	1,336,404	1,591,791
Investment in subsidiaries	5	-	-	160,561,256	160,921,242
Investment property	6	-	240,000	-	-
Other investments	7	527,999	527,999	-	-
Goodwill on consolidation	8	1,485,140	1,485,140	-	-
Deferred tax assets	9	5,827,699	6,334,409	3,237,599	2,325,279
Total non-current assets		124,080,746	126,641,899	165,135,259	164,838,312
Current assets					
Inventories	10	608,455,398	569,447,467	-	-
Trade and other receivables	11	4,606,655	3,413,815	6,888,651	8,929,755
Deposits and prepayments	12	12,896,568	11,596,988	1,702,040	1,310,330
Amount due by subsidiaries	13	-	-	465,258,041	330,216,472
Tax recoverable		3,060,505	10,714,024	1,216,937	4,669,166
Fixed deposits placed with licensed banks	14	8,110,000	18,026,052	30,000	30,000
Cash and bank balances		34,277,596	22,306,102	640,847	1,246,382
Total current assets		671,406,722	635,504,448	475,736,516	346,402,105
Asset of disposal group classified as held for sale	15	231,110	-	-	-
TOTAL ASSETS		795,718,578	762,146,347	640,871,775	511,240,417
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	205,175,876	205,175,876	205,175,876	205,175,876
Reserves	17	243,705,118	236,139,731	18,211,048	23,765,210
Total equity		448,880,994	441,315,607	223,386,924	228,941,086

STATEMENTS OF FINANCIAL POSITION
AS AT 31ST JULY 2014 (CONT'D)

	Note	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Non-current liabilities					
Bank borrowings	18	155,125,786	140,480,403	140,178,917	130,240,002
Deferred tax liabilities	9	10,013,052	10,717,501	-	-
Total non-current liabilities		165,138,838	151,197,904	140,178,917	130,240,002
Current liabilities					
Trade and other payables	19	18,166,255	29,865,260	2,984,247	6,320,441
Deposits and accruals	19	16,079,655	16,825,324	463,704	1,378,249
Bank borrowings	18	142,011,416	118,648,260	83,711	90,788
Amount due to ultimate holding company	20	1,219,585	300,000	1,219,585	300,000
Amount due to subsidiaries	13	-	-	271,475,775	142,462,320
Amount due to directors	21	2,215,600	3,599,370	1,078,912	1,507,531
Tax payable		2,005,035	394,622	-	-
Total current liabilities		181,697,546	169,632,836	277,305,934	152,059,329
Liability directly associated with disposal group classified as held for sale	15	1,200	-	-	-
Total liabilities		346,837,584	320,830,740	417,484,851	282,299,331
TOTAL EQUITY AND LIABILITIES		795,718,578	762,146,347	640,871,775	511,240,417

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31ST JULY 2014

	Note	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Revenue	22	798,937,178	975,784,460	26,565,587	35,782,099
Cost of sales		(600,155,154)	(757,405,746)	-	-
Gross profit		198,782,024	218,378,714	26,565,587	35,782,099
Other operating income		2,159,728	1,162,261	492,356	789,373
Administrative expenses		(61,772,043)	(76,390,903)	(21,923,873)	(20,938,644)
Selling and distribution expenses		(103,523,296)	(88,553,485)	-	-
Finance costs	23	(13,776,438)	(14,021,640)	(8,030,439)	(8,799,755)
Profit/(loss) before taxation	24	21,869,975	40,574,947	(2,896,369)	6,833,073
Taxation	25	(8,557,202)	(6,605,825)	3,087,132	(2,899,433)
Profit from continuing operations, net of tax		13,312,773	33,969,122	190,763	3,933,640
Discontinued operation					
Loss from discontinued operation, net of tax	26	(2,461)	-	-	-
Profit after taxation		13,310,312	33,969,122	190,763	3,933,640
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
- Revaluation of land and buildings		-	21,684,208	-	-
Total comprehensive income for the financial year		13,310,312	55,653,330	190,763	3,933,640

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31ST JULY 2014 (CONT'D)

	Note	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Profit after taxation attributable to:					
Owners of the Company		13,310,312	33,969,122	190,763	3,933,640
Non-controlling interests		-	-	-	-
		13,310,312	33,969,122	190,763	3,933,640
Total comprehensive income attributable to:					
Owners of the Company		13,310,312	55,653,330	190,763	3,933,640
Non-controlling interests		-	-	-	-
		13,310,312	55,653,330	190,763	3,933,640
Basic earnings per ordinary share (sen)					
- from continuing operations	27	3-24	8-28		
- from discontinued operation	27	0-00	0-00		
		3-24	8-28		
Diluted earnings per ordinary share (sen)					
- from continuing operations	27	3-24	8-28		
- from discontinued operation	27	0-00	0-00		
		3-24	8-28		

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31ST JULY 2014

	Note	← Attributable to owners of the Company →			
		Share capital RM	Revaluation reserve RM	Retained profits RM	Total equity RM
GROUP					
At 1st August 2012		205,175,876	4,220,866	182,420,811	391,817,553
Other comprehensive income, net of tax					
Revaluation of land and buildings		-	25,355,746	-	25,355,746
Deferred taxation liabilities of net surplus on revaluation of land and buildings		-	(3,671,538)	-	(3,671,538)
Total other comprehensive income, net of tax		-	21,684,208	-	21,684,208
Profit after taxation for the financial year		-	-	33,969,122	33,969,122
Transactions with owners					
Dividends	28	-	-	(6,155,276)	(6,155,276)
		-	-	(6,155,276)	(6,155,276)
At 31st July 2013		205,175,876	25,905,074	210,234,657	441,315,607
Profit after taxation for the financial year		-	-	13,310,312	13,310,312
Transactions with owners					
Dividends	28	-	-	(5,744,925)	(5,744,925)
		-	-	(5,744,925)	(5,744,925)
At 31st July 2014		205,175,876	25,905,074	217,800,044	448,880,994

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31ST JULY 2014

	Note	Share capital RM	Retained profits RM	Total equity RM
COMPANY				
At 1st August 2012		205,175,876	25,986,846	231,162,722
Total comprehensive income for the financial year		-	3,933,640	3,933,640
Transactions with owners				
Dividends	28	-	(6,155,276)	(6,155,276)
		-	(6,155,276)	(6,155,276)
At 31st July 2013		205,175,876	23,765,210	228,941,086
Total comprehensive income for the financial year		-	190,763	190,763
Transactions with owners				
Dividends	28	-	(5,744,925)	(5,744,925)
		-	(5,744,925)	(5,744,925)
At 31st July 2014		205,175,876	18,211,048	223,386,924

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31ST JULY 2014

	Note	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES:-					
Profit/(loss) before taxation					
from continuing operation		21,869,975	40,574,947	(2,896,369)	6,833,073
Loss before taxation from discontinued operation	15	(2,461)	-	-	-
		21,867,514	40,574,947	(2,896,369)	6,833,073
Adjustments for:-					
Allowance for impairment on:-					
- trade receivables		15,047	595,075	-	-
- investment in subsidiaries		-	-	359,986	173,039
Depreciation of:-					
- property, plant and equipment		10,374,190	10,050,422	570,878	607,852
- investment property		8,890	-	-	-
Dividend income		(299,998)	(299,998)	(6,173,000)	(12,812,602)
Net gain on disposal of property, plant and equipment		(186,421)	(239,248)	(59,733)	3,833
Interest expenses		13,776,438	14,021,640	8,030,439	8,799,755
Interest income		(218,133)	(299,587)	(6,904,475)	(7,251,823)
Inventories loss		8,330	260,628	-	-
Property, plant and equipment written off		1,016,355	641,483	-	-
Reversal of allowance for impairment on trade receivables		(554,181)	-	-	-
Unrealised loss on foreign exchange		33,796	-	-	-
		45,841,827	65,305,362	(7,072,274)	(3,646,873)
Changes in working capital:-					
Inventories		(39,016,261)	(20,497,910)	-	-
Receivables		(2,090,702)	(682,286)	1,649,394	(2,353,875)
Payables		(12,443,474)	(20,498,273)	(4,250,739)	(8,715,713)
Directors		(1,383,770)	487,618	(428,619)	254,047
Cash (used in)/generated from operations		(9,092,380)	24,114,511	(10,102,238)	(14,462,414)
Tax paid		(5,310,244)	(18,955,328)	(4,000)	(7,056)
Tax refunded		5,922,855	842,252	5,631,041	739,767
Net Operating Cash Flows		(8,479,769)	6,001,435	(4,475,197)	(13,729,703)
CASH FLOWS FROM INVESTING ACTIVITIES:-					
Dividend received		299,998	299,998	12,812,602	25,784,848
Proceeds from disposal of property, plant and equipment		259,022	260,477	79,500	9,500
Purchase of property, plant and equipment		(7,143,894)	(6,882,126)	(289,258)	(219,932)
Interest received		218,133	299,587	6,904,475	7,251,823
Net withdrawal of fixed deposit		-	3,880,720	-	-
Net Investing Cash Flows		(6,366,741)	(2,141,344)	19,507,319	32,826,239

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31ST JULY 2014 (CONT'D)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM FINANCING ACTIVITIES:-				
Net withdrawal of borrowings	30,364,300	60,428,849	10,000,000	10,000,000
Net drawdown/(repayment) of term loans	5,453,304	(634,618)	-	-
Repayment of finance lease payables	(344,224)	(2,479,590)	-	(23,625)
Net repayment of hire purchase payables	(3,435,379)	(1,788,133)	(114,162)	(76,771)
Interest paid	(13,776,438)	(14,021,640)	(8,030,439)	(8,799,755)
Dividend paid	(5,744,925)	(6,155,276)	(5,744,925)	-
Increase/(decrease) in amount due to ultimate holding company	919,585	(14,700,000)	919,585	(14,700,000)
Increase in amount due by subsidiaries	-	-	(141,681,171)	(99,210,690)
Increase in amount due to subsidiaries	-	-	129,013,455	93,536,527
Net Financing Cash Flows	13,436,223	20,649,592	(15,637,657)	(19,274,314)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,410,287)	24,509,683	(605,535)	(177,778)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	39,328,782	14,819,099	1,246,382	1,424,160
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	37,918,495	39,328,782	640,847	1,246,382
ANALYSIS OF CASH AND CASH EQUIVALENTS:-				
Fixed deposits with licensed banks	8,110,000	18,026,052	30,000	30,000
Less: fixed deposits pledged to licensed banks	(30,000)	(30,000)	(30,000)	(30,000)
Cash and bank balances	8,080,000	17,996,052	-	-
Bank overdrafts	34,277,596	22,306,102	640,847	1,246,382
	(4,439,101)	(973,372)	-	-
	37,918,495	39,328,782	640,847	1,246,382

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is principally engaged in business as investment holding and the provision of management services whilst the principal activities of the subsidiary companies are stated in Note 5 to the financial statements. Other than as disclosed in Note 5 to the financial statements, there have been no significant change in the nature of these activities during the financial year.

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

The registered office of the Company is located at Unit 07-02, Level 7, Persoft Tower, 6B Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 16-20, Jalan 52/4, 46200 Petaling Jaya, Selangor Darul Ehsan respectively.

The ultimate holding company, Poh Kong Sdn. Bhd. is incorporated and domiciled in Malaysia.

The financial statements are expressed in Ringgit Malaysia ("RM").

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19th November 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, other than as disclosed in the significant accounting policies in Note 2.3 to the financial statements.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgements in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

New MFRSs

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement

Revised MFRSs

MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 7	Financial Instruments: Disclosures
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, Plant and Equipment
MFRS 132	Financial Instruments: Presentation
MFRS 134	Interim Financial Reporting

New IC Int

IC Int 20	Stripping Costs in the Production Phase of a Surface Mine
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Amendments to IC Int

IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments
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The adoption of the above new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:-

MFRS 10 Consolidated Financial Statements and MFRS 127 Separate Financial Statements (Revised)

MFRS 10 replaces the consolidation part of the former MFRS 127 Consolidated and Separate Financial Statements. The revised MFRS 127 will deal only with accounting for investment in subsidiaries, joint controlled entities and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement*.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (cont'd)

MFRS 10 Consolidated Financial Statements and MFRS 127 Separate Financial Statements (Revised) (cont'd)

MFRS 10 brings about convergence between MFRS 127 and IC Int 12 Consolidation-Special Purpose Entities, which interprets the requirements of MFRS 10 in relation to special purpose entities. MFRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

The adoption of MFRS 10 has no significant impact to the financial statements of the Group.

MFRS 12 Disclosures of Interests in Other Entities

MFRS 12 is a single disclosure standard for interests in subsidiaries, jointly controlled entities, associates and unconsolidated structured entities. The disclosure requirements in this MFRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows. The requirements in MFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries.

MFRS 13 Fair Value Measurement

MFRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As a result of the guidance in MFRS 13, the Group reassessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair values measurement of liabilities.

Application of MFRS 13 has not materially impacted the fair value measurements of the Group. MFRS 13 requires more extensive disclosures. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 35(c) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (cont'd)

Amendments to MFRS 101 Presentation of Financial Statements

The amendments to MFRS 101 introduces a grouping of items presented in other comprehensive income. Items that will be reclassified to profit or loss at future point in time have to be presented separately from items that will not be reclassified.

These amendments also clarify the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendments clarify that the opening statement of financial position presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes. As a result, the Group has not included comparative information in respect of the opening statement of financial position as at 1st August 2012.

The amendments also introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'.

The above amendments affect presentation only and have no impact on the Group's financial position or performance.

MFRS 128 Investments in Associates and Joint Ventures (Revised)

MFRS 128 (Revised) incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associates, as the equity method was applicable for both investments in joint ventures and associates. However, the revised standard exempts the investor from applying equity accounting where the investment in the associate or joint venture is held indirectly via venture capital organisations or mutual funds, unit trusts and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement*.

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

Amendments to MFRS 1 requires first-time adopters to apply the requirements MFRS 139 *Financial Instruments: Recognition and Measurement* and MFRS 120 *Accounting for Government Grants and Disclosure of Government Assistance*, prospectively to government loans existing at the date of transition to MFRSs and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Entities may choose to apply the requirements of MFRS 139 *Financial Instruments: Recognition and Measurement* and MFRS 120 to any government loans originated before the date of transition to MFRSs retrospectively provided that the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give the first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (cont'd)

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (cont'd)

Amendments to MFRS 1 also clarifies that an entity that has applied MFRSs or IFRSs in a previous reporting period, but whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with MFRSs or IFRSs, has the option to apply this MFRS 1 or apply MFRSs retrospectively in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* as if it had never stopped applying MFRSs or IFRSs.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 addresses disclosures to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

Amendment to MFRS 116 Property, Plant and Equipment

Amendment to MFRS 116 clarifies that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 11 Joint Arrangements and MFRS 12 Disclosure of Interests in Other Entities

Amendments to MFRS 10 clarifies that the date of initial application is the beginning of the annual reporting period for which this MFRS is applied for the first time. Consequently, an entity is not required to make adjustments to the previous accounting if the consolidation conclusion reached upon the application of MFRS 10 is the same as previous accounting or the entity had disposed of its interests in investees during a comparative period. When applying MFRS 10, these amendments also limit the requirement to present quantitative information required by Paragraph 28(f) of MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* to the annual period immediately preceding the date of initial application. A similar relief is also provided in MFRS 11 and MFRS 12. Additionally, entities would no longer be required to provide disclosures for unconsolidated structure entities in periods prior to the first annual period that MFRS 12 is applied.

If, upon applying MFRS 10, an entity concludes that it shall consolidate an investee that was not previously consolidated and that control was obtained before the effective date of the revised versions of these standards issued by the Malaysian Accounting Standards Board in November 2011, these amendments also clarify that an entity can apply the earlier versions of MFRS 3 *Business Combinations* and MFRS 127.

These amendments are not expected to have any significant impact on the financial results and position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (cont'd)

Amendment to MFRS 132 Financial Instruments: Presentation

Amendment to MFRS 132 clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with MFRS 112 *Income Taxes*.

Amendment to MFRS 134 Interim Financial Reporting

To be consistent with the requirements in MFRS 8 *Operating Segments*, the amendment to MFRS 134 clarifies that an entity shall disclose the total assets and liabilities for a particular reportable segment only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 14	Regulatory Deferral Accounts	1st January 2016
MFRS 15	Revenue from contracts with customers	1st January 2017
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1st July 2014
MFRS 2	Share-based Payment	1st July 2014
MFRS 3	Business Combinations	1st July 2014
MFRS 7	Financial Instruments: Disclosures	Effective upon application of MFRS 9
MFRS 8	Operating Segments	1st July 2014
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 10	Consolidated Financial Statements	1st January 2014
MFRS 11	Joint Arrangements	1st January 2016
MFRS 12	Disclosure of Interests in Other Entities	1st January 2014
MFRS 13	Fair Value Measurement	1st July 2014
MFRS 116	Property, Plant and Equipment	1st July 2014/1st January 2016

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

- (b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

<u>Amendments/Improvements to MFRSs (cont'd)</u>		Effective for financial periods beginning on or after
MFRS 119	Employee Benefits	1st July 2014
MFRS 124	Related Party Disclosures	1st July 2014
MFRS 127	Separate Financial Statements	1st January 2014
MFRS 132	Financial Instruments: Presentation	1st January 2014
MFRS 136	Impairment of Assets	1st January 2014
MFRS 138	Intangible Assets	1st July 2014/1st January 2016
MFRS 139	Financial Instruments: Recognition and Measurement	1st January 2014
MFRS 139	Financial Instruments: Recognition and Measurement	Applies when MFRS 9 is applied
MFRS 140	Investment Property	1st July 2014
MFRS 141	Agriculture	1st January 2016
<u>New IC Int</u>		
IC Int 21	Levies	1st January 2014

A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs and new IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

MFRS 9 Financial Instruments

MFRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to the former MFRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations (“IC Int”) and Amendments to IC Int (cont'd)

- (b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

MFRS 9 Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)

The new hedge accounting model represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. The most significant improvements apply to those that hedge non-financial risk, and they are expected to be of particular interest to non-financial institutions. As a result of these changes, users of the financial statements will be provided with better information about risk management and about the effect of hedge accounting on the financial statements. The MFRS 9 hedge accounting model, if adopted, applies prospectively with limited exceptions.

As part of the Amendments, an entity is now allowed to change the accounting for liabilities that it has elected to measure at fair value, before applying any of the other requirements in MFRS 9. This change in accounting would mean that gains caused by a worsening in the entity’s own credit risk on such liabilities are no longer recognised in profit or loss. The Amendments will facilitate earlier application of this long-awaited improvement to financial reporting.

The Amendments also removes the mandatory effective date from MFRS 9.

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

Amendments to MFRS 1 relates to the IASB’s Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 *Financial Instruments: Presentation*. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, amendments to MFRS 3 clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 *Joint Arrangements*) in the financial statements of the joint arrangement itself.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

- (b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 8 Operating Segments

Amendments to MFRS 8 requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The Amendments also clarifies that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements

Amendments to MFRS 10 introduces an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement* instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to MFRS 12 and MFRS 127.

In addition, amendments to MFRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of MFRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with MFRS 139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendments to MFRS 13 Fair Value Measurement

Amendments to MFRS 13 relates to the IASB's Basis for Conclusions which is not an integral part of the standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The Amendments also clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* or MFRS 9 *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 *Financial Instruments: Presentation*.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

- (b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 clarifies the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 116 prohibits revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to MFRS 124 Related Party Disclosures

Amendments to MFRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Amendments to MFRS 132 Financial Instruments: Presentation

Amendments to MFRS 132 does not change the current offsetting model in MFRS 132. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

Amendments to MFRS 136 Impairment of Assets

Amendments to MFRS 136 clarifies that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

- (b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 138 Intangible Assets

Amendments to MFRS 138 introduces a rebuttable presumption that the revenue-based amortisation method is inappropriate (for the same reasons as per the Amendments to MFRS 116). This presumption can be overcome only in the limited circumstances:-

- in which the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to MFRS 139 Financial Instruments: Recognition and Measurement

Amendments to MFRS 139 provides relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met. As a result of the amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

Amendments to MFRS 140 Investment Property

Amendments to MFRS 140 clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both Standards independently of each other.

2.3 Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:-

(a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting period as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(a) Basis of Consolidation (cont'd)

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in the other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, and equity instruments issued, plus any cost directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.3(b). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquire are reassessed on acquisition date unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Transaction costs for acquisition between 1st January 2006 and 1st January 2011, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Transaction costs for acquisition on or after 1st January 2011 will no longer be capitalised as part of the cost of acquisition but will be expensed immediately.

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group adopted MFRS 10 *Consolidated Financial Statements* in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group is exposed, or has right, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, control exists when the group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(a) Basis of Consolidation (cont'd)

- Potential voting rights are considered when accessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when accessing control when such rights are presently exercisable.
- The Group considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider *de facto* power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of MFRS 10. The adoption of MFRS 10 has no significant impact to the financial statements of the Group.

In accordance with MFRS 127 *Consolidated and Separate Financial Statements (revised)*, upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Non-controlling interests represents the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group within equity in the consolidated statement of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

Any losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. The change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

With effective from 1st July 2011, where losses applicable to the non-controlling interests exceed the Company's interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interest, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(b) Intangible Assets

Goodwill on consolidation

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

(i) Acquisition before 1st January 2011

Goodwill arising on acquisition represents the excess of cost of business combination over the Group's share of the net fair values of the identifiable assets, liabilities and contingent liabilities.

Bargain purchase gain represents the excess of the fair value of the Group's share of net assets acquired over the cost of acquisition. Bargain purchase gain is recognised directly in the profit or loss.

(ii) Acquisition on or after 1st January 2011

For acquisitions on or after 1st January 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Goodwill is not amortised but is reviewed for impairment, annually or more frequently for impairment in value and is written down where it is considered necessary. Gain or loss on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arise.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(c) Property, Plant and Equipment and Depreciation

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 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, except for freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land, leasehold land and building are stated at revalued amount, being its fair value at the revaluation less any subsequent depreciation and subsequent impairment losses. Revaluation is made every five years by external independent valuers.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reserves a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to the retained earnings on retirement or disposal of the asset.

Freehold land has an indefinite 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 principal annual rates:-

Buildings	– freehold	2%
Buildings	– leasehold	remaining lease period ranges from 41 to 91 years
Leasehold land		remaining lease period ranges from 41 to 91 years
Plant and machinery		20%
Equipment, furniture and fittings		10 – 20%
Motor vehicles		20%

The residual values, useful life and depreciation method are reviewed, and adjusted if appropriate, at the end of the reporting period 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(c) Property, Plant and Equipment and Depreciation (cont'd)

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.

The 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.

(d) Investment Properties

Investment properties are properties 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 cost less accumulated depreciation and any identified impairment losses.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(e) Impairment of Non Financial Assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future value cash flows expected to be generated by the asset 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 the assets exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(e) Impairment of Non Financial Assets (cont'd)

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in subsequent period.

(f) Financial Assets

Financial assets are recognised in the statements 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 a fair value through profit or loss, directly attributable to transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income on the financial assets at fair value through profit or loss are recognised separately in the profit or loss as part of other losses or other income.

Financial asset at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current or non-current based on the settlement date.

As at the end of financial period, there were no financial assets classified under this category.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

(ii) 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 period which are classified as non-current.

(iii) Held-to-maturity investment

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

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

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the end of the reporting period which are classified as current.

As at the end of financial period, there were no financial assets classified under this category.

(iv) Available-for-sale financial assets

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

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset 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 asset is derecognised. Interest income calculated using effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instruments are recognised in profit or loss when the Group's 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

(iv) Available-for-sale financial assets (cont'd)

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

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.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

(g) Impairment of Financial Assets

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

(i) 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 portfolio past the average credit period and observable changes in national or local or economic conditions that correlate with default on receivables.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(g) Impairment of Financial Assets (cont'd)

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

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.

(ii) 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 asset's 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.

(iii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity instruments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss of an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(h) Inventories

Inventories are valued at the lower of the cost and net realisable value. The cost of inventories is measured based on weighted average method.

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. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits (other than deposits pledged with financial institutions), bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude deposits pledged to secure banking facilities.

(j) Foreign Currency

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(k) Financial Liabilities

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

Financial liabilities, within the scope of MFRS 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.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

As at the end of financial period, there were no financial assets classified under this category.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade and other payables, and loans and borrowings.

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. Loans and borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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 a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(l) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because of a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group as issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less cumulative amortisation.

(m) Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of 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.

(n) Revenue Recognition

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

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

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

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

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

Interest income is recognised using the effective interest method.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(o) Income Taxes

(i) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(o) Income Taxes (cont'd)

(ii) Deferred Tax (cont'd)

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(p) Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs 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 the borrowing of funds.

(q) Employee Benefits

(i) Short Term Employee 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 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.

(ii) Defined Contribution Plans

The Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. The contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further liability in respect of the defined contribution plans.

(r) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(r) Contingent Liabilities (cont'd)

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(s) Leases

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

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

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment.

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.

(t) Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which is the Group Executive Committee, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(u) Fair Value Measurements

From 1st August 2013, the Group adopted MFRS 13 Fair Value Measurement which prescribed that fair value of an asset and a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (cont'd)

(u) Fair Value Measurements (cont'd)

In accordance with the transitional provision of MFRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of MFRS 13 has not significantly affected the measurements of the Group's assets or liabilities other than additional disclosures.

(v) Discontinued Operation

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:-

(i) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, the directors considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, the directors judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(ii) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

Property, plant and equipment excluding freehold land are depreciated on a straight line basis over the assets useful lives. The directors estimate 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 development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(iii) Valuation of Property, Plant and Equipment

Freehold land, leasehold land and buildings are carried at revalued amount. Revaluation of these assets is based on valuation performed by independent professional valuers.

The independent professional valuers may exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in their valuation process. Judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations may materially affect these estimates and the resulting valuation estimates.

(iv) Income Taxes

Certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(v) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant 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 depend on estimates of future fees receivable, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainties; hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

(vi) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the Management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flow.

(vii) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires directors to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(viii) Net realisable values of inventories

Reviews are made periodically by directors on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

As at the end of the reporting period, the directors of the Group are of the opinion that there is no adjustment required.

(ix) Impairment of Loans and Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Directors specifically review its loans and receivables and analyse historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. 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. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(x) Impairment of Available-for-Sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(xi) Determination of Fair Value

The directors are of the opinion that the carrying amounts of the non-current financial liabilities approximate their fair values because they are floating rate instruments which are deemed to be re-priced at the current prevailing market rates or their rates approximate its current prevailing market rates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

Group 2014	Freehold lands RM	Leasehold lands RM	Buildings RM	Buildings-in- progress RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Cost/Valuation								
At 1st August								
2013	20,655,542	21,390,000	29,577,458	7,281,978	77,542,312	7,183,938	13,516,067	177,147,295
Additions	-	-	-	417,594	8,382,060	35,620	813,429	9,648,703
Disposals/ written off	-	-	-	-	(3,630,637)	-	(834,778)	(4,465,415)
Transfer	-	-	-	(750,752)	750,752	-	-	-
Reclassification	(295,542)	-	295,542	-	-	-	-	-
At 31st July 2014	20,360,000	21,390,000	29,873,000	6,948,820	83,044,487	7,219,558	13,494,718	182,330,583
Representing:-								
- cost	-	-	-	6,948,820	83,044,487	7,219,558	13,494,718	110,707,583
- revaluation	20,360,000	21,390,000	29,873,000	-	-	-	-	71,623,000
	20,360,000	21,390,000	29,873,000	6,948,820	83,044,487	7,219,558	13,494,718	182,330,583
Accumulated depreciation								
At 1st August 2013	-	-	-	-	45,849,695	4,503,522	8,311,776	58,664,993
Depreciation for the financial year	-	414,364	752,187	-	6,668,920	501,928	2,036,791	10,374,190
Disposals/ written off	-	-	-	-	(2,584,715)	-	(791,744)	(3,376,459)
At 31st July 2014	-	414,364	752,187	-	49,933,900	5,005,450	9,556,823	65,662,724
Accumulated impairment losses								
At 1st August 2013/ 31st July 2014	-	-	-	427,951	-	-	-	427,951
Net carrying value at 31st July 2014								
20,360,000	20,975,636	29,120,813	6,520,869	33,110,587	2,214,108	3,937,895	116,239,908	
Representing:-								
- cost	-	-	-	6,520,869	33,110,587	2,214,108	3,937,895	45,783,459
- valuation	20,360,000	20,975,636	29,120,813	-	-	-	-	70,456,449
	20,360,000	20,975,636	29,120,813	6,520,869	33,110,587	2,214,108	3,937,895	116,239,908

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group 2013	Freehold lands RM	Leasehold lands RM	Buildings RM	Buildings-in- progress RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Cost/Valuation								
At 1st August 2012	10,476,667	10,305,075	30,566,744	427,951	75,405,151	6,723,537	12,263,848	146,168,973
Additions	-	-	-	6,854,027	5,427,899	486,342	2,365,933	15,134,201
Disposals/ written off	-	-	-	-	(3,290,738)	(25,941)	(1,113,714)	(4,430,393)
Elimination of accumulated depreciation on revaluation	-	(2,240,070)	(2,841,162)	-	-	-	-	(5,081,232)
Revaluation surplus	10,178,875	13,324,995	1,851,876	-	-	-	-	25,355,746
At 31st July 2013	20,655,542	21,390,000	29,577,458	7,281,978	77,542,312	7,183,938	13,516,067	177,147,295
Representing:-								
- cost	-	-	-	7,281,978	77,542,312	7,183,938	13,516,067	105,524,295
- revaluation	20,655,542	21,390,000	29,577,458	-	-	-	-	71,623,000
	20,655,542	21,390,000	29,577,458	7,281,978	77,542,312	7,183,938	13,516,067	177,147,295
Accumulated depreciation								
At 1st August 2012	-	2,126,245	2,220,524	-	41,949,222	4,036,535	7,130,958	57,463,484
Depreciation for the financial year	-	113,825	620,638	-	6,571,043	492,928	2,251,988	10,050,422
Disposals/ written off	-	-	-	-	(2,670,570)	(25,941)	(1,071,170)	(3,767,681)
Elimination of accumulated depreciation on revaluation	-	(2,240,070)	(2,841,162)	-	-	-	-	(5,081,232)
At 31st July 2013	-	-	-	-	45,849,695	4,503,522	8,311,776	58,664,993
Accumulated impairment losses								
At 1st August 2012/ 31st July 2013	-	-	-	427,951	-	-	-	427,951

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group 2013	Freehold lands RM	Leasehold lands RM	Buildings RM	Buildings-in- progress RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Net carrying value at 31st July 2013	20,655,542	21,390,000	29,577,458	6,854,027	31,692,617	2,680,416	5,204,291	118,054,351
Representing:-								
- cost	-	-	-	6,854,027	31,692,617	2,680,416	5,204,291	46,431,351
- valuation	20,655,542	21,390,000	29,577,458	-	-	-	-	71,623,000
	20,655,542	21,390,000	29,577,458	6,854,027	31,692,617	2,680,416	5,204,291	118,054,351

Company 2014	Furniture and fittings RM	Motor vehicles RM	Total RM
Cost			
At 1st August 2013	3,141,099	590,489	3,731,588
Additions	288,038	47,220	335,258
Disposals	-	(123,253)	(123,253)
At 31st July 2014	3,429,137	514,456	3,943,593
Accumulated depreciation			
At 1st August 2013	1,910,387	229,410	2,139,797
Depreciation for the financial year	458,662	112,216	570,878
Disposals	-	(103,486)	(103,486)
At 31st July 2014	2,369,049	238,140	2,607,189
Net carrying value at 31st July 2014	1,060,088	276,316	1,336,404

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company 2013	Furniture and fittings RM	Motor vehicles RM	Total RM
Cost			
At 1st August 2012	2,938,484	414,172	3,352,656
Additions	202,615	192,317	394,932
Disposals	-	(16,000)	(16,000)
At 31st July 2013	3,141,099	590,489	3,731,588
Accumulated depreciation			
At 1st August 2012	1,394,430	140,182	1,534,612
Depreciation for the financial year	515,957	91,895	607,852
Disposals	-	(2,667)	(2,667)
At 31st July 2013	1,910,387	229,410	2,139,797
Net carrying value at 31st July 2013	1,230,712	361,079	1,591,791

(a) During the year, the aggregate costs of property, plant and equipment acquired by means of:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Purchase of property, plant and equipment	9,648,703	15,134,201	335,258	394,932
Financed by:				
- hire purchase and finance lease	(2,087,215)	(2,148,800)	(46,000)	(175,000)
- term loan	(417,594)	(6,103,275)	-	-
Cash payments on purchase of property, plant and equipment	7,143,894	6,882,126	289,258	219,932

- (b) The long-term leasehold lands 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 RM10,509,263/- (2013: RM10,750,000/-) which has a lease period of less than 50 years.
- (c) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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	
	2014 RM	2013 RM	2014 RM	2013 RM
Motor vehicles	4,024,666	5,204,291	276,316	353,080

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Equipment, furniture and fittings	1,535,258	3,137,890	-	-

- (f) Net carrying amounts of properties pledged as securities for bank borrowings as stated in Note 18 to the financial statements are as follows :-

	Group	
	2014 RM	2013 RM
At valuation		
- Freehold lands	19,500,000	19,500,000
- Long-term leasehold lands	17,760,139	18,100,001
- Buildings	22,201,600	22,893,000

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

	Group	
	2014 RM	2013 RM
- Freehold lands	4,413,093	4,413,093
- Long-term leasehold lands	5,722,244	5,842,524
- Buildings	29,359,280	29,488,360

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(h) Fair value information

Fair value of lands and buildings are categorised as follow:-

Group 2014	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
- Freehold lands	-	20,360,000	-	20,360,000
- Long-term leasehold lands	-	21,390,000	-	21,390,000
- Buildings	-	29,873,000	-	29,873,000
	-	71,623,000	-	71,623,000

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the lands and buildings, either directly or indirectly.

The freehold and leasehold lands and buildings of the Group were revalued on 31st July 2013 by the directors based on valuation performed by independent firms of professional valuers using the comparison method.

The most significant inputs into this valuation approach are location, size, age and condition of unit and building, tenure, title restrictions if any. The directors are of the opinion that there are no material changes to the fair value of the freehold and leasehold lands and buildings since the last valuation.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the lands and buildings.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENT IN SUBSIDIARIES

	Company	
	2014 RM	2013 RM
Unquoted shares - at cost		
At 1st August	161,094,281	161,094,281
Less:		
Allowance for impairment	(533,025)	(173,039)
At 31st July	160,561,256	160,921,242

Details of the subsidiaries are as follows:-

Name of Company	Effective Proportion Ownership/ Voting Rights		Principal Activities
	2014 %	2013 %	
Poh Kong Jewellers Sdn. Bhd. ("PKJ")	100	100	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellery Manufacturer Sdn. Bhd.	100	100	Manufacturer and dealers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Franchise) Sdn. Bhd.	100	100	Franchise management services
Poh Kong Properties Sdn. Bhd.	100	100	Property investment
Poh Kong Wholesale Sdn. Bhd.	100	100	Investment holding, suppliers and retailers of packing and utility products, wholesaler of jewellerys, precious stones and gold ornaments
PK Jewellery Export Sdn. Bhd.	100	100	Exporter of jewellerys, precious stones and gold ornaments
Poh Kong International Sdn. Bhd.	100	100	Overseas investment holding
Jungmax Property Sdn. Bhd.	100	100	Property investment

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows (cont'd):-

Name of Company	Effective Proportion Ownership/ Voting Rights		Principal Activities
	2014 %	2013 %	
Poh Kong Jewellers (Ampang Point) Sdn. Bhd.^	100	100	The Company ceased operation on 1st May 2013
Poh Kong Jewellers (Jaya) Sdn. Bhd.^	100	100	The Company ceased operation on 1st May 2013
Poh Kong Jewellers (Klang) Sdn. Bhd.^	100	100	The Company ceased operation on 1st May 2013
Poh Kong Jewellers (Maluri) Sdn. Bhd.^	100	100	The Company ceased operation on 1st May 2013
Poh Kong Jewellers (MV) Sdn. Bhd.^	100	100	The Company ceased operation on 1st May 2013
Poh Kong Jewellers (Permas Jaya) Sdn. Bhd.^	100	100	The Company ceased operation on 1st May 2013
Poh Kong Jewellers (Shah Alam) Sdn. Bhd.^	100	100	The Company ceased operation on 1st May 2013
Poh Kong Jewellers (SS2) Sdn. Bhd.^	100	100	The Company ceased operation on 1st May 2013
Poh Kong Jewellers (Subang Parade) Sdn. Bhd.^	100	100	The Company ceased operation on 1st May 2013
Poh Kong Jewellers (The Mall) Sdn. Bhd.^	100	100	The Company ceased operation on 1st May 2013
Poh Kong Jewellers (Banting) Sdn. Bhd.®	100	100	The Company ceased operation on 31st May 2012
Poh Kong Jewellers (Ipoh) Sdn. Bhd.®	100	100	The Company ceased operation on 31st May 2012
Poh Kong Jewellers (Jln Taman Malacca) Sdn. Bhd.®	100	100	The Company ceased operation on 31st May 2012

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows (cont'd):-

Name of Company	Effective Proportion Ownership/ Voting Rights		Principal Activities
	2014	2013	
	%	%	
Poh Kong Jewellers (Kajang) Sdn. Bhd.®	100	100	The Company ceased operation on 31st May 2012
Poh Kong Jewellers (Malacca) Sdn. Bhd.®	100	100	The Company ceased operation on 31st May 2012
Poh Kong Jewellers (Gold Seremban) Sdn. Bhd.®	100	100	The Company ceased operation on 31st December 2011
Poh Kong Jewellers (Kuantan) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (Wangsamaju) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (Bangsar) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (Kinta City) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (Old Klang Road) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (Seremban) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (The Mines) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (Tmn Universiti, J.B.) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (Selayang) Sdn. Bhd.*	100	100	Under member voluntary winding up
Kedai Emas Likwong Sdn. Bhd.*	100	100	Under member voluntary winding up
PK Design Sdn. Bhd.*	100	100	Under member voluntary winding up

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows (cont'd):-

Name of Company	Effective Proportion Ownership/ Voting Rights		Principal Activities
	2014 %	2013 %	
Poh Kong Jewellers (Bandar Utama) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (Batu Pahat) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (M) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (Meru) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (Muar) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (Peringgit) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (PHT) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (Puchong) Sdn. Bhd.*	100	100	Under member voluntary winding up
Poh Kong Jewellers (Summit) Sdn. Bhd.*	100	100	Under member voluntary winding up
In Vogue Sdn. Bhd. *#	100	100	Dissolved
Pajak Gadaai Anda Sdn. Bhd. *#	100	100	Dissolved

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 Company:-

^ the operations of these subsidiaries were transferred to PKJ on 1st May 2013.

@ the operations of these subsidiaries were transferred to PKJ on 31st December 2011 or 31st May 2012 respectively.

* these subsidiaries, being the dormant companies under member voluntary winding up.

these subsidiaries, being the dormant companies have dissolved.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENT PROPERTY

	Note	Group	
		2014 RM	2013 RM
At cost			
At 1st August		240,000	240,000
Less:			
Accumulated depreciation		(8,890)	-
Transfer to asset held for sale	15	(231,110)	-
At 31st July		-	240,000

In previous financial year, the fair value of the investment property was RM565,000/-. The fair value of the investment property has been arrived at on the basis of a valuation carried out by an independent firms of professional valuers by reference to the open market value basis.

7. OTHER INVESTMENTS

		Group	
		2014 RM	2013 RM
At cost			
Unquoted shares in Malaysia		299,999	299,999
Transferable club memberships		233,000	233,000
Less: Accumulated impairment losses			
At 1st August/31st July		(5,000)	(5,000)
		228,000	228,000
		527,999	527,999

Investments in unquoted shares of the Group which were designated as available-for-sale financial assets are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the unquoted shares.

8. GOODWILL ON CONSOLIDATION

		Group	
		2014 RM	2013 RM
At 1st August/31st July		1,485,140	1,485,140

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. GOODWILL ON CONSOLIDATION (cont'd)

(a) The carrying amount of goodwill allocated to the cash-generating unit ("CGU") is as follows:-

	Group	
	2014 RM	2013 RM
Trading	1,485,140	1,485,140

(b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating unit is determined using the value-in-use approach and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years.

The key assumptions used in the determination of the recoverable amounts are as follows:-

(i) Discount rate

The discount rates used are determined using a pre-tax discount rate of 4.45% (2013: 4.45%).

(ii) Growth rate

The average growth rate used of 9.00% (2013: 6.80%) is consistent with the long-term average growth rate of the Group.

The values assigned to the above key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources of information.

(c) With regard to the assessment of value-in-use of the trading unit, the directors believe that no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

9. DEFERRED TAXATION

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At 1st August	(4,383,092)	(6,022,046)	2,325,279	1,214,715
Recognised in profit or loss (Note 25)	197,739	5,310,492	912,320	1,110,564
Recognised in equity	-	(3,671,538)	-	-
At 31st July	(4,185,353)	(4,383,092)	3,237,599	2,325,279
Presented after appropriate offsetting:-				
Deferred tax assets	5,827,699	6,334,409	3,237,599	2,325,279
Deferred tax liabilities	(10,013,052)	(10,717,501)	-	-
	(4,185,353)	(4,383,092)	3,237,599	2,325,279

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. DEFERRED TAXATION (cont'd)

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

(a) Deferred tax assets

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At 1st August	6,334,409	1,214,715	2,325,279	2,196,655
Recognised in profit or loss	(506,710)	5,119,694	912,320	128,624
At 31st July	5,827,699	6,334,409	3,237,599	2,325,279

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Unrealised profits arising from inter-company transaction	2,590,100	4,009,130	-	-
Unutilised tax losses	2,631,503	1,860,986	2,631,503	1,860,986
Unabsorbed capital allowances	816,390	738,765	816,390	738,765
Excess of capital allowances over depreciation	(210,294)	(274,472)	(210,294)	(274,472)
	5,827,699	6,334,409	3,237,599	2,325,279

The recognition of the deferred tax assets of the Group and of the Company are dependent on future taxable profits in excess of profits arising from the reversal of existing taxable temporary differences.

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

	Group	
	2014 RM	2013 RM
Unabsorbed capital allowances	(126,617)	(146,533)
Deductible temporary differences	168,382	127,385
	41,765	(19,148)
Potential deferred tax assets not recognised at 24% (2013: 25%)	10,024	(4,787)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. DEFERRED TAXATION (cont'd)

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

(b) Deferred tax liabilities

	2014 RM	Group 2013 RM
At 1st August	10,717,501	7,236,761
Recognised in profit or loss	(704,449)	(190,798)
Recognised in equity	-	3,671,538
At 31st July	10,013,052	10,717,501

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

	2014 RM	Group 2013 RM
Differences between the carrying amount of property, plant and equipment and their tax base	4,100,684	4,805,133
Revaluation surplus	5,912,368	5,912,368
	10,013,052	10,717,501

10. INVENTORIES

	2014 RM	Group 2013 RM
At cost		
Raw material	12,012,096	8,150,798
Work-in-progress	1,785,010	14,667,811
Finished goods		
- Jewelleries, precious stones and gold ornaments	542,104,495	545,362,970
- Packing and utility products	1,253,029	1,265,888
	543,357,524	546,628,858
	557,154,630	569,447,467

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. INVENTORIES (cont'd)

	Group	
	2014 RM	2013 RM
At net realisable value		
Raw material	8,773,903	-
Work-in-progress	10,225,846	-
Finished goods		
- Jewelleries, precious stones and gold ornaments	32,301,019	-
	51,300,768	-
	608,455,398	569,447,467

During the financial year, the cost of inventories recognised as cost of sales in the Group amounted to RM600,155,154/- (2013: RM757,405,746/-).

11. TRADE AND OTHER RECEIVABLES

Group	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade receivables	2,886,527	2,308,325	6,883,230	8,929,755
Less: allowance for impairment	(263,268)	(802,402)	-	-
	2,623,259	1,505,923	6,883,230	8,929,755
Other receivables	1,983,396	1,907,892	5,421	-
Total trade and other receivables	4,606,655	3,413,815	6,888,651	8,929,755

(a) Trade receivables

Trade receivables are non-interest bearing and the Group's and the Company's normal trade credit terms range from 30 to 85 days (2013: 30 to 85 days). Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables of the Company is amount due by subsidiaries of RM6,883,230/- (2013: RM8,929,755/-).

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

	Group	
	2014 RM	2013 RM
Chinese Yuan Renminbi	613,572	201,526

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables (cont'd)

Ageing analysis of trade receivables

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Neither past due nor impaired	15,180	910,713	2,374,760	5,148,309
1 to 30 days past due but not impaired	1,347,098	162,534	-	8,351
31 to 60 days past due but not impaired	354,305	387,209	-	2,070
61 to 90 days past due but not impaired	6,186	16,594	-	956,726
91 to 120 days past due but not impaired	113,287	11,792	-	14,125
More than 121 days past due but not impaired	787,203	17,081	4,508,470	2,800,174
	2,608,079	595,210	4,508,470	3,781,446
Impaired	263,268	802,402	-	-
	2,886,527	2,308,325	6,883,230	8,929,755

Trade 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 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 financial year.

Trade receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM2,608,079/- (2013: RM595,210/-) and RM4,508,470/- (2013: RM3,781,446/-) 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:-

	Group	
	2014 RM	2013 RM
Individually impaired		
Trade receivables, nominal value	263,268	802,402
Less: Allowance for impairment	(263,268)	(802,402)
	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables (cont'd)

Receivables that are impaired (cont'd)

The movement in the Group's allowance accounts are as follows:-

	Group	
	2014 RM	2013 RM
At 1st August	802,402	207,327
Allowance during the year	15,047	595,075
Reversal of impairment	(554,181)	-
At 31st July	263,268	802,402

Trade receivables that are individually impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral.

(b) Other receivables

- (i) The Group's and the Company's amounts owing by other receivables are unsecured, interest free and are repayable on demand.
- (ii) Included in other receivables of the Group are amounts of RM731,354/- (2013: RM638,801/-) due by fellow subsidiaries under the common control of the ultimate holding company. The amounts due are unsecured, interest free and repayable on demand.

12. DEPOSITS AND PREPAYMENTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Deposits	9,254,284	8,600,547	13,499	14,636
Prepayments	3,642,284	2,996,441	1,688,541	1,295,694
	12,896,568	11,596,988	1,702,040	1,310,330

- (i) Included in prepayments of the Group and of the Company are amounts of RM140,027/- (2013: RM70,000/-) 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 and RM1,168,221/- (2013: RM791,070/-) being prepaid interest expense for the utilisation of ICP/IMTN programme as disclosed in Note 18.2 to the financial statements.
- (ii) Deposits are mainly in relation to amount paid for tenancy agreement and utilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. AMOUNT DUE BY/(TO) SUBSIDIARIES

The amount due by/(to) subsidiaries are unsecured, repayable on demand and bears effective interest at rate of 6.00% (2013: 6.00% to 6.91%) per annum.

14. FIXED DEPOSITS PLACED WITH LICENSED BANKS

The fixed deposits of the Group and of the Company earn weighted average effective interest rate of 2.48% (2013: 2.35%) per annum.

Included in fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM30,000/- (2013: RM30,000/-) and RM30,000/- (2013: RM30,000/-) respectively, which have been pledged to a licensed bank as security for banking facilities granted to the Group and the Company as disclosed in Note 18 to the financial statements.

15. DISCONTINUED OPERATION CLASSIFIED AS HELD FOR SALE

Poh Kong Jewellers Sdn. Bhd. ("PKJ"), a subsidiary of Poh Kong Holdings Berhad has disposed its wholly owned subsidiary, Jungmax Property Sdn. Bhd. and had received a total consideration of RM540,000/- in advance. The assets and liabilities of Jungmax are presented as non-current assets held for sale following the commitment of the Group's restructuring plan on internal reorganisation.

The disposal of sales was completed in 26th August 2014 as disclosed in Note 37 to the financial statements.

At 31st July 2014, the assets and liabilities of the disposal group are as follows:

	Note	Group 2014 RM
Asset classified as held for sale		
Investment property	6	231,110
Liability classified as held for sale		
Other payables and accruals		1,200

Loss attributable to the discontinued operation was as follows:-

	Note	Group 2014 RM
Revenue		-
Expenses		(2,461)
Results from operating activities	26	(2,461)
Tax benefit		-
Loss for the year		(2,461)

The loss from discontinued operation of RM2,461/- is attributable entirely to the owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. DISCONTINUED OPERATION CLASSIFIED AS HELD FOR SALE (cont'd)

	Group 2014 RM
Cash flows from/(used in) discontinued operation:-	
Net cash used in operating activities	(3,372)
Net cash from investing activities	-
Net cash from financing activities	3,352
Effect on cash flows	(20)

16. SHARE CAPITAL

	Group and Company			
	2014		2013	
	Number of shares Unit	RM	Number of shares Unit	RM
Ordinary shares of RM0.50 each				
Authorised:				
At the beginning/ end of the financial year	1,000,000,000	500,000,000	1,000,000,000	500,000,000
Issued and fully paid:				
At the beginning/end of the financial year	410,351,752	205,175,876	410,351,752	205,175,876

17. RESERVES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Revaluation reserve	25,905,074	25,905,074	-	-
Retained profits	217,800,044	210,234,657	18,211,048	23,765,210
	243,705,118	236,139,731	18,211,048	23,765,210

(a) Revaluation reserve

The revaluation reserve of the Group represents increases in the fair value of freehold and leasehold lands as well as buildings of the Group in years 2003, 2008 and 2013, net of tax, and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

(b) Retained profits

The Company will be able to distribute dividends out of its retained profits under the single tier system.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. BANK BORROWINGS

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Long-term borrowing					
Secured					
Term loans	18.1	12,222,087	6,626,299	-	-
ICP/MTN	18.2	140,000,000	130,000,000	140,000,000	130,000,000
Unsecured					
Hire purchase payables	18.3	2,401,897	3,755,651	178,917	240,002
Finance lease payables	18.4	501,802	98,453	-	-
		155,125,786	140,480,403	140,178,917	130,240,002
Short-term borrowings					
Secured					
Bank overdrafts	18.5	4,439,101	973,372	-	-
Bankers' acceptance	18.6	127,879,000	104,300,000	-	-
Revolving credit	18.6	-	3,000,000	-	-
Short-term loan	18.6	6,516,460	6,731,160	-	-
Term loans	18.1	1,214,874	939,764	-	-
Unsecured					
Hire purchase payables	18.3	1,397,594	1,392,004	83,711	90,788
Finance lease payables	18.4	564,387	1,311,960	-	-
		142,011,416	118,648,260	83,711	90,788
Total bank borrowings		297,137,202	259,128,663	140,262,628	130,330,790

18.1 Term loans

	Group	
	2014 RM	2013 RM
Current		
- not later than one year	1,214,874	939,764
Non-current		
- later than one year but not later than two years	2,684,363	663,538
- later than two years but not later than five years	6,144,465	2,135,962
- more than five years	3,393,259	3,826,799
	12,222,087	6,626,299
	13,436,961	7,566,063

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. BANK BORROWINGS (cont'd)

18.1 Term loans (cont'd)

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

- (a) A legal charge over properties of certain subsidiaries as mentioned in Note 4; and
- (b) Corporate guarantees and indemnity from the Company.

Term loan facilities of the Group are denominated in RM, incur weighted average effective interest at rates of 4.60% (2013: 4.60%) per annum.

18.2 ICP/IMTN

	Group and Company	
	2014	2013
	RM	RM
Current		
- not later than one year	-	-
Non-current		
- later than one year but not later than two years	50,000,000	-
- later than two years but not later than five years	90,000,000	80,000,000
- more than five years	-	50,000,000
	140,000,000	130,000,000
	140,000,000	130,000,000

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 purpose:-

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

The ICP/IMTN bear interest at rates ranging from 3.85% to 4.45% (2013: 3.85% to 4.20%) 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:-

- (i) a four storey leasehold shop office (expiring in 2059) located at No.16, Jalan 52/4, 46200 Petaling Jaya,
- (ii) a four storey leasehold shop office (expiring in 2060) located at No.18, Jalan 52/4, 46200 Petaling Jaya,
- (iii) freehold commercial shophot located at G-19, Subang Parade, Selangor,
- (iv) leasehold commercial shophot (expiring in 2090) located at G-14, Mahkota Parade, Melaka,

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. BANK BORROWINGS (cont'd)

18.2 ICP/IMTN (cont'd)

The ICP/IMTN bear interest at rates ranging from 3.85% to 4.45% (2013: 3.85% to 4.20%) 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 (cont'd):-

- (v) leasehold commercial shophot (expiring in 2090) located at G-29, Mahkota Parade, Melaka,
- (vi) leasehold commercial shophot (expiring in 2095) located at GF-119, Queensbay Shopping Mall, Penang,
- (vii) leasehold commercial shophot (expiring in 2095) located at GF-120, Queensbay Shopping Mall, Penang,
- (viii) freehold commercial shophot located at G-13, Summit Parade, Batu Pahat, Johor;
- (ix) unconditional and irrevocable corporate guarantee of Poh Kong Jewellers Sdn. Bhd. for the entire amount of the facility and any guarantee fee, profit accruing and other payment obligations thereon;
- (x) a legal assignment/charge over present and future rights, title, benefits and interest in and to the designated accounts and all monies from to time standing to the credit of the designated accounts; and
- (xi) 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 net worth and finance service cover ratios.

18.3 Hire purchase payables

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Minimum hire purchase payments:-				
- not later than one year	1,600,932	1,658,757	108,708	119,773
- later than one year but not later than five years	2,679,239	3,996,921	191,093	245,513
	4,280,171	5,655,678	299,801	365,286
Less: Future finance charges	(480,680)	(508,023)	(37,173)	(34,496)
Present value of hire purchase payables	3,799,491	5,147,655	262,628	330,790
Represented by:-				
Current				
- not later than one year	1,397,594	1,392,004	83,711	90,788
Non-current				
- later than one year but not later than five years	2,401,897	3,755,651	178,917	240,002
	3,799,491	5,147,655	262,628	330,790

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. BANK BORROWINGS (cont'd)

18.3 Hire purchase payables (cont'd)

The Group's and the Company's hire purchase payables bear effective interest at rates of 3.96% (2013: 3.07%) and ranges from 3.88% to 5.57% (2013: 2.86% to 3.85%) per annum respectively.

18.4 Finance lease payables

	Group	
	2014	2013
	RM	RM
Minimum lease payments :		
- not later than one year	603,912	1,362,624
- later than one year but not later than five years	536,940	100,327
	1,140,852	1,462,951
Less: Future finance charges	(74,663)	(52,538)
Present value of lease payments	1,066,189	1,410,413
Represented by:		
Current		
- not later than one year	564,387	1,311,960
Non-current		
- later than one year but not later than five years	501,802	98,453
	1,066,189	1,410,413

The Group's finance lease facilities bear effective interest at rates of 3.50% (2013: 3.50%) per annum.

18.5 Bank overdrafts

The bank overdrafts of the Group are denominated in RM and incur weighted average effective interest at rate of 8.35% (2013: 8.10%) 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:-

- (a) corporate guarantees and indemnity from the Company;
- (b) a legal charge over properties of certain subsidiaries as mentioned in Note 4;
- (c) a negative pledge on certain subsidiaries' assets; and
- (d) fixed deposits place with licensed banks of the Group as mentioned in Note 14.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. BANK BORROWINGS (cont'd)

18.6 Bankers' acceptance, revolving credit and short-term loan (cont'd)

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

	Group and Company	
	2014	2013
	%	%
Bankers' acceptance	4.19 - 4.70	4.17 - 4.27
Revolving credit	-	6.45
Short-term loan	2.80	3.22

19. TRADE AND OTHER PAYABLES / DEPOSITS AND ACCRUALS

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Trade payables	9,503,692	13,328,954	-	-
Other payables	8,662,563	16,536,306	2,984,247	6,320,441
	18,166,255	29,865,260	2,984,247	6,320,441
Deposits	56,856	17,500	-	-
Accruals	10,124,976	9,132,200	463,704	1,378,249
Customers' deposits	5,897,823	7,675,624	-	-
	16,079,655	16,825,324	463,704	1,378,249
	34,245,910	46,690,584	3,447,951	7,698,690

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. TRADE AND OTHER PAYABLES / DEPOSITS AND ACCRUALS (cont'd)

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 1 to 180 days (2013: 1 to 180 days).

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

	Group	
	2014	2013
	RM	RM
Taiwanese New Dollar	9,576	-
US Dollar	511,402	1,272,986
Hong Kong Dollar	196,039	371,294
Euro	61,485	1,063,236
Ringgit Malaysia	8,725,190	10,621,438
	9,503,692	13,328,954

(b) Other payables

The Group's and the Company's amounts owing to other payables are unsecured, interest free and are repayable on demand.

Included in other payables of the Group are amounts of RM177,920/- (2013: RM535,203/-) due to the directors of the subsidiaries.

Included in other payables of the Group is an amount of RM540,000/- (2013: RM nil) received in advance as total consideration for disposal of its owned subsidiary, Jungmax Property Sdn. Bhd. as disclosed in Note 37 to the financial statements.

20. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

The ultimate holding company, Poh Kong Sdn. Bhd. is incorporated and domiciled in Malaysia.

The amount due to ultimate holding company is non-trade in nature, unsecured, bears effective interest at rate of 6.00% (2013: 6.60%) per annum and is repayable on demand.

21. AMOUNT DUE TO DIRECTORS

The amount due to directors are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. REVENUE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Sale of goods	798,937,178	975,778,675	-	-
Advertising and promotion recovery	-	-	9,086,237	10,426,879
Dividend income	-	-	6,173,000	12,812,602
Interest income	-	5,785	6,904,475	7,251,823
Management fee	-	-	4,401,875	5,290,795
	798,937,178	975,784,460	26,565,587	35,782,099

23. FINANCE COSTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest expenses on bank borrowings	13,404,052	13,277,520	8,013,839	8,785,409
Hire purchase and finance lease charges	372,386	744,120	16,600	14,346
	13,776,438	14,021,640	8,030,439	8,799,755

24. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation has been arrived at:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
After charging:-				
Allowance for impairment on				
- trade receivables	15,047	595,075	-	-
- investment in subsidiaries	-	-	359,986	173,039
Auditors' remuneration				
- current year	280,000	280,000	54,000	15,000
- prior year	1,500	-	-	-
Depreciation of:-				
- property, plant and equipment	10,374,190	10,050,422	570,878	607,852
- investment property	8,890	-	-	-
Employee benefits expenses (Note 29)	84,931,504	80,315,228	8,106,821	9,951,946

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. PROFIT/(LOSS) BEFORE TAXATION (cont'd)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
After charging (Cont'd):-				
Inventories loss	8,330	260,628	-	-
Lease rental	1,442,060	624,018	1,442,060	624,018
Loss on disposal of property, plant and equipment	-	-	-	3,833
Property, plant and equipment written off	1,016,355	641,483	-	-
Realised loss on foreign exchange	122,808	25,537	-	-
Unrealised loss on foreign exchange	33,796	-	-	-
Shop rental	25,762,402	26,191,559	226,400	237,400
And crediting:-				
Car rental income	-	-	1,432	-
Dividend income	299,998	299,998	6,173,000	12,812,602
Equipment rental income	-	-	234,593	167,384
Gain on disposal of property, plant and equipment	186,421	239,248	59,733	-
Interest income	218,133	299,587	-	-
Premises rental income	125,200	107,500	-	-
Realised gain on foreign exchange	653,486	8,936	-	-
Reversal of allowance for impairment on trade receivables	554,181	-	-	-

25. TAXATION

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Income tax				
- current year	(7,068,013)	(12,169,775)	1,145,601	(4,060,000)
- prior year	(1,686,928)	253,458	1,029,211	50,003
	(8,754,941)	(11,916,317)	2,174,812	(4,009,997)
Deferred tax (Note 9)				
- current year	(192,911)	259,978	865,371	128,624
- prior year	390,650	5,050,514	46,949	981,940
	197,739	5,310,492	912,320	1,110,564
	(8,557,202)	(6,605,825)	3,087,132	(2,899,433)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. TAXATION (cont'd)

The income tax rate is calculated at the Malaysian statutory tax rate of 25% of the estimated taxable profit for the fiscal year. The statutory tax rate will be reduced to 24% from current year's rate of 25% with effect from year of assessment 2016.

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company are as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit/(loss) before taxation from continuing operation	21,869,975	40,574,947	(2,896,369)	6,833,073
Loss before taxation from discontinued operation	(2,461)	-	-	-
	21,867,514	40,574,947	(2,896,369)	6,833,073
Tax at Malaysian statutory tax rate at 25%	(5,466,879)	(10,143,737)	724,092	(1,708,268)
Tax effects arising from:				
- non-deductible expenses	(1,733,336)	(1,474,918)	(121,470)	(2,969,657)
- non-taxable income	16,963	3,276	1,543,250	746,549
- deferred tax assets not recognised	(14,811)	(97,165)	-	-
- deferred tax recognised in difference tax rate	(62,861)	-	(134,900)	-
- (under)/over accrual in prior year	(1,296,278)	5,106,719	1,076,160	1,031,943
Tax expense for the financial year	(8,557,202)	(6,605,825)	3,087,132	(2,899,433)

26. LOSS FROM DISCONTINUED OPERATION

Loss attributable to the discontinued operation was as follows:-

	Group 2014 RM
After charging:-	
Auditors' remuneration	1,000
Depreciation	2,964

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. EARNINGS PER SHARE

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

	Group	
	2014 RM	2013 RM
Profit after taxation attributable to owners of the Company (RM):-		
- Profit from continuing operations, net of tax	13,312,773	33,969,122
- Loss from discontinued operation, net of tax	(2,461)	-
	13,310,312	33,969,122
Weighted average number of ordinary shares in issue	410,351,752	410,351,752
Basic earnings per share (sen)		
- Basic, for the profit from continuing operations	3-24	8-28
- Basic, for the loss from the discontinued operation	0-00	0-00
	3-24	8-28

- (b) The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any potential ordinary shares outstanding at the end of the reporting period.
- (c) The basic loss per share from discontinued operation is calculated by dividing the net loss for the financial year from the discontinued operation attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

28. DIVIDENDS ON ORDINARY SHARES

	Group and Company	
	2014 RM	2013 RM
Final dividend of 1-40 sen (2013 :1-50 sen) single tier dividend	5,744,925	6,155,276

At the forthcoming Annual General Meeting, a single tier first and final dividend of 1-00 sen on 410,351,752 ordinary shares of RM0.50 each amounting to RM4,103,518/- in respect of the current financial year ended 31st July 2014 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 31st July 2015.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Salaries, bonus, overtime and allowances	73,643,149	68,110,394	6,524,159	8,396,976
Defined contribution plan				
- EPF	5,851,236	4,668,676	609,319	581,910
Other staff related expenses	5,437,119	7,536,158	973,343	973,060
	84,931,504	80,315,228	8,106,821	9,951,946

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<u>Executive directors</u>				
- Salaries and other emoluments (including estimated monetary value of benefits-in-kind)	8,293,767	8,198,537	3,146,494	3,115,132
- Fees	99,000	111,000	-	-
	8,392,767	8,309,537	3,146,494	3,115,132
<u>Non-executive directors</u>				
- Fees	158,000	144,000	158,000	144,000
- Non-fees	91,700	75,000	91,700	75,000
	249,700	219,000	249,700	219,000
Total directors' remuneration	8,642,467	8,528,537	3,396,194	3,334,132

30. CAPITAL COMMITMENTS

	Group	
	2014 RM	2013 RM
Capital expenditure in respect of purchase of property, plant and equipment:-		
- Contracted but not provided for	2,235,322	2,652,915

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. OPERATING LEASE ARRANGEMENTS

The Group as Lessee

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

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Future minimum rental payments:-				
Not later than one year	19,914,764	20,617,091	71,500	78,000
Later than one year but not later than five years	12,909,937	14,214,649	-	71,500
	32,824,701	34,831,740	71,500	149,500

32. FINANCIAL GUARANTEES

	Company	
	2014 RM	2013 RM
<u>Secured</u>		
Guarantees given in support of banking facilities granted to subsidiaries	167,601,999	160,101,999
<u>Unsecured</u>		
Guarantees given to third parties in respect of leasing facilities granted to the Company and its subsidiaries	8,000,000	8,000,000
Guarantees given to third parties in respect of hire purchase facilities granted to subsidiaries	7,474,928	7,474,928

33. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identification of related parties

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 are subject to common control. Related parties may be individuals or other entities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(a) Identification of related parties (cont'd)

Related parties of the Group include:-

- (i) Ultimate holding company;
- (ii) Subsidiaries;
- (iii) A company in which directors of the Company have substantial financial interest;
- (iv) A corporate shareholder of a subsidiary; and
- (v) Key management personnel, comprise persons (including the directors of the Company) who have the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Significant related party transactions and balances

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Dividend income received and receivable from				
- subsidiaries	-	-	6,173,000	12,812,602
- company connected to a director of the Company	299,998	299,998	-	-
Interest income received and receivable from subsidiaries	-	-	6,904,475	7,246,038
Management fee, advertisement and promotions charges received and receivable from subsidiaries	-	-	13,488,112	15,717,674
Car rental received and receivable from subsidiaries	-	-	1,432	-
Shop rental received and receivable from a company connected to directors of the Company	36,000	-	-	-
Equipment rental charges received and receivable from subsidiaries	-	-	234,593	167,384
Sale of goods to				
- certain directors of the Company	1,997,253	7,795	-	-
- director of subsidiaries	67,605	249,713	-	-
- key management personnel	18,829	-	-	-
Hostel rental paid to				
- certain directors of the Company	114,000	114,000	114,000	114,000
- directors of subsidiaries	64,600	48,600	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) Significant related party transactions and balances (cont'd)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Purchase of goods from				
- directors of the Company	401,548	-	-	-
- directors of subsidiaries	15,748	1,419,000	-	-
- key management personnel	1,580	-	-	-
Legal and professional fees paid to a firm connected to a director of the Company	14,451	19,460	-	-
Interest expenses paid to ultimate holding company	19,800	415,854	19,800	415,854
Consideration received on disposed its wholly owned subsidiary	540,000	-	-	-

(c) Key management personnel remuneration

The remuneration of the key management personnel during the financial year is as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Directors of the Company and subsidiaries				
Short-term employment benefits (including estimated monetary value of benefits-in-kind)	11,076,890	13,697,133	3,051,240	3,115,132
Post employment benefits	671,848	806,258	203,376	219,000
	11,748,738	14,503,391	3,254,616	3,334,132
Other key management personnels				
Short-term employment benefits (including estimated monetary value of benefits-in-kind)	14,981,567	9,513,343	2,129,172	2,023,267
Post employment benefits	1,210,929	783,255	229,896	218,670
	16,192,496	10,296,598	2,359,068	2,241,937

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SEGMENT REPORTING

The information reported to the Group Managing Director, as the chief operating decision maker, in making decisions to allocate resources to segments and to assess their performance is based on the nature of the industry (business segments) of the Group.

Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transactions between reportable segments are measured on the basis that is similar to those external customers.

Segment statements of comprehensive income are profit earned or loss incurred by each segment without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from previous financial year in the measurement methods used to determine reported segment statements of comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

(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

2014	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Note	Consolidated RM
Revenue						
External sales	797,266,416	182,403	1,488,359	-		798,937,178
Inter-segment sales	98,907,762	318,595,829	90,479,326	(507,982,917)	34(b)	-
Total Revenue	896,174,178	318,778,232	91,967,685	(507,982,917)		798,937,178
Results						
Segment results	21,850,326	10,082,995	10,949,832	(7,239,201)	34(c)	35,643,952
Unallocated corporate expenses						-
Finance cost						35,643,952
Tax expense						(13,776,438)
Profit for the year						(8,557,202)
						13,310,312

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SEGMENT REPORTING (cont'd)

(a) Business segments (cont'd)

2014	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Note	Consolidated RM
Assets						
Segment assets	1,169,766,958	107,470,439	806,826,131	(1,297,233,154)		786,830,374
Deferred tax assets and tax recoverable						8,888,204
Consolidated total assets						795,718,578
Liabilities						
Segment liabilities	849,223,495	31,697,148	559,407,252	(1,105,508,398)		334,819,497
Deferred tax liabilities and tax payable						12,018,087
Consolidated total liabilities						346,837,584
Other information						
Additions of property, plant and equipment						9,648,703
Depreciation of property, plant and equipment and investment property						10,383,080
Non-cash expenses					34(d)	1,073,528
Non-cash income					34(d)	740,602

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SEGMENT REPORTING (cont'd)

(a) Business segments (cont'd)

2013	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Note	Consolidated RM
Revenue						
External sales	975,586,746	190,637	7,077	-		975,784,460
Inter-segment sales	460,291,817	410,443,412	88,789,670	(959,524,899)	34(b)	-
Total Revenue	1,435,878,563	410,634,049	88,796,747	(959,524,899)		975,784,460
Results						
Segment results	22,042,385	9,497,567	42,563,244	(19,506,609)	34(c)	54,596,587
Unallocated corporate expenses						-
						<u>54,596,587</u>
Finance cost						(14,021,640)
Tax expense						(6,605,825)
						<u>33,969,122</u>
Assets						
Segment assets	841,018,335	104,784,386	999,670,391	(1,200,375,198)		745,097,914
Deferred tax assets and tax recoverable						<u>17,048,433</u>
Consolidated total assets						<u>762,146,347</u>
Liabilities						
Segment liabilities	759,214,152	34,982,320	513,610,022	(998,087,877)		309,718,617
Deferred tax liabilities and tax payable						<u>11,112,123</u>
Consolidated total liabilities						<u>320,830,740</u>
Other information						
Additions of property, plant and equipment						15,134,201
Depreciation of property, plant and equipment						10,050,422
Non-cash expenses					34(d)	1,497,186
Non-cash income					34(d)	<u>239,248</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SEGMENT REPORTING (cont'd)

- (b) Inter-segment revenue are eliminated on consolidation.
- (c) Inter-segment profits are eliminated on consolidation.
- (d) Other non-cash items other than depreciation, impairment loss of property, plant and equipment and investment properties consist of the following:-

	2014 RM	2013 RM
Non-cash income:-		
Gain on disposal of property, plant and equipment	186,421	239,248
Reversal of allowance for impairment on trade receivables	554,181	-
	740,602	239,248
Non-cash expenses:-		
Allowance for impairment on trade receivables	15,047	595,075
Inventories loss	8,330	260,628
Property, plant and equipment written off	1,016,355	641,483
Unrealised loss on foreign exchange	33,796	-
	1,073,528	1,497,186
	(332,926)	(1,257,938)

(e) Geographical segments

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

35. FINANCIAL INSTRUMENTS

(a) Financial Risk Management and Objectives

The Group and the Company seek to manage effectively the various risks namely credit, liquidity, interest rate, foreign currency and price risks, to which the Group and the Company are exposed to in their daily operations.

(i) Credit Risk

The Group's and the Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables and amount due by subsidiaries. The Group and the Company manage their exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an on-going basis. For other financial assets (including other investments, fixed deposits placed with licensed banks and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Risk Management and Objectives (cont'd)

(i) Credit Risk (cont'd)

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:-

- (i) The carrying amounts of each class of financial assets recognised in the statements of financial position as disclosed in Note 11, Note 12 and Note 13 to the financial statements; and
- (ii) The nominal amount of guarantees provided by the Group and the Company to banks on subsidiaries' credit facilities as disclosed in Note 32 to the financial statements.

The Group has significant exposure and major concentration of credit risk of fifty-two percent deriving from six customers relating to trade receivables.

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

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 are disclosed in Note 11 to the financial statements. Fixed deposits and cash and bank balances are placed with reputable licensed financial institutions with high credit ratings.

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 to the financial statements.

Inter-company balances

The Company provides advances to subsidiaries. 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 subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Risk Management and Objectives (cont'd)

(i) Credit Risk (cont'd)

Financial guarantees

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiaries.

As at reporting period, 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 subsidiaries are adequately secured by assets as disclosed in Note 4 and Note 14 respectively. Should the subsidiaries default any loan repayments, the proceed from the realisation of these assets together with the corporate guarantee by the Company will be able to satisfy the outstanding debts.

(ii) Liquidity Risk

Liquidity risk is the risk that the Group or 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 and the Company practise prudent risk management by maintaining sufficient cash balances and the continuity of funding and flexibility through the use of stand-by credit facilities.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Risk Management and Objectives (cont'd)

(ii) 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 liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group 2014	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM	Over five years RM
Financial liabilities					
Trade and other payables	18,166,255	18,166,255	18,166,255	-	-
Deposits and accruals	16,079,655	16,079,655	16,079,655	-	-
Bank overdraft	4,439,101	4,439,101	4,439,101	-	-
Bankers' acceptance	127,879,000	127,879,000	127,879,000	-	-
Short-term loan	6,516,460	6,516,460	6,516,460	-	-
Term loans	13,436,961	13,436,961	1,214,874	8,828,828	3,393,259
ICP/IMTN	140,000,000	140,000,000	-	140,000,000	-
Hire purchase payables	3,799,491	4,280,171	1,600,932	2,679,239	-
Finance lease payables	1,066,189	1,140,852	603,912	536,940	-
Amount due to ultimate holding company	1,219,585	1,219,585	1,219,585	-	-
Amount due to directors	2,215,600	2,215,600	2,215,600	-	-
	334,818,297	335,373,640	179,935,374	152,045,007	3,393,259
2013					
Financial liabilities					
Trade and other payables	29,865,260	29,865,260	29,865,260	-	-
Deposits and accruals	16,825,324	16,825,324	16,825,324	-	-
Bank overdraft	973,372	973,372	973,372	-	-
Bankers' acceptance	104,300,000	104,300,000	104,300,000	-	-
Revolving credit	3,000,000	3,000,000	3,000,000	-	-
Short-term loan	6,731,160	6,731,160	6,731,160	-	-
Term loans	7,566,063	7,566,063	939,764	2,799,500	3,826,799
ICP/IMTN	130,000,000	130,000,000	-	80,000,000	50,000,000
Hire purchase payables	5,147,655	5,655,678	1,658,757	3,996,921	-
Finance lease payables	1,410,413	1,462,951	1,362,624	100,327	-
Amount due to ultimate holding company	300,000	300,000	300,000	-	-
Amount due to directors	3,599,370	3,599,370	3,599,370	-	-
	309,718,617	310,279,178	169,555,631	86,896,748	53,826,799

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Risk Management and Objectives (cont'd)

(ii) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Company	Carrying amount	Contractual undiscounted cash flows	On demand or within one year	One to five years	Over five years
2014	RM	RM	RM	RM	RM
Financial liabilities					
Other payables and accruals	3,447,951	3,447,951	3,447,951	-	-
ICP/IMTN	140,000,000	140,000,000	-	140,000,000	-
Hire purchase payables	262,628	299,801	108,708	191,093	-
Amount due to ultimate holding company	1,219,585	1,219,585	1,219,585	-	-
Amount due to subsidiaries	271,475,775	271,475,775	271,475,775	-	-
Amount due to directors	1,078,912	1,078,912	1,078,912	-	-
	417,484,851	417,522,024	277,330,931	140,191,093	-
2013					
Financial liabilities					
Other payables and accruals	7,698,690	7,698,690	7,698,690	-	-
ICP/IMTN	130,000,000	130,000,000	-	80,000,000	50,000,000
Hire purchase payables	330,790	365,286	119,773	245,513	-
Amount due to ultimate holding company	300,000	300,000	300,000	-	-
Amount due to subsidiaries	142,462,320	142,462,320	142,462,320	-	-
Amount due to directors	1,507,531	1,507,531	1,507,531	-	-
	282,299,331	282,333,827	152,088,314	80,245,513	50,000,000

(iii) 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 exposure to interest rate risk arises primarily from interest-bearing financial assets and liabilities. The Group's and the Company's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group and of the Company will be placed with licensed financial institutions to generate interest income.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Risk Management and Objectives (cont'd)

(iii) Interest Rate Risk (cont'd)

Interest rate profile

At the end of the reporting period, the interest rate profile of the interest-bearing financial instruments is as follows:-

Group 2014	Effective interest rate %	Within one year RM	One to five years RM	Over five years RM	Total RM
Financial asset					
Fixed deposits placed with licensed banks	2.48	8,110,000	-	-	8,110,000
Financial liabilities					
Hire purchase payables	3.96	1,397,594	2,401,897	-	3,799,491
Finance lease payables	3.50	564,387	501,802	-	1,066,189
ICP/IMTN	3.85 - 4.45	-	140,000,000	-	140,000,000
Term loans	4.60	1,214,874	8,828,828	3,393,259	13,436,961
Short-term loan	2.80	6,516,460	-	-	6,516,460
Bankers' acceptance	4.19 - 4.70	127,879,000	-	-	127,879,000
Bank overdrafts	8.35	4,439,101	-	-	4,439,101
2013					
Financial asset					
Fixed deposits placed with licensed banks	2.35	18,026,052	-	-	18,026,052
Financial liabilities					
Hire purchase payables	3.07	1,392,004	3,755,651	-	5,147,655
Finance lease payables	3.50	1,311,960	98,453	-	1,410,413
ICP/IMTN	3.85-4.20	-	80,000,000	50,000,000	130,000,000
Term loans	4.60	939,764	2,799,500	3,826,799	7,566,063
Short-term loan	3.22	6,731,160	-	-	6,731,160
Revolving credit	6.45	3,000,000	-	-	3,000,000
Bankers' acceptance	4.17-4.27	104,300,000	-	-	104,300,000
Bank overdrafts	8.10	973,372	-	-	973,372

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Risk Management and Objectives (cont'd)

(iii) Interest Rate Risk (cont'd)

Interest rate profile (cont'd)

At the end of the reporting period, the interest rate profile of the interest-bearing financial instruments is as follows (cont'd):-

Company 2014	Effective interest rate %	Within one year RM	One to five years RM	Over five years RM	Total RM
Financial asset					
Fixed deposits placed with licensed banks	2.35	30,000	-	-	30,000
Financial liabilities					
Hire purchase payables	3.88-5.57	83,711	178,917	-	262,628
ICP/IMTN	3.85-4.45	-	140,000,000	-	140,000,000
2013					
Financial asset					
Fixed deposits placed with licensed banks	2.35	30,000	-	-	30,000
Financial liabilities					
Hire purchase payables	2.86-3.85	90,788	240,002	-	330,790
ICP/IMTN	3.85-4.20	-	80,000,000	50,000,000	130,000,000

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 31st July 2014, 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 RM152,271,522/- (2013: RM122,570,595/-) of the Group is exposed to cash flow interest rate risk whilst borrowings of the Group and the Company at fixed rate amounting to RM144,865,680/- and RM140,262,628/- (2013: RM136,558,068/- and RM130,330,790/-) respectively are exposed to the fair value interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Risk Management and Objectives (cont'd)

(iii) Interest Rate Risk (cont'd)

Sensitivity analysis for interest rate risk

If the interest rate had been 1% higher/lower and all other variables held constant, the Group's profit for the financial year ended 31st July 2014 would decrease/increase by RM1,522,715/- (2013: RM1,225,706/-) respectively as a result of exposure to floating rate borrowings.

(iv) Foreign Currency Risk

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

The Group has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the functional currencies of Group entities. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entity are kept to an acceptable level.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including United State, Taiwan, Europe and Hong Kong. The Group's investments in foreign operations are not hedged.

(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.

(b) Classification of Financial Instruments

Financial assets and financial liabilities are measured on an on-going basis either at fair value or at amortised cost. The principal accounting policies in Note 2.3 to the financial statements describe how classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Classification of Financial Instruments (cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis.

Group 2014	Loans and receivables RM	Available- for-sales RM	Financial liabilities at amortised cost RM	Total RM
Financial assets				
Other investments				
- unquoted shares	-	299,999	-	299,999
Trade and other receivables	4,606,655	-	-	4,606,655
Deposits	9,254,284	-	-	9,254,284
Fixed deposits placed with licensed banks	8,110,000	-	-	8,110,000
Cash and bank balances	34,277,596	-	-	34,277,596
Total carrying amount	56,248,535	299,999	-	56,548,534
Financial liabilities				
Trade and other payables	-	-	18,166,255	18,166,255
Deposits and accruals	-	-	16,079,655	16,079,655
Bank borrowings	-	-	297,137,202	297,137,202
Amount due to ultimate holding company	-	-	1,219,585	1,219,585
Amount due to directors	-	-	2,215,600	2,215,600
Total carrying amount	-	-	334,818,297	334,818,297
2013				
Financial assets				
Other investments				
- unquoted shares	-	299,999	-	299,999
Trade and other receivables	3,413,815	-	-	3,413,815
Deposits	8,600,547	-	-	8,600,547
Fixed deposits placed with licensed banks	18,026,052	-	-	18,026,052
Cash and bank balances	22,306,102	-	-	22,306,102
Total carrying amount	52,346,516	299,999	-	52,646,515
Financial liabilities				
Trade and other payables	-	-	29,865,260	29,865,260
Deposits and accruals	-	-	16,825,324	16,825,324
Bank borrowings	-	-	259,128,663	259,128,663
Amount due to ultimate holding company	-	-	300,000	300,000
Amount due to directors	-	-	3,599,370	3,599,370
Total carrying amount	-	-	309,718,617	309,718,617

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Classification of Financial Instruments (cont'd)

Company 2014	Loans and receivables RM	Available- for-sales RM	Financial liabilities at amortised cost RM	Total RM
Financial assets				
Trade and other receivables	6,888,651	-	-	6,888,651
Deposits	13,499	-	-	13,499
Fixed deposits placed with licensed banks	30,000	-	-	30,000
Amount due by subsidiaries	465,258,041	-	-	465,258,041
Cash and bank balances	640,847	-	-	640,847
Total carrying amount	472,831,038	-	-	472,831,038
Financial liabilities				
Other payables and accruals	-	-	3,447,951	3,447,951
Bank borrowings	-	-	140,262,628	140,262,628
Amount due to ultimate holding company	-	-	1,219,585	1,219,585
Amount due to directors	-	-	1,078,912	1,078,912
Amount due to subsidiaries	-	-	271,475,775	271,475,775
Total carrying amount	-	-	417,484,851	417,484,851
2013				
Financial assets				
Trade and other receivables	8,929,755	-	-	8,929,755
Deposits	14,636	-	-	14,636
Fixed deposits placed with licensed banks	30,000	-	-	30,000
Amount due by subsidiaries	330,216,472	-	-	330,216,472
Cash and bank balances	1,246,382	-	-	1,246,382
Total carrying amount	340,437,245	-	-	340,437,245
Financial liabilities				
Other payables and accruals	-	-	7,698,690	7,698,690
Bank borrowings	-	-	130,330,790	130,330,790
Amount due to ultimate holding company	-	-	300,000	300,000
Amount due to directors	-	-	1,507,531	1,507,531
Amount due to subsidiaries	-	-	142,462,320	142,462,320
Total carrying amount	-	-	282,299,331	282,299,331

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

(c) Fair Values of Financial Instruments

The carrying amount of financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

2014 Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM	Total carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
Financial assets								
Other investments	-	-	-	-	-	-	-	# 299,999
- Unquoted shares	-	-	-	-	-	-	-	-
- Transferable club memberships	-	-	-	826,000	-	-	826,000	238,000
	-	-	-	826,000	-	-	826,000	537,999
Financial liabilities								
Term loans	-	-	-	-	13,436,961	-	13,436,961	13,436,961
ICP/IMTN	-	-	-	-	140,000,000	-	140,000,000	140,000,000
Hire purchase payables	-	-	-	-	-	4,043,772	4,043,772	3,799,491
Finance lease payables	-	-	-	-	-	1,084,729	1,084,729	1,066,189
	-	-	-	-	153,436,961	5,128,501	158,565,462	158,302,641

The fair value cannot be reliably measured using valuation techniques due to the lack of marketability of the unquoted shares.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (cont'd)

(c) Fair Values of Financial Instruments (cont'd)

2013 Group	Fair value of financial instruments carried at fair value			Total RM	Fair value of financial instruments not carried at fair value * RM	Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM				
Financial assets							
Other investments							
- Unquoted shares	-	-	-	-	-	#	299,999
- Transferable club memberships	-	-	-	-	830,000	830,000	238,000
	-	-	-	-	830,000	830,000	537,999
Financial liabilities							
Term loans	-	-	-	-	7,566,063	7,566,063	7,566,063
ICP/IMTN	-	-	-	-	130,000,000	130,000,000	130,000,000
Hire purchase payables	-	-	-	-	5,655,678	5,655,678	5,147,655
Finance lease payables	-	-	-	-	1,462,951	1,462,951	1,410,413
	-	-	-	-	144,684,692	144,684,692	144,124,131

* Comparative figures have not been analysed by levels, by virtue of transitional provision given in Appendix C2 of FRS 13.

The fair value cannot be reliably measured using valuation techniques due to the lack of marketability of the unquoted shares.

Fair value hierarchy

The fair value hierarchy has the following levels:-

- (a) Level 1:
Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2:
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

- (c) Level 3:
Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest by reference to similar borrowing arrangements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. 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 shareholder value. The Group's and the Company's strategy in capital management remains unchanged for 31st July 2014 and 31st July 2013.

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

The Group and the Company are required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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 payables, finance lease payables, bank overdrafts, other borrowings and term loans less cash and bank balances whilst total capital is the shareholders' funds of the Group and of the Company.

The gearing ratio for the Group and for the Company respectively as at 31st July 2014 and 31st July 2013, are as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Total net debts	254,749,606	218,796,509	139,591,781	129,054,408
Total capital plus net debts	703,630,600	660,112,116	362,978,705	357,995,494
Gearing ratio	0.36	0.33	0.38	0.36

The Group is also required to maintain a maximum debt to tangible networth ratio of 0.9 times and a minimum finance service cover ratio of 2.5 times to comply with a bank covenant, failing which, the bank may call an event of default. This externally imposed capital requirement has been complied with for the financial years ended 31st July 2014 and 31st July 2013.

37. SUBSEQUENT EVENT

On 26th August 2014, Poh Kong Jewellers Sdn. Bhd. ("PKJ"), a subsidiary of Poh Kong Holdings Berhad has disposed the entire 180,000/- ordinary shares of RM1.00 each in Jungmax Property Sdn Bhd ("Jungmax") for a total consideration of RM540,000/-.

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

On 25th March 2010, Bursa Malaysia Securities Berhad (“Bursa Malaysia”) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20th December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits of the Group and the Company as at 31st July 2014 are as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained profits of the Company and its subsidiaries				
- realised	363,604,688	363,023,225	14,973,449	21,439,931
- unrealised	(4,219,149)	(4,383,092)	3,237,599	2,325,279
	359,385,539	358,640,133	18,211,048	23,765,210
Less: Consolidation adjustments	(141,585,495)	(148,405,476)	-	-
Total retained profits	217,800,044	210,234,657	18,211,048	23,765,210

The determination of realised and unrealised profits is based on Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20th December 2010.

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 purposes.

STATEMENT BY DIRECTORS

We, **DATO' CHOON YEE SEIONG** and **CHEONG TECK CHONG**, being two of the directors of Poh Kong Holdings Berhad, do hereby state that in the opinion of the directors, the financial statements set out on pages 81 to 166 have been properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 at 31st July 2014 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

The supplementary information set out on page 167 has been prepared in accordance with the Guidance of 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*, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

DATO' CHOON YEE SEIONG

Director

Petaling Jaya

Date: 19th November 2014

CHEONG TECK CHONG

Director

STATUTORY DECLARATION

I, **KOH SZE HAW**, being the officer primarily responsible for the financial management of Poh Kong Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 81 to 166, and the supplementary information set out on page 167 are 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.

KOH SZE HAW]
Subscribed and solemnly declared by]
the abovenamed at Petaling Jaya]
on 19th November 2014.]

Before me,

Commissioner for Oaths

N.MADHAVAN NAIR (B064)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF POH KONG HOLDINGS BERHAD (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 31st July 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 81 to 166.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are 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 controls relevant to the Company's preparation of the 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 Company's internal controls. 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 give a true and fair view of the financial position of the Group and of the Company as at 31st July 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 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 Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF POH KONG HOLDINGS BERHAD
(INCORPORATED IN MALAYSIA) (CONT'D)

Report on other Legal and Regulatory Requirements (cont'd)

- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 167 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 the 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 ("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 contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Lock Peng Kuan
No. 2819/10/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 19th November 2014

ANALYSIS OF SHAREHOLDINGS AS AT 20 NOVEMBER 2014

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 20 NOVEMBER 2014

Size of shareholdings	No. of Shareholders	%	No. of Shareholdings	%
1 - 99	103	3.11	5,058	0.00
100 - 1,000	287	8.68	170,150	0.04
1,001 - 10,000	1,534	46.39	8,942,954	2.18
10,001 - 100,000	1,203	36.38	38,380,448	9.36
100,001 - 20,517,586(*)	179	5.41	123,644,256	30.13
20,517,587 and above (**)	1	0.03	239,208,886	58.29
Total	3,307	100.00	410,351,752	100.00

Remark : * - Less than 5% of issued holdings

** - 5% and above of issued holdings

THIRTY (30) LARGEST SHAREHOLDERS AS AT 20 NOVEMBER 2014

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 (Margin)	12,526,200	3.05
3.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG Singapore for British and Malayan Trustees Limited (Yeoman 3-Rights)	12,500,000	3.05
4.	Choon Yee Seiong	11,304,746	2.75
5.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock (STA 1)	11,227,900	2.74
6.	Maybank Nominees (Asing) Sdn Bhd Exempt An For DBS Bank Limited (Client A/C)	5,992,600	1.46
7.	M&A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Choon Nee Siew (M&A)	4,700,000	1.15
8.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	3,115,900	0.76

ANALYSIS OF SHAREHOLDINGS

AS AT 20 NOVEMBER 2014

THIRTY (30) LARGEST SHAREHOLDERS AS AT 20 NOVEMBER 2014 (cont'd)

No.	Name	No. of Ordinary Shares of RM0.50 each	% of Shares
9.	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Susy Ding (471873)	2,438,100	0.59
10.	Choon Wan Joo	2,320,080	0.57
11.	Hon Wee Fong	2,079,666	0.51
12.	Affin Hwang Nominees (Asing) Sn Bhd DBSVickers Secs (S) Pte Ltd for Lim Mee Hwa	2,074,000	0.51
13.	HSBC Nominees (Asing) Sdn Bhd Exempt An For Credit Suisse (SG BR-TST-ASING)	2,000,000	0.49
14.	Cheong Teck Chong	1,960,328	0.48
15.	Haw Yoo Hoon	1,933,800	0.47
16.	Tan Kim Chai	1,911,400	0.47
17.	Seah Tin Kim	1,844,100	0.45
18.	Lee Guan Huat	1,664,400	0.41
19.	Amsec Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for Pacific Pearl Fund (UT-PM-PPF)	1,547,200	0.38
20.	Federlite Holdings Sdn Bhd	1,500,100	0.37
21.	M&A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Choon Yoke Ying (M&A)	1,390,000	0.34
22.	Public Nominees (Asing) Sdn Bhd Pledged Securities Account for Tan Chee Wee (E-JBU)	1,300,000	0.32
23.	Tan Ai Guat	1,059,000	0.26
24.	Cimsec Nominees (Asing) Sdn Bhd Exempt An For CIMB Securities (Singapore) Pte Ltd (Retail Clients)	728,000	0.18
25.	Kenanga Nominees (Asing) Sdn Bhd Monex Boom Securities (HK) Limited for Pickers Capital Ltd	650,000	0.16
26.	Siow Der Ming	616,118	0.15
27.	Wong Sing Wah	597,800	0.15
28.	Tan Ming Kian	560,000	0.14
29.	Teoh Hooi Bin	526,700	0.13
30.	Kee Cheng Teik	500,000	0.12
Total:		331,777,024	80.85

ANALYSIS OF SHAREHOLDINGS

AS AT 20 NOVEMBER 2014

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 20 NOVEMBER 2014

	← Direct →		← Indirect →	
	No. of Shares	%	No. of Shares	%
Poh Kong Sdn Bhd	239,208,886	58.29	-	-
Dato' Choon Yee Seiong	11,392,246	2.77	250,637,528 ⁽¹⁾	61.09
Choon Nee Siew	4,706,742	1.15	253,764,072 ⁽⁴⁾	61.84
Cheong Teck Chong	2,273,928	0.55	239,769,648 ⁽²⁾	58.43
Choon Wan Joo	2,320,080	0.57	256,722,102 ⁽⁵⁾	62.56
Datin Hon Wee Fong	2,079,710	0.50	251,469,544 ⁽³⁾	61.25
Choon Yoke Ying	1,395,072	0.34	257,954,998 ⁽⁵⁾	62.86
Choon Yee Bin	200,030	0.05	258,397,534 ⁽⁶⁾	62.97
Mohd Annuar Choon Bin Abdullah	30	0.00	258,367,034 ⁽⁶⁾	62.96
Estate of Choon Yee Fook	82	0.00	259,225,064 ⁽⁷⁾	63.17
Choong Bee Chu	-	-	259,249,566 ⁽⁹⁾	63.18
Chong Siew Loi @ Chong Kim Loi	103,012	0.03	241,482,814 ⁽¹⁰⁾	58.85
Cheong Poh See	37,750	0.01	246,216,556 ⁽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	265,000	0.07	253,140,842 ⁽¹²⁾	61.67
Pang Cheow Mooi	413,000	0.10	241,482,814 ⁽¹³⁾	58.85
Elizabeth Choon Ee Ling	230,000	0.06	253,405,842 ⁽¹²⁾	61.70
Choon Ee Teng	230,000	0.06	253,405,842 ⁽¹²⁾	61.70

Notes:

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

ANALYSIS OF SHAREHOLDINGS

AS AT 20 NOVEMBER 2014

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 20 NOVEMBER 2014

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Choon Yee Seiong	11,392,246	2.77	250,637,528 ⁽¹⁾	61.09
Choon Nee Siew	4,706,742	1.15	253,764,072 ⁽²⁾	61.48
Cheong Teck Chong	2,273,928	0.55	239,769,648 ⁽³⁾	58.43
Choon Yee Bin	200,030	0.05	258,397,534 ⁽⁴⁾	62.97
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
Fazrin Azwar Bin Md. Nor	35,000	0.00	-	-
Dato' Dr. Choong Tuck Yew	217,500	0.05	155,000 ⁽⁵⁾	0.04
Datin Shirley Yue Shou How	-	-	-	-
Madam Tan Choon Hwa @ Esther Tan Choon Hwa	-	-	-	-

Notes:-

- Deemed interested by virtue of the shareholding of his spouse, child, siblings 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 siblings and children in PKHB and her substantial shareholding in PKSB pursuant to Sections 6A of and 122A the Act.
- Deemed interested by virtue of the shareholdings of his children and his 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 spouse in PKHB.
- Deemed interested by virtue of the shareholding of his spouse in PKHB.
- Deemed interested by virtue of the shareholding of his spouse in PKHB.

LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31ST JULY 2014

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 42 years	2,435,915	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 2094)	Shophouse	174.1875 square metres	Approximately 42 years	4,448,500	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	16 years	2,526,489	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	17 years	1,274,000	4.2.03
H.S.(D) 153914, PT10, Bandar Petaling Jaya Daerah Petaling Selangor Darul Ehsan	4 - storey shopoffice	Leasehold (Expiring in 2067)	Shophouse	174.1875 square metres	Approximately 42 years	3,664,800	14.8.09
No.10, Jalan 52/4, 46200, Petaling Jaya Selangor Darul Ehsan							

LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31ST JULY 2014

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 37 years	4,504,729	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 37 years	4,502,000	28.8.08
No.23, Jalan SS2/55 47300 Petaling Jaya Selangor Darul Ehsan							
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	13.5 years	16,876,000	1.9.95
Lot 1, Jalan Astaka US/81 Seksyen U8 40150 Shah Alam, Selangor							
PT 3867, HS(M) 10549 Mukim of Sungai Buluh District of Petaling Selangor Darul Ehsan	Agricultural land with a detached building	Leasehold (Expiring in 2070)	Residential	0.6146 hectare	25 years	2,895,222	15.8.97
No.276, Jalan 4D, Kampung Baru Subang, Shah Alam, Selangor							
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	159,100	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	1,960,000	30.7.02
No.8, Jalan 9/5E 40100 Shah Alam Selangor Darul Ehsan							

LIST OF PROPERTIES HELD BY THE GROUP AS AT 31ST JULY 2014

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 The Summit, Subang USJ 47600 Subang Jaya Selangor Darul Ehsan	Commercial shoplot	Freehold	Shopping Complex Lot	51.19 square metres	17 years	882,000	6.2.95
G-13, Ground Floor Summit Parade 83000 Batu Pahat Johor Darul Takzim	Commercial shop lot	Freehold	Shopping Complex Lot	100 square metres	21 years	737,940	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	22 years	1,960,000	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	22 years	2,195,200	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	8 years	2,352,000	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 16 years	2,058,000	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 30 years	3,234,000	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	14 years	186,200	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	17 years	313,600	21.11.94
6352, PN 11986 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 22 years	113,128	15.8.97
302-L, Taman Bukit Baru 75450 Bukit Beruang Melaka							

LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31ST JULY 2014

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 (cont'd)							
PT 16, HS(D) 143184 Township of Petaling Jaya District of Petaling Selangor Darul Ehsan	4-storey shopoffice	Leasehold (Expiring in 2059)	Shophouse	174.1875 square metres	Approximately 42 years	4,159,174	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 42 years	3,914,174	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 14 years	218,200	12.11.09
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 42 years	441,593	22.9.92
No.11, Jalan 14/15 (Jln Dato Jamil Rais) Seksyen 14, 46100 Petaling Jaya Selangor Darul Ehsan							
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 19 years	690,363	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 29 years	747,300	10.6.95
No.87, Jalan SS17/2 47500 Subang Jaya Selangor Darul Ehsan							

LIST OF PROPERTIES HELD BY THE GROUP AS AT 31ST JULY 2014

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 (cont'd)							
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	22 years	210,700	15.7.97
No.33, 3rd Floor, Block Melor Apartment Desa 288 Persiaran Memanda 1 Taman Dato' Ahmad Razali 68000 Ampang, Selangor							
No.33-A-8-7, 8th Floor Villa Putra Condominium Jalan Tun Ismail 50480 Kuala Lumpur	Condominium	Freehold	Residential	107.13 square metres	20 years	362,600	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	20 years	382,200	6.4.96
PN10310, Lot 73 Seksyen 20, Bandar Petaling Jaya, Selangor Darul Ehsan	Semi-Detached Corporate Factory	Leasehold	Factory	31008.9881 square metres	N/A	6,520,869	30.5.13
Lot No.18, Section 51, Petaling Jaya, Selangor Darul Ehsan							
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	565,000	24.11.98

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting of **POH KONG HOLDINGS BERHAD** will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 9 January 2015 at 11.00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 July 2014 together with the Reports of the Directors and Auditors thereon. Please refer to Note B on the Agenda
2. To declare a First and Final Single Tier Dividend of 1.00 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2014. Resolution 1
3. To approve the payment of Directors' fees for the financial year ended 31 July 2014. Resolution 2
4. To re-elect the following Directors retiring under Article 80 of the Articles of Association of the Company:-
 - a) Dato' Choon Yee Seiong Resolution 3
 - b) Datin Yue Shou How, Shirley Resolution 4
 - c) Mr Choon Yee Bin Resolution 5
5. To re-elect the following Directors retiring under Article 85 of the Articles of Association of the Company:-
 - a) Datin Hon Wee Fong Resolution 6
 - b) Madam Tan Choon Hwa @ Esther Tan Choon Hwa Resolution 7
6. To re-appoint Dato' Dr Choong Tuck Yew who retires in accordance with Section 129(6) of the Companies Act, 1965. Resolution 8
7. To reappoint Messrs Baker Tilly Monteiro Heng as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 9

SPECIAL BUSINESS

8. To consider and, if thought fit, pass with or without modifications, the following Resolutions:-
 - 8.1 Authority for Dato' Dr Choong Tuck Yew to Continue In Office as Independent Non-Executive Director** Resolution 10

"**THAT** subject to the approval of Resolution 8, authority be and is hereby given to Dato' Dr Choong Tuck Yew who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance 2012."

NOTICE OF ANNUAL GENERAL MEETING

8.2 Authority for Encik Fazrin Azwar Bin Md Nor to Continue In Office as Independent Non-Executive Director

Resolution 11

“**THAT** authority be and is hereby given to Encik Fazrin Azwar Bin Md Nor who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance 2012.”

8.3 Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Renewal of Shareholders’ Mandate”)

Resolution 12

“**THAT** the Company and/or its subsidiaries be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature as specified in Section 2.3.2 of the Circular to Shareholders dated 18 December 2014, provided that such arrangements and/or transactions which are necessary for the Group’s day-to-day operations are undertaken in the ordinary course of business, at arm’s length basis, on normal commercial terms and on prices and terms which are not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders of the Company.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Renewal of Shareholders’ Mandate.

AND FURTHER THAT such authority shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such Proposed Renewal of Shareholders’ Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“the Act”) (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting, whichever is the earlier.”

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 ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a First and Final Single Tier Dividend of 1.00 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2014 will be payable on 9 March 2015 to Depositors registered in the Record of Depositors at the close of business on 16 February 2015.

A Depositor shall qualify for entitlement only in respect of:

- a. Shares transferred to the Depositor's Securities Account before 4.00 pm on 16 February 2015 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: 18 December 2014

Notes:-

A. APPOINTMENT OF PROXY

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. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.

NOTICE OF ANNUAL GENERAL MEETING

B. AUDITED FINANCIAL STATEMENTS

This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Explanatory Note on Ordinary Business of the Agenda

(a) 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 Dato' 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.

Explanatory Notes on Special Business of the Agenda

(a) Authority to continue to act as an Independent Non-Executive Directors of the Company pursuant to the Malaysian Code on Corporate Governance 2012 (Resolutions 10 and 11)

a) Dato' Dr Choong Tuck Yew

Dato' Dr Choong Tuck Yew has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and has met the definition of "independent director" as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board based on the evaluation and recommendation made by the Nomination Committee, therefore, considers him to be independent and recommends that he should continue to act as an Independent Non-Executive Director of the Company.

b) Encik Fazrin Azwar Bin Md Nor

Encik Fazrin Azwar Bin Md Nor has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and has met the definition of "independent director" as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board based on the evaluation and recommendation made by the Nomination Committee, therefore, considers him to be independent and recommends that he should continue to act as an Independent Non-Executive Director of the Company.

(b) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")

Please refer to the Circular to Shareholders on the Proposed Renewal of Shareholders' Mandate dated 18 December 2014 for further information.

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 31 December 2014. Only a depositor whose name appears on the Record of Depositors as at 31 December 2014 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his stead.

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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 Twelfth 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 Friday, 9 January 2015 at 11.00 a.m. and at any adjournment thereof for/against * the resolution(s) to be proposed thereat.

*My/*our Proxy(ies) is/are to vote as indicated below:-

Resolutions	Ordinary Business	For	Against
1.	To declare a First and Final Single Tier Dividend of 1.00 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2014.		
2.	To approve the payment of Directors' fees for the financial year ended 31 July 2014.		
3.	To re-elect Dato' Choon Yee Seiong retiring under Article 80 of the Articles of Association.		
4.	To re-elect Datin Yue Shou How, Shirley retiring under Article 80 of the Articles of Association.		
5.	To re-elect Mr Choon Yee Bin retiring under Article 80 of the Articles of Association.		
6.	To re-elect Datin Hon Wee Fong retiring under Article 85 of the Articles of Association.		
7.	To re-elect Madam Tan Choon Hwa @ Esther Tan Choon Hwa retiring under Article 85 of the Articles of Association.		
8.	To re-appoint Dato' Dr Choong Tuck Yew who retires in accordance with Section 129(6) of the Companies Act, 1965.		
9.	To re-appoint Messrs. Baker Tilly Monteiro Heng as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
Resolutions	Special Business		
10.	To authorise Dato' Dr Choong Tuck Yew to continue in office as Independent Non-Executive Director.		
11.	To authorise Encik Fazrin Azwar Bin Md Nor to continue in office as Independent Non-Executive Director.		
12.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

[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 _____ 2014/2015

Number of shares held : _____

[Signature/Common Seal of Shareholder]

[* Delete if not applicable]

Notes:

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5. 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.
6. 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.
7. 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.

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Stamp

The Company Secretary

Poh Kong Holdings Berhad (586139-K)
Unit 07-02, Level 7, Persoft Tower
6B Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya, Selangor Darul Ehsan

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- | | |
|------------------|----------------------|
| 1 Alor Setar | 14 Shah Alam |
| 2 Sungai Petani | 15 Kajang |
| 3 Bukit Mertajam | 16 Bangi |
| 4 Penang | 17 Putrajaya |
| 5 Taiping | 18 Banting |
| 6 Ipoh | 19 Nilai |
| 7 Sri Manjung | 20 Seremban |
| 8 Teluk Intan | 21 Malacca |
| 9 Rawang | 22 Muar |
| 10 Sungai Buloh | 23 Batu Pahat |
| 11 Kuala Lumpur | 24 Johor Bahru |
| 12 Petaling Jaya | 25 Kuantan |
| 13 Klang | 26 Genting Highlands |
| | 27 Kota Bharu |



Kedai Rakyat



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
- Giant USJ 1 Tel: 603-8023 1192
- Encorp Strand Mall Tel: 603-6143 9763
- Jaya Shopping Centre Tel: 603-7931 8146

KUALA LUMPUR

- AEON, Taman Maluri Tel: 603-9286 8566
- AEON Alpha Angle, Wangsa Maju Tel: 603-4142 1688
- AEON, Metro Prima Shopping Centre Tel: 603-6258 6088
- AEON Cheras Selatan Shopping Centre Tel: 603-9076 9781

- AEON, Tmn Equine Shopping Centre Tel: 603-8941 6204
- AEON, AU2 Shopping Centre Tel: 603-4257 4282
- AEON Big Kepong Tel: 603-6259 3809
- Kompleks Pernas Sogo Tel: 603-2698 5275
- 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
- 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
- Wangsa Walk Mall Tel: 603-4142 3963
- Pandan Kapital Tel: 603-4297 5301
- AEON BIG, Wangsa Maju Tel: 603-4142 0219

SHAH ALAM

- Alam Sentral Plaza Tel: 603-5518 6116
- Plaza Shah Alam Tel: 603-5510 4203

KLANG

- AEON Big Klang Tel: 603-3342 5562
- AEON, Bukit Raja Shopping Centre Tel: 603-3342 8663
- Shaw Centre Point Tel: 603-3344 2499
- G07 - G09, Klang Parade Tel: 603-3344 1488

SUNGAI BULOH

- The Store Tel: 603-6157 6598

BANGI

- Bangi Utama Shopping Complex Tel: 603-8210 0500

KAJANG

- Plaza Metro Kajang Tel: 603-8734 7233
- 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

PUTRAJAYA

- IOI City Mall Tel: 603-8940 6025

RETAIL CONCEPT STORES

DIAMOND BOUTIQUE

- 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 Seri Alam, JB Tel: 607-388 8796
- 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

GOLD BOUTIQUE

- 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 46200 Petaling Jaya Tel: 603-7940 3333
- Pavilion, Kuala Lumpur Tel: 603-2141 7919

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

TAIPING

- AEON Mall Taiping Tel: 605-801 2460
- Taiping Mall Tel: 605-805 1430

NILAI

- Giant Superstore Tel: 606-799 1650

SEREMBAN

- The Store Seremban Tel: 606-762 4315
- Terminal One Tel: 606-762 7933
- AEON, Seremban 2 Tel: 606-601 5505
- Kipmart, Senawang Tel: 606-677 0731
- Palm Mall Tel: 606-765 6192

BUKIT MERTAJAM

- AEON Mall Tel: 604-538 9726

PENANG

- Queensbay Mall Lot GF119 & GF120 Tel: 604-641 1560
- Mydin, Kompleks Bukit Jambul Tel: 606-641 3977
- Kompleks Bukit Jambul Tel: 606-642 4973

ALOR SETAR

- Star Parade Tel: 604-734 8021
- Alor Star Mall Tel: 604-772 5351
- AEON Big Alor Setar Tel: 604-735 0368

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

GENTING HIGHLANDS

- Tangs, First World Plaza Tel: 603-6101 2485

KELANTAN

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

MALACCA

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

MUAR

- Wetex Parade Tel: 606-951 7718

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
- AEON Mall Kulaijaya Tel: 607-660 6000

BATU PAHAT

- Batu Pahat Mall Tel: 607-433 1918

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