

POH KONG®



Schoeffel 

POH KONG
POH KONG HOLDINGS BERHAD



diamond
BOUTIQUE



Tranz
Jewellery for the new generation



JADE GALLERY
THE ONE & ONLY GRADE A JADE
by Poh Kong



DIAMOND & GOLD



Schoeffel 

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

POH KONG HOLDINGS BERHAD (586139-K)

ANNUAL REPORT 2008

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



ANNUAL REPORT 2008





CORE BUSINESS PHILOSOPHY

Quality

- PRODUCT
- SERVICE
- EXCELLENCE
- CRAFTSMENSHIP

Trust

- REPUTATION
- COMMITMENT
- HONESTY
- TRANSPARENCY

Value

- PREFERENCE
- PROFIT
- WORTH
- RETURN-ON-INVESTMENT

Choice

- DESIGN
- PRICE
- LOCATION
- CONVENIENCE

POH KONG®

Outlets

PETALING JAYA

- Headquarters**
- 16-20, Jalan 52/4
Tel: 03-7958 8999
 - 19-23, Jalan SS2/55
Tel: 03-7874 7863
 - Subang Parade
Tel: 03-5635 1087
 - 1 Utama Shopping Centre
Tel: 03-7726 3868
 - Sunway Pyramid Shopping Mall
Tel: 03-7492 0972
 - Amcorp Mall
Tel: 03-7958 6030
 - Summit City, Subang Jaya
Tel: 03-8024 7350
 - Tesco Hypermarket, Puchong
Tel: 03-8076 5952
 - Tesco Hypermarket, Mutiara Damansara
Tel: 03-7710 5528
 - Giant Hypermarket, Bandar Kinrara
Tel: 03-8075 5349
 - Giant Hypermarket, Kota Damansara
Tel: 03-6142 2898
 - Tropicana City Mall

KUALA LUMPUR

- Kompleks Pemas Sogo
Tel: 03-2698 5275
- The Mall
Tel: 03-4041 0542
- Jusco, Taman Maluri
Tel: 03-9285 8566
- Alpha Angle, Wangsa Maju
Tel: 03-4142 1688
- Ampang Point Shopping Centre
Tel: 03-4252 7375
- Pearl Point Shopping Mall
Tel: 03-7981 3798
- Leisure Mall
Tel: 03-9132 2417
- Spectrum Shopping Mall
Tel: 03-4270 1039
- Parkson Grand, Selayang Mall
Tel: 03-6136 7813

- Tesco Extra, Selayang
Tel: 03-6257 4355
- Bangsar Shopping Centre
Tel: 03-2093 3161
- The Mines Shopping Fair
Tel: 03-8943 0759
- Mid Valley Mega Mall
Tel: 03-2284 9636
- Pandan Kapital Shopping Mall
Tel: 03-4280 5311
- Jusco, Metro Prima Shopping Centre
Tel: 03-6258 6088
- Carrefour Kepong
Tel: 03-6259 3809
- Plaza OUG, Old Klang Road
Tel: 03-7981 7819
- The Store, Sri Petaling
Tel: 03-9058 7693
- AEON, Tmn Equine Shopping Centre
Tel: 03-8941 6204
- Tesco Hypermarket Ampang
Tel: 03-9282 5857
- AEON, Cheras Selatan
Tel: 03-9076 9781
- Tesco Extra Cheras
Tel: 03-9132 4684
- Pavilion, Kuala Lumpur
Tel: 03-2141 9090
- AEON, AU2 Shopping Centre

KLANG

- Giant Hypermarket Klang Parade
Tel: 03-3343 7830
- Bukit Raja Shopping Centre
Tel: 03-3342 8863
- Shaw Centre Point
Tel: 03-3344 2488
- Klang Parade, G38
Tel: 03-3344 1488
- Tesco Hypermarket
Tel: 03-3323 9021
- Carrefour Hypermarket
Tel: 03-3342 5562

SHAH ALAM

- Alam Sentral Plaza
Tel: 03-5518 6116
- Tesco Hypermarket
Tel: 03-5519 3588
- Tesco Extra
Tel: 03-5510 4203

BANTING

- The Store
Tel: 03-3187 0543

SUNGAI BULOH

- The Store
Tel: 03-6157 6598

PENINSULAR MALAYSIA



IPOH

- The Store
Tel: 05-253 6717
- Kinta City Shopping Centre
Tel: 05-547 0013
- Tesco Station 18
Tel: 05-322 8655

TAIPING

- Tesco Hypermarket
Tel: 05-808 1333

TELUK INTAN

- The Store
Tel: 05-621 6024

ALOR SETAR

- Star Parade
Tel: 04-734 8021
- Alor Star Mall
Tel: 04-772 5351
- Souq Al-Bukhary Commercial Centre
Tel: 04-733 1363

KUANTAN

- East Coast Mall
Tel: 09-560 9988

- Kuantan Parade Shopping Mall, GC-E-ATRIUM 1, Ground Floor
Tel: 09-513 6299

KELANTAN

- KB Mall, Kota Bharu
Tel: 09-741 2166

BANGI

- Bangi Utama Shopping Complex
Tel: 03-8210 0500

KAJANG

- Plaza Metro Kajang
Tel: 03-8734 5233
- The Store, Semenyih Sentral
Tel: 03-8723 6571
- Tesco Saujana Impian
Tel: 03-8734 1976

NILAI

- Giant Superstore
Tel: 06-766 1650

SEREMBAN

- The Store Seremban
Tel: 06-762 4315
- Terminal One
Tel: 06-762 7933
- The Store Centre Point
Tel: 06-761 9366
- Jusco, Seremban 2
Tel: 06-601 5505

MALACCA

- Jusco Shopping Centre
Tel: 06-232 5188
- Mahkota Parade, G14
Tel: 06-283 2470
- Mahkota Parade, G29
Tel: 06-282 1922
- Plaza Hang Tuah
Tel: 06-284 7948
- Tesco Hypermarket
Tel: 06-288 2848

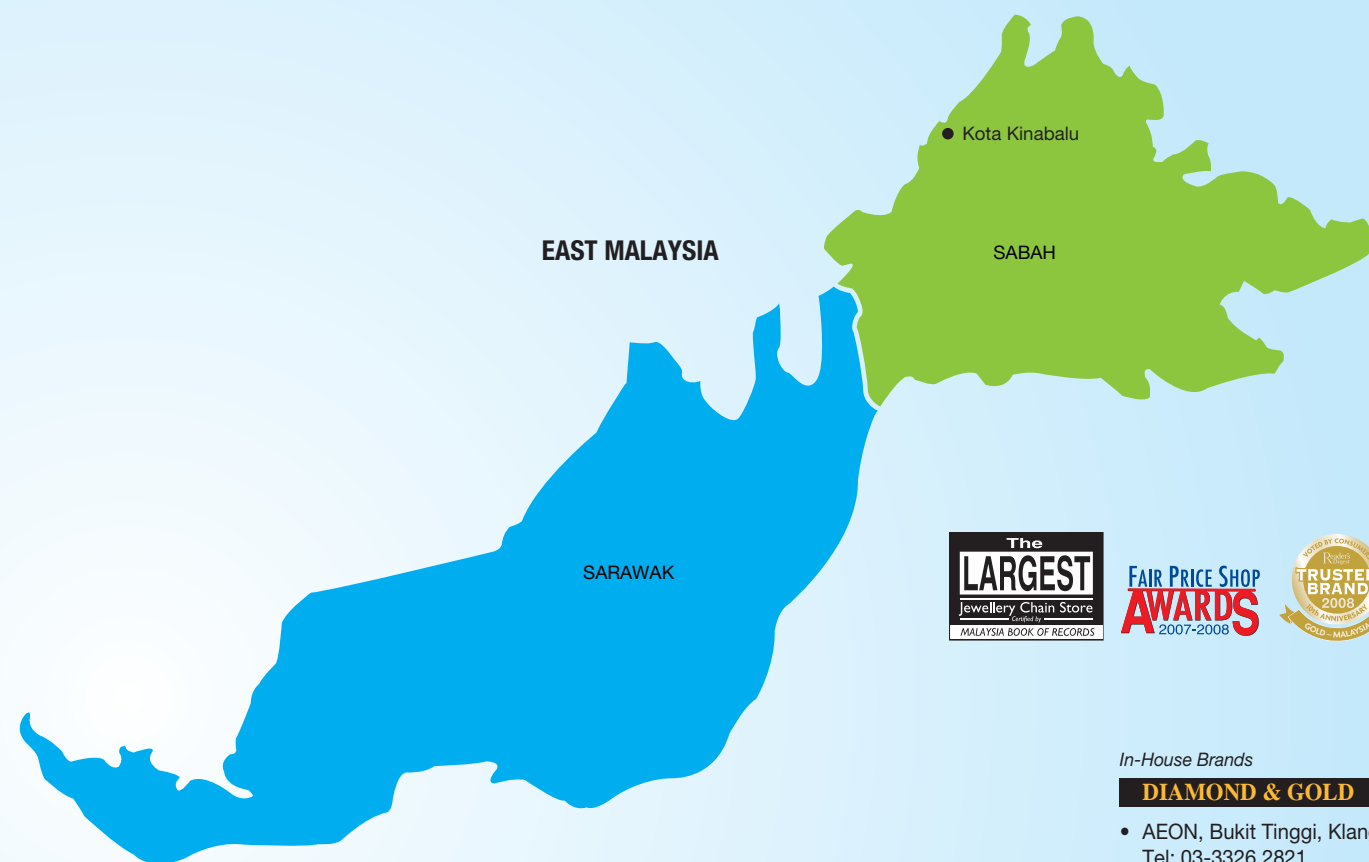
MUAR

- Watex Parade
Tel: 06-951 7718
- Giant Hypermarket
Tel: 06-952 9916

JOHOR BAHRU

- Jusco, Taman University
Tel: 07-521 3482
- Jusco, Permas Jaya
Tel: 07-388 9958

EAST MALAYSIA



In-House Brands

DIAMOND & GOLD

- AEON, Bukit Tinggi, Klang
Tel: 03-3326 2821
- 1 Utama Shopping Centre (Oval), PJ
Tel: 03-7710 7260
- Mid Valley Mega Mall, KL
Tel: 03-2282 8850

DIAMOND BOUTIQUE

- AEON, Tebrau City Shopping Centre, Ground Floor, JB
Tel: 07-353 6497
- Sunway Pyramid Shopping Mall, PJ
Tel: 03-7492 0973
- AEON, Bukit Indah Shopping Centre, Lot G36, JB
Tel: 07-236 9499

KOTA KINABALU

- Complex Karamunung
Tel: 088-243 666

BATU PAHAT

- Summit Parade
Tel: 07-433 1918

PRAI

- AEON, Seberang Prai City Shopping Centre
Tel: 04-538 9726
- Tesco Extra Seberang Prai
Tel: 04-390 8534

TRANZ

- Sunway Pyramid Mega Mall
Tel: 03-7492 0973

JADE GALLERY

- Bukit Raja Shopping Centre
Tel: 03-3342 4120

ORO BIANCO

- AEON, Bukit Indah Shopping Centre, Lot G35, JB
Tel: 07-236 9484

Sole Distributor

SCHOEFFEL

- Pavilion, Kuala Lumpur
Tel: 03-2141 7919

(Poh Kong has more than 90 outlets nationwide)

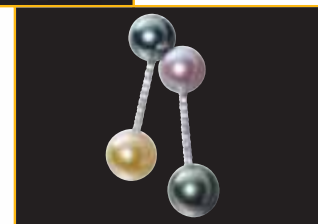


Product • Service • Excellence • Craftsmanship

QUALITY

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AUDIT COMMITTEE

Dr Choong Tuck Yew, Chairman
Encik Fazrin Azwar Bin Md Nor, Member
Madam Liew Yuke Foong, Member
Yg Bhg Dato' Choon Yee Seiong, Member

COMPANY SECRETARY

Ng Yim Kong (LS 0009297)

REGISTERED OFFICE

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

CORPORATE OFFICE

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

AUDITORS

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

SOLICITORS

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

PRINCIPAL BANKERS

Malayan Banking Berhad (3813-K)
Petaling Jaya Business Centre
T2-5, 5th Floor, Jaya 33
No.3 (Lot 33), Jalan Semangat
Seksyen 13,
46100 Petaling Jaya
Tel : 03-7955 9879 Fax: 03-7955 9426

Affin Bank Berhad (25046-T)
14th Floor, Menara Affin
80 Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03-2055 9000 Fax : 03-2032 1043

United Overseas Bank (Malaysia) Bhd
(271809-K)
Level 7, Menara UOB
Jalan Raja Laut
50738 Kuala Lumpur
Tel : 03-2692 7722 Fax : 03-2691 8418

REGISTRAR

Symphony Share
Registrars Sdn Bhd (378993-D)
Level 26, Menara Multi-Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2721 2222 Fax : 03-2721 2530

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia
Securities Berhad (Bursa Securities)

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

JOINT LEAD ARRANGERS/ JOINT LEAD MANAGERS

Aseambankers Malaysia Berhad (15938-H)
33rd Floor, Menara Maybank
Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2059 1888 Fax: 03-2032 1571

CIMB Investment Bank Berhad (18417-M)
5th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel: 03- 2084 8888 Fax: 03- 2095 0112

TRUSTEE

Bumiputra-Commerce Trustee Berhad
(167913-M)
Level 3, Bangunan Amanah Raya Berhad
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2084 8888 Fax: 03-2092 2717

POH KONG

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



Corporate INFORMATION

BOARD OF DIRECTORS

Yg Bhg Dato' Choon Yee Seiong

Mr Cheong Teck Chong

Madam Choon Nee Siew

Madam Choon Yoke Ying

Madam Choon Wan Joo

Mr Choon Yee Fook

Dr Choong Tuck Yew

Encik Fazrin Azwar Bin Md Nor

Madam Liew Yuke Foong

(Demised on 24 November 2008)



Reputation • Commitment • Honesty • Transparency

TRUST

POH KONG®

POH KONG HOLDINGS BERHAD

(586139-K)

100%

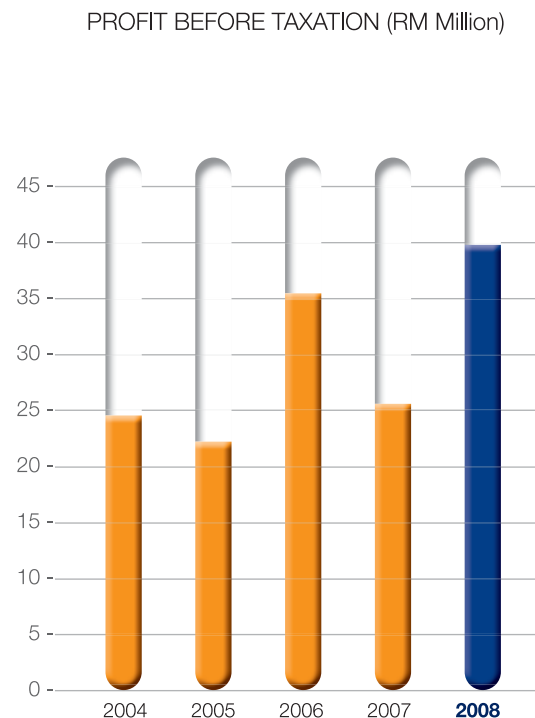
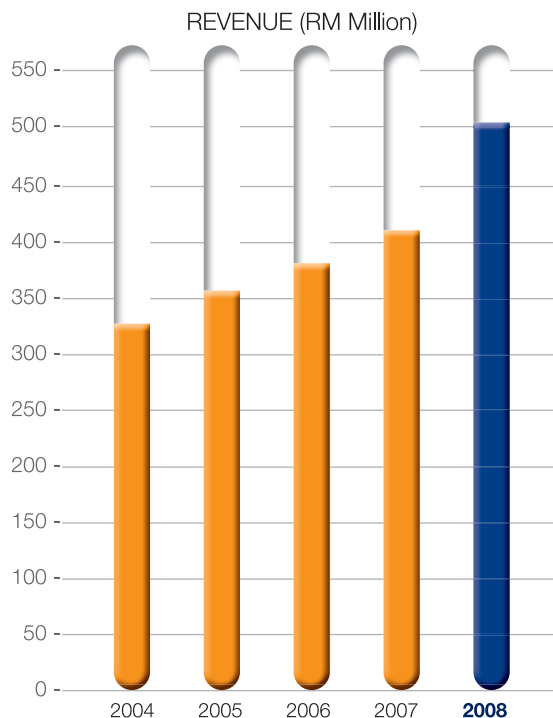
- | | |
|--|---|
| • Poh Kong Jewellers (Ampang Point) S/B | • Poh Kong Jewellers (PHT) S/B |
| • Poh Kong Jewellers (Bandar Utama) S/B | • Poh Kong Jewellers (Puchong) S/B |
| • Poh Kong Jewellers (Bangsar) S/B | • Poh Kong Jewellers (Selayang) S/B |
| • Poh Kong Jewellers (Banting) S/B | • Poh Kong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

51%

- Poh Kong Diamond Industry Ltd
(Incorporated in Hong Kong SAR)

Corporate STRUCTURE





FYE 31 July - RM'000						
	2004 (RESTATED)	2004* (RESTATED)	2005	2006	2007	2008
Revenue	328,448	173,881	351,898	372,124	414,239	509,354
Profit before taxation	24,100	12,590	22,415	35,140	25,365	39,956
Taxation	(6,717)	(2,736)	(5,919)	(9,051)	(6,949)	(11,190)
Profit after taxation	17,383	9,854	16,496	26,089	18,416	28,766
Profit attributable to:-						
Equity holders of the Company	16,772	9,243	16,214	25,995	18,405	28,686
Minority Interests	611	611	282	94	11	80
	17,383	9,854	16,496	26,089	18,416	28,766

*Result of the Group for the period from 14.1.2004 to 31.7.2004

5 year group **FINANCIAL HIGHLIGHTS**



1976

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

1982

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

1983 - 1992

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

1993

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

1995

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

1996

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

1998

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

1999

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

2001

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

2002

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

2003

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

2004

- PKHB was listed on the main board of Bursa Malaysia Securities Berhad on March 9.
- PKHB ranked 9th position in Malaysia with US\$77.1 (RM292.98) million chalked up in sales (1993) in a research by Retail Asia Publishing magazine on the top 500 companies in the Asia-Pacific region.

Corporate MILESTONES



- Poh Kong Gallery, a stylish VIP lounge occupying 5,000 sq ft and refurbished with a classic Italian ambience was set up at its headquarters at 16 - 20 Jalan 52/4, Petaling Jaya.
- PKJ's expansion reached 60 outlets nationwide in Peninsular Malaysia.
- Poh Kong sponsored the Miss Poh Kong Glamour in the annual Miss Tourism International Pageant 2004 for the second time.

2005

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

2006

- Poh Kong held its 3rd Annual General Meeting of PKHB at Sheraton Subang Hotels & Towers, Subang Jaya on January 20.
- The Ministry of Domestic Trade & Consumer Affairs awarded PKJ and subsidiaries in the Group the Fair Prize Shop Awards 2005 – 2006 in the Jewellery Category in recognition of the Company’s outstanding contributions to the country’s economy.

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

2007

- Poh Kong held its 4th Annual General Meeting of the Company at the Kristal Ballroom, Hilton Petaling Jaya on January 15.
- Poh Kong Jewellers Sdn Bhd was recognized and conferred the *2007 Reader’s Digest Trusted Brands Gold Award* in the Jewellery Shop category on May 7. The Reader’s Digest Trusted Brands Survey, partnered with Nielsen Media Research, is recognized as one of the most transparent branding surveys in the Asian region.
- On the promotional front, Poh Kong was one of the major sponsors and official jewellery for *Project Runaway Malaysia*, the country’s premier fashion reality TV show which was shown on 8TV from May 25 to June 23.
- Similarly, Tranz, our in-house brand was a major sponsor and official jewellery for *So You Think You Can Dance?* the first reality TV dance competition, which was a joint promotion with 8TV. The grand finals was staged on June 29.

Corporate MILESTONES

- Poh Kong’s wholly-owned subsidiary Poh Kong International Sdn Bhd (PKISB) signed a joint-venture agreement on May 11 with two Hong Kong based companies to venture into the diamond-cutting and polishing, sales, import and export of precious stones.
- Poh Kong held its final judging and press conference on June 8 for the 30th Anniversary “Million Ringgit Contest” at the Sunway Lagoon Resort Hotel to reward its patrons with a RM1.38 million worth of diamonds and gems in products and vouchers as prizes.



- Poh Kong was appointed the sole brand carrier for Schoeffel when it opened its first speciality flagship boutique in the world for the German-based international pearl jewellery company at Pavilion Kuala Lumpur on Oct 4.
 - Several subsidiaries Poh Kong Jewellers Sdn Bhd were presented the Fair Price Shop Awards 2007 – 2008 in the jewellery category by the Minister of Domestic Trade & Consumer Affairs this year in recognition of the Group's outstanding contribution to the country's economy.
 - In November, the Poh Kong Group participated in the International Trade Malaysia (Intrade Malaysia 2007) Exhibition by taking up display booths to showcase its products to the world's 500 buying missions comprising of international business leaders, entrepreneurs and industrialists. Intrade Malaysia 2007 was organized by Matrade and supported by the Ministry of International Trade and Industry.
 - Poh Kong signed an exclusive distributor and marketing agreement on December 3 with Schoeffel which gave the Company the territorial rights to promote and expand the Schoeffel brand in Malaysia and Southeast Asia.
 - Poh Kong sponsored the Miss Poh Kong Glamour subsidiary title jewellery category of the Miss Tourism Metropolitan International Pageant World Final beauty parade in Bukit Tinggi, Klang on December 23.
 - In conjunction with this event, Poh Kong officially opened its largest Diamond & Gold specialty store, taking over 5,400 square foot of retail space in the Aeon Shopping Mall in Bukit Tinggi.
- 2008**
- Poh Kong held its 5th Annual General Meeting at Sunway Resort Hotel & Spa, Lagoon 1, Bandar Sunway on January 15.
 - Poh Kong was again conferred the Reader's Digest Trusted Brands Award in the Jewellery Shop category for the third consecutive year.
- Poh Kong organized a Diamond and Gems Roadshow to showcase its wedding collections featuring a wide range of wedding bands, necklaces, earrings made of the finest diamonds and gems as perfect accessories for brides at the Mid Valley Megamall.
 - Tranz co-sponsored the Gary Chaw "Welcome To My World" Asia live concert at Putra Indoor Stadium. Gary also made a special appearance at the fashion parade of bridal gowns at the Mid Valley Megamall centre court in conjunction with the Diamond & Gems Roadshow.
 - Poh Kong and Schoeffel launched the Schoeffel Time Collection called "The Pearl", a luxurious pearl watch for women in the Malaysian market – the first ever in the world – at Westin Kuala Lumpur.
 - Tranz sponsored the live reality dance competition *So You Think You Can Dance ?* season two as the official jewellery for the highly popular dance show which ended with the grand finals held at Ruums Club in Life Centre, Kuala Lumpur.
 - Poh Kong was again the official jewellery sponsor for Project Runway Malaysia, the country's premier fashion reality TV show which was shown on 8TV from Aug 3 to Nov 13.
 - Dato' Choon Yee Seiong, Executive Chairman & Group Managing Director earned the "19 Years At The Top Award" given by Malaysia Tatler and "Superstar Of The Year 2008 Award" given by the Malaysian Retailer- Chains Association (MRCA) on Nov 1 and 7 respectively.
 - Poh Kong, the sole licensee for Disney jewellery collection of favourite theme characters for the young, celebrated Mickey's Magical Holidays with 80 children from the House of Joy and the Ti-Ratana Welfare Society at the movie screening of *Walt Disney's 'High School Musical 3'* at 1 Utama, Petaling Jaya on Nov 21.

Corporate MILESTONES





• The opening of Diamond & Gold in Bukit Tinggi.



• Winner Giselle Lajud flanked by Dato' Eddie Choon (left), Executive Chairman and Group Managing Director of PKHB, and Mr Tomio Tokoyama, Assistant General Manager, SC Development Division of Aeon Company (M) Bhd. Dato' Danny Ooi, Founder and President of the Miss Tourism Metropolitan International 2007 World Final is on the right.



• The 40 international beauties in black cocktail wear representing their respective countries at the finale.

23 DECEMBER 2007 MISS POH KONG GLAMOUR

Ms Giselle Lajud of Argentina walked away with a sash and a diamond necklace and earrings set worth RM10,000 in the *Miss Poh Kong Glamour* subsidiary title jewellery category of the Miss Tourism Metropolitan International Pageant World Final beauty parade sponsored by Poh Kong.

The event was held at the Aeon Shopping Mall in Bukit Tinggi, Klang in conjunction with the opening of Poh Kong's largest *Diamond & Gold* specialty store in a complex. The *Diamond and Gold* boutique located on the centre court level is spread over 5,400 square foot of retail space.



• The Fifth Annual General Meeting in progress.

15 JANUARY 2008 FIFTH ANNUAL GENERAL MEETING

Poh Kong Holdings Berhad (PKHB) held its fifth Annual General Meeting for shareholders at Sunway Resort Hotel & Spa, Lagoon 1, Bandar Sunway.



• YB Tan Sri Muhyiddin Yassin, Minister of International Trade and Industry presenting the Reader's Digest Trusted Gold Award to Mr Siow Der Ming, Executive Director of PKHB. Looking on is Ms Rosemarie Wallace, Regional Managing Director of Reader's Digest Asia.

28 APRIL 2008 READER'S DIGEST TRUSTED BRANDS AWARD

Poh Kong was again conferred the *Reader's Digest Trusted Brands Award* in the Jewellery Shop category for the third consecutive year. The Reader's Digest Trusted Brands Survey, partnered with Nielsen Media Research, is recognized as one of the most transparent branding surveys in the Asian region.

Corporate HIGHLIGHTS

14 June 2008 POH KONG WEDDING COLLECTIONS FASHION SHOW

Poh Kong organized a *Diamond and Gems Roadshow* to showcase its wedding collections featuring a wide range of wedding bands, necklaces, earrings made of the finest diamonds and gems as perfect accessories for brides at the Mid Valley Megamall.

In conjunction with Tranz co-sponsoring the Gary Chaw "Welcome To My World" Asia live concert at Putra Indoor Stadium, the Malaysian singer made a special appearance at the fashion parade of bridal gowns at the mall's centre court.



• Star attraction – Gary Chaw at the fashion show with a bevy of models displaying Poh Kong and Tranz jewellery.



• A bird's eye view of the *Diamond and Gems Roadshow* at Mid Valley Megamall.



- "The Pearl" in White Lustre with diamond.



- Dato' Eddie Choon (left), Executive Chairman & Group Managing Director, Mr. Joseph Lim, Schoeffel Manager for Asia-Pacific, and Ms. Alice Choon, Director of Poh Kong Jewellers with models displaying the Schoeffel Time Collection.

27 JUNE 2008

POH KONG AND SCHOEFFEL LAUNCH SCHOEFFEL TIME COLLECTION

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

The Swiss made pearl watch which premiered at the world's leading jewellery and watch trade fair in Basel, Switzerland is based on the concept of a pearl and comes in a collection of five different styles and colours.

1 AUGUST 2008

TRANZ OFFICIAL JEWELLERY FOR "SO YOU THINK YOU CAN DANCE?" REALITY SHOW

The live reality dance competition *So You Think You Can Dance ?* was again sponsored by Tranz as the official jewellery for the highly popular dance show which ended with the grand finals held at Ruums Club in Life Centre, Kuala Lumpur.

The season two grand finals competition was won by Latin-loving Cecilia "CC" Yong Ling Shi from Kuala Lumpur who walked away with RM50,000 prize money, a Segi College scholarship and jewellery, courtesy of Tranz.



- With PKHB Executive Directors Mr. Slow Der Ming and Ms. Irene Choon at Tranz outlet at the Sunway Shopping Mall.



- Dancers pose during their visit to the Tranz specialty outlet, Sunway Shopping Mall.



- Preliminary rounds at the Tranz sponsored Mid Valley Megamall promotion.

Corporate **HIGHLIGHTS**

23 OCTOBER 2008

PROJECT RUNWAY MALAYSIA

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



- One of the top models at the catwalk in the popular reality TV series in Malaysia.



- Dato' Choon Yee Seiong (centre) with his award among other recipients at the Malaysia Tatler annual ball.



- YB Dato' Seri Ong Tee Keat (centre), Minister of Transport and MCA President, presenting the "Superstar Of The Year 2008 Award" to Dato' Choon Yee Seiong in Petaling Jaya. On the Minister's left is Mr Lee Hwa Cheng, MRCA President.

**1 & 7 NOVEMBER 2008
AWARDS AND RECOGNITION**

Poh Kong's journey in the jewellery industry has been a tale of success – its excellent leadership backed by a loyal and professional customer service workforce have earned the Group the reputation of a strong, reliable and family jeweller among its patrons and public.

In a drive to maintain its leadership, Dato' Choon Yee Seiong, Executive Chairman & Group Managing Director has earned the "19 Years At The Top Award" given by Malaysia Tatler and "Superstar Of The Year 2008 Award" given by the Malaysian Retailer-Chains Association (MRCA) on Nov 1 and 7 respectively.



- Mr Siow Der Ming, Poh Kong Jewellers, Head of Franchise Division & International Branding handing over the sponsorship contribution to Ms Christine Alphonse from Ti-Ratana Welfare Society.



- Mr Siow Der Ming presenting the sponsorship contribution to Ms Lesley Mah from House of Joy.

**21 NOVEMBER 2008
WALT DISNEY'S 'HIGH SCHOOL MUSICAL 3'**

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

In addition to food, the children were treated to dances, treasure hunt games, party packs, prizes and culminated in the screening of the movie. The event held as a community project for underprivileged children demonstrated Poh Kong's spirit of a caring corporate citizen.

Corporate **HIGHLIGHTS**



Yang Berbahagia Dato' Choon Yee Seiong
Executive Chairman and Group Managing Director

Mr Cheong Teck Chong
Executive Director

Madam Choon Nee Siew
Executive Director

Madam Choon Yoke Ying
Executive Director

Madam Choon Wan Joo
Executive Director

Mr Choon Yee Fook
Executive Director

Dr Choong Tuck Yew
Senior Independent Non-Executive Director

Encik Fazrin Azwar Bin Md Nor
Independent Non-Executive Director

Madam Liew Yuke Foong *(Demised on 24 November 2008)*
Independent Non-Executive Director



Board Of **DIRECTORS**





YG BHG DATO' CHOON YEE SEIONG

Executive Chairman and Group Managing Director

Dato' Choon Yee Seiong, aged 54, a Malaysian, was appointed to the Board of Directors of Poh Kong Holdings Berhad (PKHB) as Executive Chairman and Group Managing Director on 13 January 2004. A respected jeweller and entrepreneur, he has been at the helm of Poh Kong since its inception and has personally guided the Group in its growth, development and success for over 30 years.

Dato' Choon is responsible for the overall strategic and marketing directions, management policies and overseas expansion of the Group. He was one of the founders of the Company in 1976 when he established Poh Kong Jewellers (PKJ), a partnership and expanded the business to 95 retail outlets nationwide and overseas. In 2001, under his supervision, a manufacturing facility in Shah Alam was set up to create exclusive designs by a team of skilled master craftsmen. In 2006, he was instrumental in signing a joint-venture agreement with two Hong Kong based companies to venture into the Hong Kong and China markets in the business of diamond-cutting and polishing, sales, import and export of precious stones.

Over the years, he has been responsible in the acquisition of companies and a portfolio of international brands currently held by the Group. In 2007, Dato' Choon was the prime mover in collaborating with Schoeffel by setting up an exclusive Schoeffel for Poh Kong boutique at Pavilion Kuala Lumpur, the first in the world by the renowned German pearl jeweller. This was followed by the signing of an exclusive distribution and marketing agreement between the two companies which gave the territorial rights to promote and expand the Schoeffel brand in Malaysia and Southeast Asia. Poh Kong and Schoeffel officially launched a range of fine watches called the Schoeffel Time Collection on 27 June 2008.

On 1 November 2008, Dato' Choon won the "19 Years At The Top Award" given by Malaysia Tatler and on 7 November, he was declared winner of the "Super Star of the Year 2008" by the Malaysian Retailer-Chains Association (MRCA) in recognition of his leadership and business achievements.

Profile of **BOARD OF DIRECTORS**

Dato' Choon also holds numerous directorships in the companies within the Group. He is a substantial shareholder and director of Choon Yee Seiong Sdn Bhd, an investment holding company. He is a member of the Audit Committee and Remuneration Committee of PKHB.

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

MR CHEONG TECK CHONG
Executive Director

Mr Cheong Teck Chong, aged 59, 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 one of the founders of PKJ in 1976. Mr Cheong began his career in the gold jewellery industry in 1967 and rose to the rank of General Manager in Lian Sin Pawnshop. He became a Partner of Lian Yik Goldsmith in 1972 until 1980. In 1982, he was appointed Managing Director of PKJ (SS2) Sdn Bhd, Petaling Jaya. Mr Cheong assists in the growth, development and expansion of the Group.

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

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



MADAM CHOON NEE SIEW
Executive Director

Madam Choon Nee Siew, aged 53, 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 PJK as a Sales Manager. Two years later, she was appointed Director of PKJ (SS2) Sdn Bhd and in 1991 was promoted to Managing Director of PKJ (Subang Parade) Sdn Bhd.

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

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

Profile of **BOARD OF DIRECTORS**



MADAM CHOON YOKE YING

Executive Director

Madam Choon Yoke Ying, aged 51, a Malaysian, was appointed to the Board of Directors of PKHB as Executive Director on 22 January 2008.

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

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

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

MADAM CHOON WAN JOO

Executive Director

Madam Choon Wan Joo, aged 47, a Malaysian, was appointed to the Board of Directors of PKHB as Executive Director on 22 January 2008.

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

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

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

She is a Director of several other companies within the Group.

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

Profile of BOARD OF DIRECTORS



MR CHOON YEE FOOK
Executive Director

Mr Choon Yee Fook, aged 44, a Malaysian, was appointed to the Board of Directors of PKHB as Executive Director on 22 January 2008.

He is a Qualified Gemologist and has received qualifications in Diamond Grading, Pearl Grading, Coloured Stone Grading, and Diamond Grading from the Gemological Institute of America in 1993. He also has qualifications from Hoge Raad Voor Diamonds in Diamond Grading and Identification in 1993, and in Identification Classification and Grading of Jadeite from the Hong Kong Institute of Gemmology in 1994.

He started his career in 1980 when he joined PKJ as a Sales Representative and shareholder. He manages and oversees the daily operations of outlets in Bukit Raja, Shaw Centre Point and Jade Gallery.

He also assists Dato' Choon Yee Seiong in the Group's overseas expansion in China. He also holds directorships in Jungmax Property Sdn Bhd.

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

DR CHOONG TUCK YEW
Senior Independent Non-Executive Director

Dr Choong Tuck Yew, aged 70, a Malaysian, was appointed to the Board of Directors of PKHB as an Independent Non-Executive Director on 13 January 2004. He was promoted to Senior Independent Non-Executive Director in 2005.

He possesses a DComSc, a MBA and is a Chartered Accountant (Malaysia), a 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 Malaysian Institute of Taxation, and a Chartered Fellow, as well as a Chartered Audit Committee Director of the Institute of Internal Auditors, Malaysia.

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

His other business interests include directorships at OSK Holdings Berhad, OSK-UOB Unit Trust Management Berhad and O & G Equities Berhad.

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

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

Profile of **BOARD OF DIRECTORS**



ENCIK FAZRIN AZWAR BIN MD NOR **Independent Non-Executive Director**

Encik Fazrin Azwar Bin Md Nor, aged 42, a Malaysian, was appointed to the Board of Directors of PKHB as a Non-Independent Non-Executive Director on 13 January 2004. He became an Independent Non-Executive Director in 2005.

An advocate and solicitor, Encik Fazrin was called to the Malaysian Bar in 1991 following his graduation from the University of Malaya in 1990 with a Bachelor of Laws (LLB) Honours degree. He started his career as a legal assistant in 1991 at Messrs Adnan, Sundra & Low until 1998. In 1999 until 2004, he was the managing partner of Messrs Michael Chen, Gan, Muzafar & Azwar. In 2005, he became the managing partner of Messrs Rashidah, Muzafar & Azwar.

He holds directorships in both listed and non-listed companies. In 1999, he was appointed as an Independent Non-Executive Director of Tong Herr Resources Berhad, a stainless steel fastener manufacturer. In 2000, he was appointed as the Independent Non-Executive Chairman of Mercury Industries Berhad, an industrial paint manufacturer. In 2003, he was appointed as an Independent Non-Executive Director of Ire-Tex Corporation Berhad, a packaging solutions provider. In 2004, he was appointed as a Non-Independent Non-Executive Director of PKHB, a jewellery retailer and manufacturer, DK Leather Corporation Berhad, an automotive leather specialist and manufacturer, and DPS Resources Berhad, a rubber wood furniture manufacturer. In 2005, he was appointed as the Independent Non-Executive Director of Daya Material Berhad, a polymer based manufacturer. He is also the Non-Independent Director of Kuchinta Holdings Sdn Bhd and its group of companies. In 2007, he was appointed as an Independent Director of Times Offset (M) Sdn Bhd.

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

MADAM LIEW YUKE FOONG *(Demised on 24 November 2008)* **Independent Non-Executive Director**

Madam Liew Yuke Foong, aged 60, a Malaysian, was appointed to the Board of PKHB as an Independent Non-Executive Director on 13 January 2004.

She has more than 30 years of senior management experience in marketing, retailing, wholesaling, merchandising, advertising and direct marketing in several multinational companies and conglomerates in Malaysia, Singapore and Thailand.

Madam Liew held senior positions in Philips (M) Berhad, Metrojaya Berhad, Cold Storage (M) Berhad, Metroplex Berhad (The Mall), Dickson Group of Companies, Tangs Department Store (Trading) Sdn Bhd, and provided management consulting services to Euromill Thailand Pte Ltd. In 2000, she started her own business known as D-Day Sdn Bhd, an exclusive distributor for several international brands of crystals, silver, Mitch & Marc of Australia, fine gifts and fine china covering Malaysia, Singapore, Brunei and Indonesia.

She was the Chief Executive Officer for D-Day Sdn Bhd, Director for Tangs Department Store (Trading) Sdn Bhd, Director of Sogo Pernas Department Store Sdn Bhd, and Director for Timeless Value Sdn Bhd. She was also on the Board of Governors of Bankers Club. In 2006, she was appointed as an Independent Non-Executive Director of CK Tang Ltd, Singapore and was the Chairperson of the Nomination Committee and a member of the Audit Committee and Remuneration Committee. She was also a Chartered Audit Committee Director of the Institute of Internal Auditors Malaysia.

Madam Liew was the Chairperson of the Remuneration Committee, and a member of the Audit Committee and Nomination Committee of PKHB.

Profile of **BOARD OF DIRECTORS**



Save as disclosed above, none of the Directors has :

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



Preference • Profit • Worth • Return-On-Investment

VALUE

Dear Valued Shareholders,

On behalf of the Board of Directors (“Board”) of Poh Kong Holdings Berhad (“the Company”), I hereby present the Annual Report and Audited Financial Statements of the Company and its subsidiaries (“the Group”) for the financial year ended (“FYE”) 31 July 2008.

ECONOMIC AND BUSINESS OVERVIEW

The Malaysian Government has unveiled a total of RM7 billion to be spent in a stimulus package to boost the country’s economy in the face of the global financial crisis.

On 4 November 2008, Deputy Prime Minister & Finance Minister YAB Dato’ Seri Najib Tun Razak, in announcing the package as a response to the crisis, said the Government was adopting an expansionary policy in spending on a wide range of projects that would lead to economic growth.

He also disclosed that the Gross Domestic Product (GDP) growth forecast in 2008 had been revised from 5.7% to 5% while for 2009, was revised from 5.4% to 3.5%.

Set against an unfavourable global economic environment, the Government’s additional measures is expected to steer the economy away from a downturn by focusing on sectors that will work fast to boost the economy.

Although the Malaysian economy is relatively insulated from the US market, it has experienced aftershocks from the US economic turmoil and the Government’s intervention is a confidence building factor.

Following the Government’s revised GDP forecasts, the retail sales growth for next year has also been revised from 8% to 5% while the current estimated retail sales growth this year is 7% according to Retail Group Malaysia (RGM) which tabulates retail data.*

This poses challenging times for malls and retailers throughout the country and for retailers of luxury goods, such as Poh Kong, and would mean further challenges in the Malaysian retail scene.

The stimulus package, which includes allowing EPF workers to opt for lower contributions on a voluntarily basis, will result in increased spending in the market and give retail spending an additional boost.

Retailers are optimistic the recent several reductions in fuel prices and the year end sales season will see more spending till the end of the year and in 2009.

The Malaysia Savings Sales campaign focusing on year-end 2008 epic bargains from Nov 29 to Jan 4, 2009, aimed at promoting domestic and tourist shopping, would benefit the Poh Kong Group in jewellery retail sales.

Shopping has become the second highest component of tourist expenditures after accommodation, contributing 26.6% or RM12.2 billion of the overall tourist expenditure in 2007. **

In 2007, the Malaysian retail industry recorded surpassingly strong growth rate of 12.8% in sales compared with 2006 which was mainly attributed to Visit Malaysia Year and salary increments of civil servants.

RGM observed that although prices of food and groceries surged due to higher raw material costs, Malaysian consumers did not cut back on their spending significantly.

SOURCES:

* Reported in *The Edge Malaysia, City& Country*, 10 Nov 2008, Page 2

** *The Malaysia Savings Sales, Advertorial by Tourism Malaysia, The Star*, 7 Nov 2008, Page N39

Chairman’s STATEMENT



REVIEW OF FINANCIAL PERFORMANCE

The Poh Kong Group achieved an increase of 23% in revenue of RM509.3 million in its financial year ended 31 July 2008 (FYE2008) compared with RM414.2 million for its previous financial year (FYE2007). This reflected a significant rise of RM95.1 million in sales revenue.

The opening of new stores together with like-for-like growth in existing stores contributed to the higher revenue.

The Group opened 13 new outlets in various urban and sub-urban mega malls with each costing an average of RM3 million in FYE2008. As a result of the outlets expansion, Poh Kong's inventory comprising of gold and gems have increased from RM324.4 million in FYE2007 to RM391.3 million in FYE2008.

Profit before taxation stood at RM40.0 million for the FYE 2008 or an increase of RM14.6 million or 58% against RM25.4 million for its FYE2007.

The increase in profit before tax was mainly attributable to an improvement in profit margin due to the surge in gold prices.

Poh Kong, the largest jewellery retail chain store in Malaysia, is the leader in the manufacturing and retailing of gold and fine jewellery nationwide.

As a focused and innovative Group, the Company is confident that even with high gold prices, we would not be adversely affected as gold has intrinsic values and consumers would still be comfortable with the current prices. Consumers are also turning to gold as a means or tool to hedge against inflation.

Gold jewellery continued to be a main contributor to the total revenue although the Group has stepped up the sales of diamonds and gems in its advertising and promotions campaigns through its range of specialty brands and retail concept stores. The branding strategy of these stores have been adopted so that the Company becomes less dependant on its traditional yellow gold.

Paid-up capital stood at RM205.2 million, an increase of RM88.0 million over the previous financial year of RM117.2 million. As at 31 July 2008, the Group's net assets recorded an increase of RM27.6 million at RM261.1 million over the previous year of RM233.5 million.

BRANDING, RETAILING AND PROMOTIONS

The year under review was marked by increasing cost pressures and competition in the jewellery retail trade. Poh Kong remained focused on consolidating its business and expanding its outlets.

Major players with integrated jewellery manufacturing and retailing operations came up with aggressive marketing campaigns, competitive pricing, network expansion locally and improving their retail outlets distribution.

In the midst of the global economic slowdown, Poh Kong has been developing and building its portfolio of brands and exclusive products throughout the year. In a highly competitive market, Poh Kong considers its brands as assets that represent the symbolic embodiment of the Company -- excellence in respect of design, quality, craftsmanship and product exclusivity in distinguishing itself from the competition.

The key objective of our branding is to create a relationship of trust, likeability and value for its brands which are only available in Poh Kong outlets. That's why Poh Kong's customers are loyal to the Company's particular brands of jewellery. Branding is important in any industry, especially during bad or recessionary times when customers have high instant recall of our premium brands.

Although our gold jewellery have mass market appeal, our target markets are middle to higher-end patrons and high net worth individuals and we focus our core competencies on our niche design for high quality diamonds and gems. Our strategy is to build our market share by enhancing and differentiating our brands by positioning them in the various market segments nationwide. Poh Kong jewellery have high perceived brand value and are enjoyed by everyone at affordable prices and are not just for high-end patrons.



Chairman's STATEMENT

The brand building process are also supported by strong brand visual images, store layout, product designs and packaging, advertising, marketing and professional customer services.

Poh Kong currently operates specialty brands and retail concept stores -- *Tranz*, *Walt Disney collection*, *Diamond Boutique*, *Diamond & Gold*, *Jade Gallery*, *Poh Kong Gallery* and *Schoeffel*, as well as the *Schoeffel Time Collection*, a range of luxury ladies watches.

At Poh Kong, we are committed to brand building and we will invest in branding as a long-term investment.

The Group also represents exclusive designer jewellery brands from international houses, such as *Alessandro Fanfani*, *Brumani*, *Luca Carati*, *Rodney Rayner*, *SunDay*, *Lapplesite Collection*, *Verdi Gioielli*, and *Angel Diamonds of Belgium*.

From exquisite pieces to simple elegant designs, from irresistible collections to dazzling custom-made orders, Poh Kong has just the right jewellery for every occasion.

For marketing support, we continued our sponsorship as the official jewellery for *Project Runaway Malaysia*, and Tranz was a major sponsor and official jewellery for *So You Think You Can Dance?* competition, both of which were shown on 8TV.

Poh Kong also sponsored the *Miss Poh Kong Glamour/ Miss Tourism Metropolitan International Pageant World Final* held in conjunction with the opening of its largest store in Bukit Tinggi, Klang on 23 December 2007. The year also saw Tranz co-sponsoring the *Gary Chaw "Welcome To My World"* Asia live concert at Putra Indoor Stadium. The singer was also the guest-of-honour at the *Poh Kong Diamond and Gems Roadshow* organized to flaunt its wedding collection at the Mid Valley Megamall.

In 2008, we have been again recognized and conferred the *Reader's Digest Trusted Brands Award* in the Jewellery Shop category for the third year. The Reader's Digest Trusted Brands Survey, partnered with Nielsen Media Research, is recognized for being one of the most transparent branding surveys in the Asian region.

CORPORATE SOCIAL RESPONSIBILITY

Poh Kong's initiatives in Corporate Social Responsibility involved integrating CSR into our workplace, our market place, the environment and contributions and monetary donations for educational assistance projects in schools and social organizations that provide benefits for the needy and less fortunate.

FUTURE PROSPECTS

With the credit crisis started by the subprime mortgage finance sector in the US and inflationary pressure from rising commodity prices, global economic growth has slowed down and may last until 2010. Supported by the domestic demand, stabilization and stimulus plans taken to lessen the impact of a global economy, the Malaysian economy is projected to grow about 5% in 2008.

Poh Kong will continue to place emphasis on achieving higher productivity and operational efficiency for the Group's divisions. Whilst the Group expects the performance of its various operating companies to improve, it remains cautious of the general trading environment in 2008.

Currently, the Company has a total of 95 retail outlets nationwide. In FYE 2008, we plan to expand our footprint strongly by opening more stores in upmarket centres aimed at retaining loyal customers and increasing new patrons.

Poh Kong has been spending a lot of time and capital in brand building in recent years and is today reaping the rewards.

The Group as the fastest growing jewellery company in Malaysia aims to promote our brands to become one of the most recognised jewellery brands.

We believe we can impact the jewellery business through our specialty brands and retail concept stores not only for our renowned yellow gold but for the finest quality diamonds and gems.

Poh Kong will not be resting on its laurels but will aim for higher growth via local expansion plans with a long term vision of taking its brands into the global market in the future.

In spite of tough market conditions and a gloomy economy, plans and strategies to generate increase sales turnover for FYE2009 are in place for the Group. We plan to generate positive returns via brand building strategies and promotions, opening new outlets in strategic locations, market expansion and prudent financial management.

Chairman's STATEMENT



The challenge to contain costs and continue to remain the leader in the industry remains a constant challenge for the Company. While there are no major spends on capital expenditure during the year, the Group has plans to invest on refurbishment of existing facilities and upgrading and expansion of new outlets.

We opened 13 new stores during the 12-month period (FYE2008) in Pavilion Kuala Lumpur (Schoeffel and Poh Kong), Tesco Taiping, Tesco Extra Selayang, Sunway Pyramid (Diamond Boutique and Tranz), Mid Valley Megamall (Diamond & Gold), Giant Kinrara, Tesco Extra Cheras, AEON Bukit Tinggi, Klang (Diamond & Gold), Tesco Extra Penang, Bintang Shah Alam and Tesco Extra Shah Alam. For FYE2009, we plan to open more stores in strategic locations across the country.

Barring unforeseen circumstances, the Board expects the performance of the Group for the FYE2009 to be satisfactory.

DIRECTORATE

Encik Mohd Annuar Choon Bin Abdullah, Mr Siow Der Ming and Mr Chang Kwong Him retired from the Board on 15 January 2008. The Board would like to extend its gratitude to them for their contributions to the Group.

We would like to welcome new Board members Madam Choon Yoke Ying, Madam Choon Wan Joo and Mr Choon Yee Fook who were appointed to the Board on 22 January 2008.

DEMISE

The Board of Directors and Management regrets the untimely demise of Madam Liew Yuke Foong, our Independent Non-Executive Director on 24 November 2008.

We wish to place on record our appreciation for her unstinted and dedicated services to the Company and express our deepest condolences to her family.

DIVIDEND

The Board has proposed to declare a first and final dividend of 1.40 sen single tier exempt dividend per ordinary share for the financial year ended 31 July 2008 based on the issued and paid-up share capital of the Company of 410,351,752 ordinary shares, amounting to RM5,744,925. (2007 : a first and final dividend of 4.44 sen single tier exempt dividend per ordinary share was declared amounting to RM5,205,605). The proposed dividend is subject to shareholders' approval at the 6th Annual General Meeting to be held on 9 January 2009.

EARNINGS PER SHARE

The basic earnings per share for the financial year ended 31 July 2008 stands at 6.99 sen (2007: 4.51 sen).*

*The comparative figure for earnings per share has been restated to account for the effect of bonus issue and sub-division of shares.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my sincere appreciation to all our loyal shareholders for the confidence in the Group, our valued customers, business partners, and suppliers for their continued support and cooperation. I would also like to thank the Government agencies and the relevant regulatory authorities, for their guidance and assistance.

Finally, my heartfelt thanks also go to my fellow Board Members, for your guidance and support. To the Management and Staff, I look forward to your invaluable dedication and contributions towards the Group.

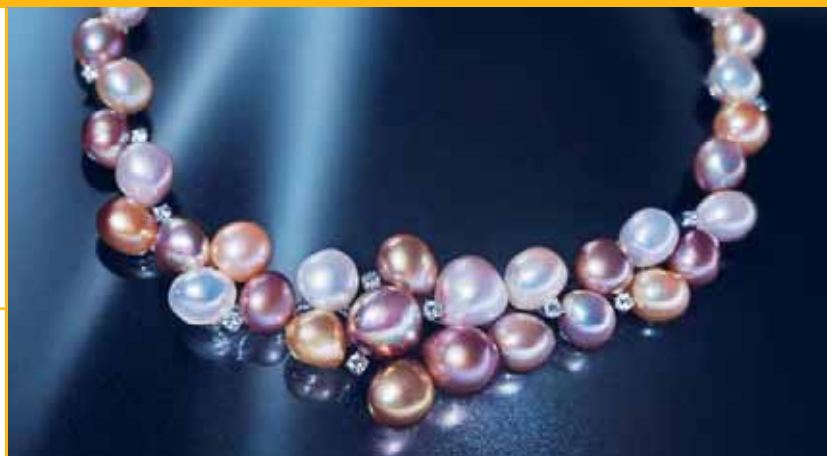
Let us strive for another year of success.

Dato' Choon Yee Seiong

Executive Chairman & Group Managing Director

15 December 2008

Chairman's STATEMENT



致尊敬的股东，

我谨代表宝光控股有限公司(“本公司”)董事会(“董事会”)欣然提呈本公司及各子公司(“本集团”)截至2008年7月31日之财政年的年度报告和已审计财务报告。

经济和业务概述

马来西亚政府已公布一项总值 RM70 亿的刺激配套，以便在全球财务危机笼罩之际振兴我国的经济。

在 2008 年 11 月 4 日，副首相兼财政部长 YAB Dato' Seri Najib Tun Razak 在公布这项应对危机的配套时说，政府所落实的扩张式政策是要通过投资于系列广泛的项目以带动经济成长。

他也透露，2008 年的国内生产总值成长率预测已经由 5.7% 调低至 5%，而 2009 年的预测则由 5.4% 调低至 3.5%。

鉴于全球经济状况不乐观，预料政府的额外措施将带动经济摆脱衰退，即专注于那些能够迅速振兴经济的领域。

尽管马来西亚的经济相对地不受美国市场影响，它却无法幸免于美国经济风暴的余震，而政府的干预乃是一项建立信心的因素。

随着政府修改国内生产总值预测之后，明年的零售营业额成长率也由 8% 调低至 5%，根据负责整理零售数据的 Retail Group Malaysia(RGM)透露，今年的估计零售营业额成长率是 7%。*

这意味着全国各地的购物中心和零售商，以及奢侈品零售商如宝光等将面对挑战时刻，并为马来西亚零售业带来进一步的挑战。

这项刺激配套包括允许雇员选择自愿地削减雇员公积金缴纳额，它将可提升市场的消费额和进一步刺激零售消费额。

零售商对燃料价格在最近数度降低感到乐观，而年终大减价季节将带动更多消费活动，直到今年年底为止和延续至 2009 年。

专注于 2008 年底之大优待的马来西亚节省大减价运动将由 11 月 29 日举行至 2009 年 1 月 4 日，其宗旨是促进国内和旅客购物，它将惠及宝光集团的珠宝零售业务。

财务表现检讨

在截至 2008 年 7 月 31 日的财政年，宝光集团的营业额增加 23% 而达到 RM5 亿零 9 百 30 万，相比之下，前一财政年的营业额为 RM4 亿 1 千 4 百 20 万。这意味着营业额增加了 RM9 千 5 百 10 万。

开设新分店及和一家对一家的现有分店增加率为更高营业额作出了贡献。

本集团在各城市和郊区的大型广场增设了 13 家新分店，在 2008 财政年，每一家的平均成本为 RM3 百万。扩充分店使到宝光以黄金和宝石组成的存货由截至 2007 财政年的 RM3 亿 2 千 4 百 40 万增至截至 2008 财政年的 RM3 亿 9 千 1 百 30 万。

截至 2008 财政年的扣税前盈利为 RM4 千万，即比截至 2007 财政年的 RM2 千 5 百 40 万激增 58%。扣税前盈利的增加主要可归功于金价上扬使到利润增加。

宝光是马来西亚最具规模的连锁零售金钻行，更是制造和零售金饰和名贵珠宝的全国领导者。

作为一家专注和革新的集团，本公司相信，即使金价高企，我们也不会面对不利影响，这是因为黄金具有内在价值，而消费人将能适应目前的价格。消费人也正转向视黄金为一种缓冲通货膨胀的途径或工具。

金饰珠宝继续为总营业额作出重大贡献，尽管本集团的广告和促销活动已通过其一系列专属品牌和零售概念分店以加强销售钻石和宝石。这些分店所采用的品牌策略是在于使本公司减少依赖传统的黄金。

缴足资金企稳于 RM2 亿零 5 百 20 万，比前一财政年的 RM1 亿 1 千 7 百 20 万增加了 RM8 千 8 百万。截至 2008 年 7 月 31 日时，本集团的净资产比前一年的 RM2 亿 3 千 3 百 50 万增加 RM2 千 7 百 60 万而达到 RM2 亿 6 千 1 百 10 万。

主席报告

购物已成为仅次于住宿的旅客第二大开销，并于 2007 年占整体旅客开销的 26.6% 或 RM122 亿。**

在 2007 年，马来西亚零售业取得超逾 2006 年的 12.8% 强劲营业额成长率，主要可归功于马来西亚旅游年运动和公务员获得加薪。

RGM 的观察显示，尽管食品和杂粮价格因为原料成本增加而涨升，马来西亚消费人并没因此而显著减少消费。

资料来源:

* 摘自 2008 年 11 月 10 日之 The Edge Malaysia 的 City & Country 版第 2 页

** 摘自 2008 年 11 月 7 日之 The Star 第 N39 页由马来西亚旅游局刊载的马来西亚节省大减价广告



品牌、零售和行销

尽管在检讨年度面对更大成本压力和珠宝零售业的竞争，宝光依然专注于巩固业务和扩充分店。

经营综合珠宝首饰制造和零售业务的各主要业者已积极展开行销活动，竞争性的定价，扩充国内网络，以及改进它们的零售分店分布。

尽管面对全球经济衰退，过去一年来，宝光依旧开发和促销本身的品牌和独家产品。在这个高度竞争的市场，宝光视其各品牌为象征和体现本公司形象的资产——即在设计，素质，手工和产品超群卓越方面远胜于竞争对手。

我们建立品牌的主要目的是塑造仅在宝光各分店出售之各种品牌受人信赖，喜爱和具有价值的关系。因此，宝光的顾客皆对本公司各珠宝品牌忠心耿耿。建立品牌对任何行业都很重要，尤其是在行情欠佳或衰退时期，顾客会更经常忆起我们的高尚品牌。

尽管我们的金饰对广大群众具有吸引力，我们的目标市场却是中至高档客户和高净值人士，我们也专注于高素质钻石和宝石之利基设计的基本专长。我们的策略是通过提升和区别本公司产品在全国各级市场的定位。宝光珠宝享有高品牌价值，其容易负担价格备受欢迎，但绝非高档客户始能负担。

品牌建立程序也获得有力的品牌视觉影像，分店布局，产品设计与包装，广告，行销和专业化顾客服务的支援。

宝光目前经营许多专属品牌和零售概念商店——Tranz, Walt Disney collection, Diamond Boutique, Diamond & Gold, Jade Gallery, Poh Kong Gallery 和 Schoeffel, 以及 Schoeffel Time Collection 豪华女装手表系列。

宝光全心全意建立品牌，并将视品牌建立为一项长远投资。

本集团也代表多家国际公司的著名设计师珠宝品牌，例如 Alessandro Fanfani, Brumani, Luca Carati, Rodney Rayner, SunDay, Lapplesite Collection, Verdi Gioielli 和 Angel Diamonds of Belgium。

从高尚杰作至简单典雅的设计，从令人难以抗拒的系列至耀眼的度身定制定购货品，宝光齐备适宜任何场面的珠宝。



在行销支援方面，宝光继续赞助 Project Runaway Malaysia 的指定珠宝，Tranz 则是 So You Think You Can Dance? 竞赛的主要赞助商和指定珠宝，这两个节目都是在 8TV 播映。

宝光也赞助 Miss Tourism Metropolitan International Pageant World Final 的宝光魅力小姐奖，这项选美会是配合其最大分店于 2007 年 12 月 23 日在巴生 Bukit Tinggi 开幕而举行的。今年，Tranz 也联合赞助在 Putra 室内体育馆举行的曹格 “Welcome To My World” 亚洲巡回演唱会。曹格也是在 Mid Valley Megamall 举行以宣传其婚礼珍藏系列的宝光 Diamond and Gems Roadshow 上担任表演嘉宾。

在 2008 年，我们再次获得认同和第三年获颁年度读者文摘备受信赖品牌奖的珠宝商店奖。读者文摘的备受信赖品牌调查是与 Nielsen Media Research 携手举办，它获认同为亚洲区域的最具透明度品牌调查。

企业社会责任(CSR)

宝光的企业社会责任活动涵盖向本公司员工，在我们的市场和环境灌输企业社会责任理念，并出钱出力地协助各学校和社团推行惠及有需要和弱势群体的教育援助项目。

未来展望

随着美国次级房贷融资领域触发信贷危机和商品价格上扬构成通货膨胀，全球经济成长率已放缓和可能延续至 2010 年。在国内需求的支援下，加上落实多项稳定和刺激计划以缓和全球经济冲击，预料马来西亚可在 2008 年取得大约 5% 的经济成长率。

宝光将继续专注于达致更高的生产力和本集团各部门的运作效率，尽管本集团也期望各运作公司的表现更上一层楼，我们依然对 2008 年的一般营业状况保持警惕。

我们目前在全国各地总共拥有 95 家零售分店。在 2008 财政年，我们计划在各高档广场增设分店以大举扩大版图，目的在于保留忠诚的顾客和吸引新顾客。

主席报告

近年来，宝光已投资大量时间和资金在品牌建立方面，目前已获享其回报。

作为马来西亚成长最快的珠宝公司，本集团有意宣传我们的品牌以成为最受认同的珠宝品牌之一。

我们相信可通过专属品牌和落实概念分店在珠宝业界引起轰动，这将涵盖我们无人不晓的金饰店和名贵钻石和宝石店。

宝光将不因其成就而自满，我们将通过国内扩充计划而瞄准更高成长率，并实现在将来推销其品牌至全球市场的长远宏愿。

尽管市况欠佳，经济展望不乐观，本集团已制定提升 2009 财政年之营业额之计划和策略。我们计划通过品牌建立策略和促销活动，在策略性地点开设新分店，市场扩充计划和谨慎的财务管理等，以实现积极的回酬。

抑制成本和继续捍卫业界领导者地位依然是本公司的长期挑战。尽管本年度并无资本开销上的主要开支，本集团打算投资于装修既有的设备和扩建及扩充新分店。

我们在 12 个月之时期(2008 财政年)内增设了 13 家新分店，即在 Pavilion Kuala Lumpur (Schoeffel 和宝光)，太平 Tesco，士拉央 Tesco Extra，双威金字塔 (Diamond Boutique 和 Tranz)，Mid Valley Megamall (Diamond & Gold)，Giant Kinrara，蕉赖 Tesco Extra，巴生 AEON Bukit Tinggi (Diamond & Gold)，檳城 Tesco Extra，莎亚南 Bintang 和莎亚南 Tesco Extra。在 2009 财政年，我们计划在全国各地的策略性地点开设更多分店。

若无出现不可预见的情况，董事会预测本集团将于 2009 财政年取得令人满意的表现。

董事会阵容

Encik Mohd Annuar Choon Bin Abdullah, Siow Der Ming 先生和 Chang Kwong Him 先生于 2008 年 1 月 15 日卸任为董事。董事会对他们为本集团作出的贡献表示感激。

我们欢迎于 2008 年 1 月 22 日受委的 Choon Yoke Ying 女士，Choon Wan Joo 女士和 Choon Yee Fook 先生加入为新的董事会成员。

逝世

董事会和管理层成员对我们的独立非执行董事 Liew Yuke Foong 女士于 2008 年 11 月 24 日骤然逝世感到惋惜。

我们谨此感谢她竭尽全力和献身地为本公司服务，并向其家人表达最深切的慰问。

股息

董事会建议在截至 2008 年 7 月 31 日之财政年派发每一普通股 1.40 分的单层次免税首期和终期股息，根据本公司之已发行和缴足资本 410,351,752 普通股，总数为 RM5,744,925 (2007 年：已宣布派发每一普通股 4.44 分的单层次免税首期和终期股息，总数为 RM5,205,605)。此建议股息须在 2009 年 1 月 9 日举行的第 6 届年度大会上获得股东通过。

每股收益

截至 2008 年 7 月 31 日之财政年的基本每股收益是 6.99 分(2007 年：4.51 分)。

*重列每股收益之比较数字是在于诠释红股和拆细股票的影响。

鸣谢

我谨代表董事会感谢本公司所有忠诚股东对本集团的信心，并感激本公司尊贵顾客，来往商家，以及供应商的持续支持及合作。我也要感谢政府机构和相关监管当局所给予的指教和援助。

最后，对于董事会成员，我谨此对诸位不吝赐教和支持致谢。对于本集团的管理层和员工，我希望诸位继续献身服务和在来年作出贡献。

让我们携手迈向另一个成功的年头。

拿督钟义翔

执行主席兼集团董事经理

2008 年 12 月 15 日

主席报告



Pemegang-pemegang Saham yang Dihargai,

Bagi pihak Lembaga Pengarah (“Lembaga”) Poh Kong Holdings Berhad (“Syarikat”), saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Teraudit Syarikat dan anak-anak syarikatnya (“Kumpulan”) bagi tahun kewangan berakhir (“FYE”) 31 Julai 2008.

GAMBARAN KESELURUHAN EKONOMI DAN PERNIAGAAN

Kerajaan Malaysia telah mengumumkan sejumlah RM7 bilion akan dibelanjakan dalam pakej rangsangan untuk merangsang ekonomi negara dalam menghadapi krisis kewangan global.

Pada 4 November 2008, Timbalan Perdana Menteri & Menteri Kewangan YAB Dato’ Seri Najib Tun Razak, semasa mengumumkan pakej sebagai respons kepada krisis tersebut, berkata Kerajaan telah menerima pakai dasar pengembangan dalam perbelanjaan ke atas rangkaian meluas projek yang akan membawa kepada pertumbuhan ekonomi.

Beliau juga telah mendedahkan bahawa ramalan pertumbuhan Keluaran Dalam Negara Kasar (KDNK) pada tahun 2008 telah disemak daripada 5.7% kepada 5% manakala bagi tahun 2009, telah disemak daripada 5.4% kepada 3.5%.

Berhadapan dengan persekitaran ekonomi global yang tidak menggalakkan, langkah-langkah tambahan Kerajaan dijangka akan memacu ekonomi keluar daripada kemelesetan dengan menumpu pada sektor-sektor yang akan bergerak pantas untuk merangsang ekonomi.

Walaupun ekonomi Malaysia agak terlindung daripada pasaran US, ia telah mengalami kejutan lanjutan daripada ketidak tentuan ekonomi US dan campur tangan Kerajaan adalah satu faktor membina keyakinan.

Berikutan ramalan semakan KDNK Kerajaan, pertumbuhan jualan runcit bagi tahun akan datang juga telah disemak daripada 8% kepada 5% manakala anggaran semasa pertumbuhan jualan runcit tahun ini adalah 7% menurut Retail Group Malaysia (RGM) yang mengeluarkan data runcit.*

Ini menimbulkan masa-masa mencabar bagi kawasan-kawasan beli-belah dan peruncit-peruncit seluruh negara dan bagi peruncit-peruncit barangan mewah, seperti Poh Kong, dan akan bermakna cabaran-cabaran selanjutnya dalam arena runcit Malaysia.

Pakej rangsangan, yang termasuk membenarkan pekerja-pekerja membuat pilihan bagi mengurangkan caruman KWSP atas dasar sukarela, akan menyebabkan peningkatan perbelanjaan dalam pasaran dan memberi lonjakan kepada perbelanjaan runcit.

Peruncit-peruncit optimis bahawa penurunan beberapa kali baru-baru ini dalam harga bahan api dan musim jualan akhir tahun akan menyaksikan lebih banyak perbelanjaan sehingga akhir tahun dan pada tahun 2009.

Kempen Jualan Jimat Malaysia menumpu pada epik tawar menawar akhir tahun 2008 dari 29 Nov hingga 4 Jan 2009, yang bertujuan untuk menggalakkan beli-belah domestik dan pelancongan, akan mendatangkan manfaat kepada Kumpulan Poh Kong dalam jualan runcit barang kemas.

Beli-belah telah menjadi komponen perbelanjaan pelancongan kedua tertinggi selepas penginapan, menyumbang 26.6% atau RM12.2 bilion daripada perbelanjaan pelancongan keseluruhan pada tahun 2007. **



Penyata **PENGERUSI**

Pada tahun 2007, industri runcit Malaysia telah mencatat kadar pertumbuhan kukuh sebanyak 12.8% dalam jualan yang jauh mengatasi tahun 2006 yang terutamanya disumbangkan oleh Tahun Melawat Malaysia dan kenaikan gaji kakitangan awam. RGM perhatikan bahawa walaupun harga makanan dan barangan runcit melonjak disebabkan kos bahan mentah yang lebih tinggi, pengguna-pengguna Malaysia tidak mengurangkan perbelanjaan mereka dengan ketara.

Sumber:

* Dilaporkan dalam *The Edge Malaysia, City & Country*, 10 Nov 2008, Muka Surat 2

** *Jualan Jimat Malaysia, Rencana Iklan oleh Pelancongan Malaysia, The Star*, 7 Nov 2008, Muka Surat N39

KAJIAN PRESTASI KEWANGAN

Kumpulan Poh Kong telah mencapai peningkatan sebanyak 23% dalam hasil sebanyak RM509.3 juta pada tahun kewangannya berakhir 31 Julai 2008 (FYE2008) berbanding dengan RM414.2 juta bagi tahun kewangan sebelumnya (FYE2007). Ini menggambarkan peningkatan ketara sebanyak RM95.1 juta dalam hasil jualan.

Pembukaan gedung-gedung baru berserta dengan pertumbuhan gedung sepadan membawa kepada hasil yang lebih tinggi.

Kumpulan telah membuka 13 kedai baru di beberapa kawasan beli-belah mega di bandar dan bandar-bandar kecil dengan setiap satu menelan kos purata sebanyak RM3 juta pada FYE2008. Akibat daripada pengembangan kedai-kedai tersebut, inventori Poh Kong terdiri daripada emas dan batu permata telah meningkat daripada RM324.4 juta pada FYE2007 kepada RM391.3 juta pada FYE2008.

Keuntungan sebelum cukai adalah RM40.0 juta bagi FYE 2008 atau peningkatan sebanyak RM14.6 juta atau 58% berbanding RM25.4 juta bagi FYE2007nya.

Peningkatan dalam keuntungan sebelum cukai berpunca terutamanya daripada peningkatan dalam margin keuntungan disebabkan lonjakan harga emas.

Poh Kong, gedung rantaian runcit barang kemas terbesar di Malaysia, adalah peneraju dalam pengilangan dan peruncitan barang kemas emas dan barang kemas tulen di seluruh negara.

Sebagai sebuah Kumpulan yang tertumpu dan inovatif, Syarikat yakin bahawa walaupun dengan harga emas yang tinggi, kami tidak akan terjejas teruk memandangkan emas mempunyai nilai intrinsik dan para pengguna masih boleh menerima dengan harga semasa. Pengguna-pengguna juga beralih kepada emas sebagai satu cara atau alatan untuk membendung inflasi.

PENJENAMAAN, PERUNCITAN DAN PROMOSI

Tahun di bawah kajian menyaksikan tekanan kos dan persaingan semakin meningkat dalam perdagangan runcit barang kemas. Poh Kong terus tertumpu pada pengukuhan perniagaan dan pengembangan kedai-kedainya.

Pengusaha-pengusaha utama dengan pengilangan barang kemas dan operasi peruncitan bersepadu muncul dengan kempen-kempen pemasaran yang agresif, peletakan harga berdaya saing, pengembangan rangkaian setempat dan menambah baik pengagihan kedai-kedai runcit mereka.

Di tengah-tengah kelembapan ekonomi global, Poh Kong telah membangunkan dan membina portfolio jenamanya dan produk-produk eksklusif sepanjang tahun. Dalam pasaran yang sangat berdaya saing, Poh Kong menganggap jenamanya sebagai aset-aset yang mewakili jelmaan simbolik Syarikat – cemerlang dalam aspek reka bentuk, kualiti, ketukangan dan keeksklusifan produk dalam membezakan dirinya daripada persaingan.

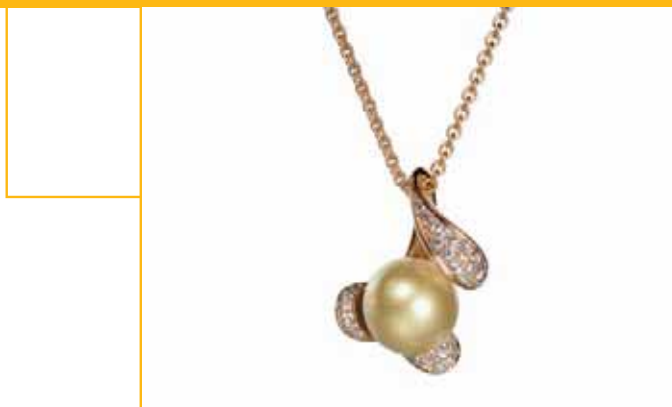
Objektif-objektif utama penjenamaan kami adalah untuk mewujudkan perhubungan kepercayaan, menjadi kegemaran dan nilai bagi jenamanya yang hanya terdapat di kedai-kedai Poh Kong. Itulah sebabnya pelanggan-pelanggan Poh Kong setia kepada jenama tertentu barang kemas Syarikat. Penjenamaan penting dalam mana-mana industri, terutamanya ketika masa-masa sukar dan kemelesetan apabila pelanggan-pelanggan sangat mengingati jenama premium kami.

Walaupun barang kemas emas kami mempunyai daya tarikan pasaran massa, pasaran sasaran kami adalah pelanggan-pelanggan golongan pertengahan hingga tinggi dan individu berpendapatan bersih yang tinggi dan kami menumpukan kecekapan teras kami pada reka bentuk nic kami bagi berlian dan batu permata berkualiti tinggi. Strategi kami adalah untuk membina bahagian pasaran kami dengan meningkatkan dan membezakan jenama-jenama kami melalui pengukuhan dalam pelbagai segmen pasaran di seluruh negara. Barang kemas Poh Kong mempunyai nilai jenama yang dilihat tinggi dan dinikmati oleh setiap orang pada harga mampu milik dan bukan sahaja untuk pelanggan-pelanggan berpendapatan tinggi.

Penyata **PENGERUSI**

Barang kemas emas terus menjadi penyumbang utama kepada hasil keseluruhan walaupun Kumpulan telah meningkatkan jualan berlian dan batu permata dalam kempen-kempen pengiklanan dan promosinya melalui rangkaian jenama istimewa dan gedung-gedung konsep runcitnya. Strategi penjenamaan gedung-gedung ini telah diterima pakai agar Syarikat kurang bergantung pada emas kuning tradisinya.

Modal berbayar sebanyak RM205.2 juta, merupakan peningkatan sebanyak RM88.0 juta berbanding tahun kewangan yang lepas sebanyak RM117.2 juta. Pada 31 Julai 2008, aset bersih Kumpulan mencatat peningkatan sebanyak RM27.6 juta kepada RM261.1 juta berbanding tahun lepas sebanyak RM233.5 juta.



Proses pembinaan jenama juga disokong oleh imej visual jenama yang mantap, susun atur gedung, reka bentuk produk dan pembungkusan, pengiklanan, pemasaran dan khidmat pelanggan profesional.

Poh Kong pada masa ini mengendalikan jenama khusus dan gedung-gedung konsep runcit -- Tranz, koleksi Walt Disney, Diamond Boutique, Diamond & Gold, Jade Gallery, Poh Kong Gallery dan Schoeffel, serta Schoeffel Time Collection, satu rangkaian jam tangan mewah wanita.

Di Poh Kong, kami komited kepada pembangunan jenama dan kami akan melabur dalam penjenamaan sebagai pelaburan jangka panjang.

Kumpulan juga mewakili jenama barang kemas pereka eksklusif daripada syarikat-syarikat antarabangsa, seperti Alessandro Fanfani, Brumani, Luca Carati, Rodney Rayner, SunDay, Lapplesite Collection, Verdi Gioielli, dan Angel Diamonds dari Belgium.

Daripada barang kemas yang sangat indah hinggalah kepada reka bentuk anggun yang ringkas, daripada koleksi yang sangat menawan hinggalah kepada tempahan buatan khas yang berkilau-kilauan, Poh Kong sememangnya mempunyai barang kemas yang hebat bagi setiap majlis.

Bagi sokongan pemasaran, kami meneruskan penajaan kami sebagai barang kemas rasmi bagi Project Runaway Malaysia, dan Tranz adalah penaja utama dan barang kemas rasmi bagi pertandingan So You Think You Can Dance?, kedua-duanya ditayangkan di 8TV.

Poh Kong juga menaja Miss Poh Kong Glamour/ Miss Tourism Metropolitan International Pageant World Final yang diadakan sehubungan dengan pembukaan gedung terbesarnya di Bukit Tinggi, Klang pada 23 Disember 2007. Tahun ini juga menyaksikan Tranz menaja bersama konsert langsung Asia Gary Chaw "Welcome To My World" di Stadium Tertutup Putra. Penyanyinya juga merupakan tetamu kehormat dalam Poh Kong Diamond and Gems Roadshow yang dianjurkan untuk menayangkan koleksi perkahwinannya di Mid Valley Megamall.

Pada tahun 2008, kami sekali lagi telah diberi pengiktirafan dan dianugerahkan Anugerah Jenama Dipercayai Reader's Digest dalam kategori Kedai Barang Kemas bagi tahun ketiga. Tinjauan Jenama Dipercayai Reader's Digest, dikongsi Nielsen Media Research, diiktiraf sebagai salah satu daripada tinjauan penjenamaan paling telus di rantau Asia.

TANGGUNGJAWAB SOSIAL KORPORAT (CSR)

Inisiatif Poh Kong dalam Tanggungjawab Sosial Korporat melibatkan penyepaduan CSR ke dalam tempat kerja kami, tempat pasaran kami, alam sekitar dan sumbangan dan derma kewangan bagi projek-projek bantuan pendidikan di sekolah-sekolah dan pertubuhan-pertubuhan sosial yang menyediakan manfaat bagi golongan miskin dan kurang bernasib baik.

PROSPEK MASA HADAPAN

Dengan krisis kredit dimulakan oleh sektor kewangan gadai janji subprima di US dan tekanan inflasi daripada kenaikan harga komoditi, pertumbuhan ekonomi global telah menjadi perlahan dan mungkin berlanjutan sehingga tahun 2010. Disokong oleh permintaan dalam negeri, pelan penstabilan dan rangsangan dilaksanakan untuk mengurangkan kesan ekonomi global, ekonomi Malaysia diunjur akan berkembang lebih kurang 5% pada tahun 2008.

Poh Kong akan terus memberikan penekanan pada pencapaian produktiviti yang lebih tinggi dan kecekapan operasi bagi bahagian-bahagian Kumpulan. Manakala Kumpulan menjangkakan prestasi beberapa syarikatnya yang beroperasi akan bertambah baik, ia masih berhati-hati terhadap persekitaran perdagangan am pada tahun 2008.

Pada masa ini, Syarikat mempunyai sejumlah 95 kedai runcit di seluruh negara. Pada FYE 2008, kami merancang untuk mengembangkan kumpulan kami dengan membuka lebih banyak gedung di pusat-pusat pasaran kelas tinggi yang bertujuan untuk mengekalkan kesetiaan pelanggan dan menambah pelanggan-pelanggan baru.

Poh Kong telah menghabiskan banyak masa dan modal dalam pembangunan jenama dalam tahun-tahun kebelakangan ini dan kini mula menikmati ganjaran.

Penyata **PENGERUSI**



Sebagai syarikat barang kemas paling pesat berkembang di Malaysia, Kumpulan berhasrat untuk mempromosikan jenama-jenama kami untuk menjadi salah satu daripada jenama barang kemas paling diiktiraf.

Kami percaya kami dapat mempengaruhi perniagaan barang kemas melalui jenama-jenama khas kami dan gedung-gedung runcit bukan sahaja bagi emas kuning terkenal kami tetapi juga bagi berlian dan batu permata berkualiti paling tulen.

Poh Kong tidak akan berpuas hati dengan kejayaan semasanya malah akan menyasarkan bagi pertumbuhan lebih tinggi melalui rancangan pengembangan tempatan dengan wawasan jangka panjang membawa jenamanya ke dalam pasaran global pada masa hadapan.

Di sebalik keadaan pasaran yang sukar dan ekonomi yang suram, rancangan dan strategi-strategi untuk menjana peningkatan jumlah dagangan jualan bagi FYE2009 tersedia untuk Kumpulan. Kami merancang untuk menjana pulangan positif melalui strategi-strategi pembangunan jenama dan promosi, pembukaan kedai-kedai baru di lokasi-lokasi strategik, pengembangan pasaran dan pengurusan kewangan berhemat.

Cabaran untuk membendung kos dan terus kekal sebagai peneraju dalam industri merupakan cabaran berterusan bagi Syarikat. Manakala tidak belanja besar ke atas perbelanjaan modal pada tahun 2008, Kumpulan telah merancang untuk melabur ke atas pembersihan hias kemudahan-kemudahan sedia ada dan menaik taraf serta mengembangkan kedai-kedai baru.

Kami telah membuka 13 gedung baru sepanjang tempoh 12 bulan (FYE2008) di Pavilion Kuala Lumpur (Schoeffel dan Poh Kong), Tesco Taiping, Tesco Extra Selayang, Sunway Pyramid (Diamond Boutique dan Tranz), Mid Valley Megamall (Diamond & Gold), Giant Kinrara, Tesco Extra Cheras, AEON Bukit Tinggi, Klang (Diamond & Gold), Tesco Extra Penang, Bintang Shah Alam dan Tesco Extra Shah Alam. Bagi FYE2009, kami merancang untuk membuka lebih banyak gedung-gedung di lokasi-lokasi strategik di seluruh negara.

Tanpa keadaan di luar jangkaan, Lembaga menjangkakan prestasi Kumpulan bagi FYE2009 akan memuaskan.

DIREKTORAT

Encik Mohd Annuar Choon Bin Abdullah, Encik Siow Der Ming dan Encik Chang Kwong Him telah bersara daripada Lembaga pada 15 Januari 2008. Lembaga ingin mengucapkan terima kasih kepada mereka atas sumbangan mereka kepada Kumpulan.

Kami ingin merakamkan penghargaan kami kepada beliau atas khidmat tidak ternilai dan dedikasi beliau yang dicurahkan kepada Syarikat dan menyampaikan ucapan takziah kepada keluarga beliau.

DIVIDEN

Lembaga telah mencadangkan untuk mengisytiharkan dividen pertama dan akhir satu tier sebanyak 1.40 sen dikecualikan setiap saham biasa bagi tahun kewangan berakhir 31 Julai 2008, berdasarkan modal saham Syarikat yang diterbitkan dan yang dibayar sebanyak 410,351,752 saham biasa, berjumlah RM5,744,925. (2007: dividen pertama dan akhir satu tier sebanyak 4.44 sen dikecualikan setiap saham biasa telah diisytiharkan berjumlah RM5,205,605). Dividen dicadangkan adalah tertakluk kepada kelulusan pemegang-pemegang saham pada Mesyuarat Agung Tahunan Ke-6 yang akan diadakan pada 9 Januari 2009.

PEROLEHAN SETIAP SAHAM

Perolehan asas setiap saham bagi tahun kewangan berakhir 31 Julai 2008 adalah sebanyak 6.99 sen (2007: 4.51 sen).*

*Angka perbandingan bagi perolehan setiap saham telah dinyatakan semula ke dalam akaun bagi mempengaruhi terbitan bonus dan pemecahan bahagian saham-saham.

PENGIKTIRAFAN

Bagi pihak Lembaga, saya ingin merakamkan penghargaan ikhlas saya kepada semua pemegang-pemegang saham setia kami atas keyakinan dalam Kumpulan, pelanggan-pelanggan, rakan-rakan perniagaan, dan pembekal-pembekal kami yang dihargai, atas sokongan dan kerjasama berterusan mereka. Saya juga ingin mengucapkan terima kasih kepada agensi-agensi Kerajaan dan pihak-pihak berkuasa berkaitan, atas bimbingan dan bantuan mereka.

Akhir sekali, saya juga ingin menyampaikan ucapan terima kasih tulus ikhlas kepada Ahli-ahli Lembaga sejawat, atas bimbingan dan sokongan mereka. Kepada Pengurusan dan Kakitangan, saya ingin merakamkan penghargaan kepada anda atas dedikasi tidak ternilai dan sumbangan anda kepada Kumpulan.

Penyata **PENGERUSI**

Kami ingin mengucapkan selamat datang kepada ahli-ahli Lembaga baru Puan Choon Yoke Ying, Puan Choon Wan Joo dan Encik Choon Yee Fook yang telah dilantik ke Lembaga pada 22 Januari 2008.

KEMATIAN

Lembaga Pengarah dan Pengurusan berasa sedih atas pemergian mengejut Puan Liew Yuke Foong, Pengarah Bebas Bukan Eksekutif kami pada 24 November 2008.

Mari kita berusaha menggapai satu lagi tahun kejayaan.

Dato' Choon Yee Seiong

Pengerusi Eksekutif & Pengarah Urusan Kumpulan

15 Disember 2008

INTRODUCTION

The Board of Poh Kong Holdings Berhad (“the Company”) is committed to instill a corporate culture that emphasises good corporate governance and is to be practised throughout the Company and its subsidiary companies (“the Group”). The Group acknowledges the importance of corporate governance in enhancing its business prosperity and corporate accountability with the absolute objective of realising long-term shareholders value, whilst taking into account the interest of other stakeholders.

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

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

1. DIRECTORS

1.1 The Board Balance

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

The Board comprises nine (9) members, of whom six (6) are Executive Directors and three (3) are Independent Non-Executive Directors. It is a balanced Board and comprises professionals from various backgrounds and with the

relevant experience and expertise that would add value to the Group. The mix of experience is vital for the strategic success of the Group.

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

The Executive Chairman and Group Managing Director is Dato’ Choon Yee Seiong. There is a clear division of responsibilities. As the Chairman, he is responsible for the orderly conduct and performance of the Board. As the Group Managing Director, he is responsible for ensuring the Board’s decisions are implemented, and that the day-to-day running of the business is in tandem with the goals and policies sanctioned by the Board. Although the current arrangement does not comply strictly with the best practices contained in the Code, the Managing Director is subject to the control of the Board of Directors.

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

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

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

Statement on **CORPORATE GOVERNANCE**



1.2 Board Meeting

The Board of Directors of the Company subscribes to the Code. The Board has the overall responsibility for Corporate Governance, strategic direction, formulation of policies and overseeing the investment and performance of the Company. The Board met seven (7) times during the financial year ended 31 July 2008 and details of attendance are as below :-

	Total number of Meeting Held	Meetings attended by Director
--	------------------------------	-------------------------------

Executive Directors

Dato' Choon Yee Seiong <i>(Executive Chairman and Group Managing Director)</i>	7	7
Mr Cheong Teck Chong	7	6
Madam Choon Nee Siew	7	6
Encik Mohd Annuar Choon Bin Abdullah <i>(retired w.e.f. 15 January 2008)</i>	5	5
Mr Chang Kwong Him <i>(retired w.e.f. 15 January 2008)</i>	5	5
Mr Siow Der Ming <i>(retired w.e.f. 15 January 2008)</i>	5	5
Mr Choon Yee Fook <i>(appointed w.e.f. 22 January 2008)</i>	2	2
Madam Choon Yoke Ying <i>(appointed w.e.f. 22 January 2008)</i>	2	2
Madam Choon Wan Joo <i>(appointed w.e.f. 22 January 2008)</i>	2	2

Independent Non-Executive Directors

Dr Choong Tuck Yew	7	7
Encik Fazrin Azwar Bin Md Nor	7	7
Madam Liew Yuke Foong	7	4



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

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

1.4 Directors' Training

An in-house seminar covering topics "Management Responsibilities: The Role of Directors and Managers as Company Officers", "An Introduction to Directors and Officers Duties and Liabilities", and "Summary of Common Issues Noted when Auditing Branches" was organized for members of the Board in May 2008.

Statement on CORPORATE GOVERNANCE

1.3 Supply of Information

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

During the year, Directors attended training that aid in the discharge of their duties as Directors.

There are also familiarization programmes in place for new Board members which include visits to the Group's businesses and meetings with Senior Management where appropriate, to facilitate their understanding of the Group.

1.5 Appointments to the Board

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

- a) Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.
- b) Consider in making its recommendations, candidates for directorship proposed by the Group Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder.
- c) Recommend to the Board, directors to fill seats on Board Committees.
- d) Assess the effectiveness of the Board as a whole.
- e) Assess the effectiveness of the committees of the Board.
- f) Assess the contribution of each individual director.
- g) Review and recommend to the Board the required mix of skills and experience and other qualities the Board requires in order to function completely and efficiently.

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

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

Encik Fazrin Azwar Bin Md Nor

Chairman, Independent Non-Executive Director

Dr Choong Tuck Yew

Senior Independent Non-Executive Director

Madam Liew Yuke Foong

Independent Non-Executive Director

1.6 Re-election of Directors

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

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

2. DIRECTORS' REMUNERATION

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

- a) Recommend to the Board the remuneration of the executive and non-executive directors.
- b) Assist the Board in assessing the responsibility and commitment undertaken by the Board membership.
- c) Assist the Board in ensuring the remuneration of the directors reflects the responsibility and commitment of the director concerned.

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

Madam Liew Yuke Foong

Chairperson, Independent Non-Executive Director

Dr Choong Tuck Yew

Senior Independent Non-Executive Director

Encik Fazrin Azwar Bin Md Nor

Independent Non-Executive Director

Dato' Choon Yee Seiong

Executive Chairman and Group Managing Director

Statement on CORPORATE GOVERNANCE

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

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



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

The details of the remuneration for Directors of the Company during the financial year ended 31 July 2008 are as follows:

Aggregate Remuneration Categorization	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Fees	249	72
Non-Fees	20	108
Salaries	4,903	-
Bonuses	866	-
Benefits-in-kind	214	-
Total	6,252	180

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

Range of Remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
Below RM50,000	-	1
RM50,001 to RM100,000	-	2
RM350,001 to RM400,000	1	-
RM550,001 to RM600,000	1	-
RM800,001 to RM850,000	1	-
RM950,001 to RM1,000,000	1	-
RM1,000,001 to RM1,050,000	1	-
RM2,450,001 to RM2,500,000	1	-

3. SHAREHOLDERS

3.1 Investor Relations and Shareholders' Communication

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

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

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

4. ACCOUNTABILITY AND AUDIT

In reviewing all the published annual and quarterly financial statements during the financial year ended 31 July 2008, 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 42 of this Annual Report.

4.1 Internal Controls

The Statement on Internal Control furnished on pages 39-40 of this Annual Report provides an overview of the state of internal controls within the Group.

4.2 Relationship with the Auditors

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

The amount of non-audit fees paid to the External Auditors during the financial year 2008 was RM5,000 for meeting attendance allowances.

The role of the Audit Committee in relation to the External Auditors is set out in pages 36-37 of this Annual Report.

The Statement is made in accordance with a resolution of the Board dated 18 November 2008.

Statement on CORPORATE GOVERNANCE



The Poh Kong Group has always supported the principles and practices of good corporate social responsibility (CSR).

It has engaged CSR initiatives with its various stakeholders, in the workplace, the community, the marketplace and the environment in its efforts to integrate the principles and practices of doing business with a conscience.

THE WORKPLACE

The Poh Kong Group has continually invested in developing its people as one of the most important assets in the Company. Training programmes to upgrade employees' skills and competencies were conducted to get all employees to be more knowledgeable, passionate and responsible for their jobs.

It has organized in-house training to equip frontline staff with sales techniques to enable them to up-sell, cross-sell and create new and additional sales opportunities to generate more profitability. Training have also been conducted for manufacturing, technical, design, finance and support staff to help us meet with the expansion of production lines, accounts and administrative duties.

The Group recognizes the critical role of all its 1,200 employees including those in manufacturing which has a workforce of about 160. It has at all times looked after their interests to ensure the human capital development to meet with the demands of the rapid progress and expansion of its retail and manufacturing business. The Group promotes staff appreciation and recognition efforts, such as long service awards, annual dinner, meals, free uniforms, staff purchases, performance incentives, and other benefits to motivate employees.

THE COMMUNITY

These include community-related projects that benefit the local communities and have been identified to various educational, social and welfare causes.

In 2008, the Group has taken initiatives in making contributions, monetary donations and the support of various bodies, as follows :-

- Subangan Tabung Persatuan Bekas Polis DiRaja, Malaysia
- Jusco Charity Foundation Drive Dinner at Sunway Lagoon & Resort Hotel, Bandar Sunway, Petaling Jaya
- Sekolah Menengah Assunta Alumni Charity Fund Gala Dinner, JW Marriot Hotel, Kuala Lumpur
- Love for Malaysia I Trust Charity Concert 2008 Gala Dinner, Genting Highland, Pahang
- Portrait of Hope Charity Gala Dinner to help the underprivileged (Yayasan Tuanku Nur Zahirah), JW Marriot Hotel, Kuala Lumpur
- Tien Ho Temple Fund "Home for Angels" Dinner at temple grounds, Kuala Lumpur
- Sponsorship of 80 children from the House of Joy and Ti-Ratana Welfare Society to a day of fun and games, and movie screening of Walt Disney's "High School Musical 3" at 1 Utama Shopping Centre, Petaling Jaya

THE MARKETPLACE

In an increasingly competitive marketplace, Poh Kong has an enviable reputation in the manufacturing and distribution of quality products and professional customer services.

The Group is committed to be the most professional jewellery retail chain by strengthening the trust, providing variety and delivering the highest quality to all our customers, as well as maintaining market leadership through its branding and retail concept stores.

THE ENVIRONMENT

The Group chose to be involved in the environmental CSR initiative as it believes that the environment in which employees operate in is one of the keys to cleaner and greener surroundings.

Corporate SOCIAL RESPONSIBILITY



Some of the efforts taken to minimize the impact of factory manufacturing on the environment include the safe disposal of waste discharge and the monitoring of pollution levels for a clean environment.

Continuous process improvements have also been deployed to improve efficiency and achieve cost-savings, such as maintaining air-conditioning on the need to use basis, switch off non-essential lighting, equipment during non-operating hours, and the recycling of materials in efforts to enhance the working environment.

THE AUDIT COMMITTEE

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

Dr Choong Tuck Yew

Chairman, Senior Independent Non-Executive Director, MIA Member

Madam Liew Yuke Foong

Independent Non-Executive Director

Encik Fazrin Azwar Bin Md Nor

Independent Non-Executive Director

Dato' Choon Yee Seiong

Executive Chairman and Group Managing Director

1. TERMS OF REFERENCE

1.1 Membership

The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, a majority of whom shall be Independent Directors. In compliance with Bursa Malaysia's Amended Listing Requirements, all members of the audit committee shall be non-executive directors by 31 January 2009.

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

1.2 Qualification

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

(a) must be a member of the Malaysian Institute of Accountants or

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

1.3 Meeting and Minutes

Meetings shall be held not less than four (4) times a year, and will normally be attended by the Chief Executive Officer, General Manager of Finance and other senior management, if necessary. 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 if they consider it to be necessary. The Audit Committee shall meet with the external auditors without executive board members present at least twice a year.

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

1.4 Authority

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

1.5 Responsibilities and Duties

In fulfilling its primary objectives, the Audit Committee undertakes, amongst others, the following responsibilities and duties:-

- To discuss with the external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of audit;
- 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;

- To review with the external auditors, their evaluation of the system of internal controls, their management letter and management's responses;
- To review the following in respect of internal audit:-
 - adequacy of scope, functions and resources of the firm of internal auditors (that was engaged to undertake the internal audit function) and that it has the necessary authority to carry out its work;
 - the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;

Report of the **AUDIT COMMITTEE**

- the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - review and approve any appointment or termination of senior staff members of the internal audit function; and
 - take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- e) To review the quarterly reporting to the Bursa Securities and year end annual financial statements of the Group before submission to the Board, focusing on:-
- compliance with accounting standards and regulatory requirements;
 - any major changes in accounting policies;
 - significant and unusual items and events.
- f) To review any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- g) To consider the nomination and appointment of external auditors, as well as the audit fee;
- h) To review any letter of resignation from the external auditors and any questions of resignation or dismissal;
- i) To review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;

Internal Audit Function

The Group's internal audit function is performed in-house by the Group Audit Department and is independent of the activities audited. The cost incurred for the internal audit function in respect of the financial year ended 31 July 2008 amounted to RM216,876. The function is performed with impartiality, proficiency and due professional care. The Internal Audit Department reports directly to the Audit Committee Chairman, and regularly reviews and appraises the Group's key operations to ensure that key risk and control concerns are being effectively managed.

Summary of activities of the Audit Committee for the financial year

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

1. Reviewing the quarterly financial result announcements of the Group prior to seeking the Board of Directors' approval and releasing the results to the Bursa Securities.
2. Reviewing the audit strategy and plan of the External Auditors.
3. Reviewing External Auditors' reports in relation to audit and accounting issues arising from the audit, and updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board.
4. Reviewing the annual financial statements of the Group and the Company.
5. Reviewing the internal audit functions and the recommendations on their findings.
6. The Audit Committee reviewed and approved the internal Audit Plan for the year 2008/2009.

Report of the **AUDIT COMMITTEE**

- j) To verify that the allocation of options pursuant to the Employees' Share Options Scheme of the Company is in accordance with the criteria for allocation established under the scheme at the end of each financial year; and
- k) To promptly report to Bursa Securities if it is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

During the financial year ended 31 July 2008, the Audit Committee met five (5) times and the details of the attendance are as follows:

Attendance	
Dr Choong Tuck Yew	5/5
Madam Liew Yuke Foong	3/5
Encik Fazrin Azwar Bin Md Nor	5/5
Dato' Choon Yee Seiong	5/5

This Report is made in accordance with a resolution of the Board dated 18 November 2008.



Design • Price • Location • Convenience

CHOICE

1. INTRODUCTION

The Board of Directors ("Board") is pleased to comment on the state of Internal Control of the Group for the year ended 31 July 2008 in line with the Listing Requirements of Bursa Securities.

2. RESPONSIBILITY

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

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

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

3. KEY ELEMENTS OF INTERNAL CONTROL

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

3.1 Audit Committee

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

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

3.2 Internal Audit

In line with good corporate governance practices, the internal audit function was formally set up with the assistance of an external consultant towards the end of 2004. The Audit Committee formally approved the Internal Audit Plan for the year 2008/2009. The internal auditors carried out independent reviews of systems of internal control in the key activities within the Group. The scope and coverage of internal audit assignments were prioritised based on criterias, such as its assessment of risk and control procedures.

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

Statement on INTERNAL CONTROL



3.3 Risk Management

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

3.4 Reporting and Review

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

3.5 Other Risks and Control Processes

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

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

4. CONCLUSION

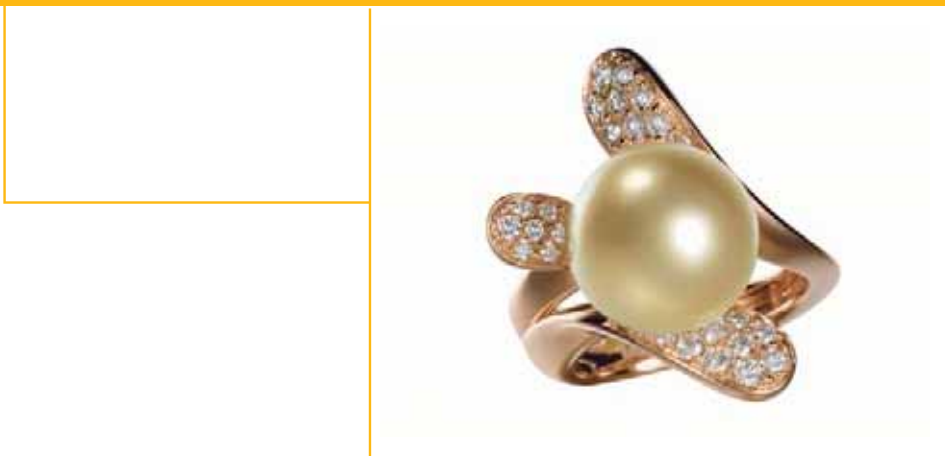
There were no material losses, uncertainties or contingencies reported during the current financial year as a result of weaknesses in internal control that would require mention in the Annual Report of the Group.

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

This statement is made in accordance with a resolution of the Board dated 18 November 2008.



Statement on INTERNAL CONTROL



IN COMPLIANCE WITH THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1) UTILIZATION OF PROCEEDS

As at todate, the status of the utilization of proceeds raised from the Public Issue pursuant to the listing of the Company on the Main Board of Bursa Malaysia Securities Berhad amounting to RM31.328 million is as follows:

	Approved RM'000	Utilised RM'000	Balance RM'000
Purchase of Machinery	2,000	1,909	91
Working Capital	10,647	10,647	-
Acquisition of 55% equity interest in PKJM	12,681	12,681	-
Expansion	3,000	3,000	-
Listing Expenses	3,000	3,000	-
	31,328	31,237	91

2) SHARE BUY-BACK

There was no share buy-back of the Company's shares during the financial year.

3) OPTIONS, WARRANT OR CONVERTIBLE SECURITIES

There were no options, warrant or convertible securities issued to any parties during the financial year.

4) AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

During the financial year, the Company did not sponsor any ADR or GDR.

7) VARIATION IN RESULTS

There was no material variance between the results for the financial year and the unaudited results previously announced.

8) PROFIT GUARANTEE

No profit guarantee was given by the Company in respect of the financial year.

9) MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors and/or major shareholders and/or related parties.

10) REVALUATION OF PROPERTIES

Based on the valuation reports prepared by Allied Group Property Consultant (Selangor) Sdn Bhd and PPC International Sdn Bhd, registered independent valuers, the fair value of the Group's land and buildings as at 31 July 2008 was RM43,820,000. The revaluation surplus was incorporated in the financial statements for the financial year ended 31 July 2008.

11) RECURRENT RELATED-PARTY TRANSACTIONS

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 35 to the Financial Statements.

Other COMPLIANCE INFORMATION

5) IMPOSITION OF SANCTIONS AND/OR PENALTIES

During the financial year, there were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory authorities.

6) NON-AUDIT FEES

Non-audit fees paid to GEP Associates for the financial year was RM5,000 for meeting attendance allowances.



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 approved accounting standards in Malaysia and the provisions of the Act.

In preparing the financial statements for the year ended 31 July 2008, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured applicable accounting 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 is made in accordance with a resolution of the Board of Directors dated 18 November 2008.



Statement On **DIRECTORS' RESPONSIBILITY**



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FINANCIAL STATEMENTS



Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its Subsidiary Companies.

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

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

RESULTS

	GROUP RM	COMPANY RM
Profit for the year	28,765,620	47,834,826
Attributable to :-		
Equity holders of the Company	28,685,270	47,834,826
Minority interests	80,350	-
	28,765,620	47,834,826

DIVIDENDS

Since the end of the previous financial year, a first and final dividend of 4.44 sen single tier exempt dividend amounting to RM5,205,605 in respect of financial year ended 31 July 2007 was paid on 18 February 2008.

The Directors now recommend a first and final dividend of 1.40 sen single tier exempt dividend in respect of the current financial year ended 31 July 2008 which, subject to the approval of the shareholders at the forthcoming annual general meeting of the Company, will be paid to shareholders whose names appear in the Record of Depositors on a date to be determined by the Directors, based on the outstanding issued and paid-up share capital of the Company as at 31 July 2008 of 410,351,752 ordinary shares of RM0.50 each, amounting to RM5,744,925. Such dividend, if approved by the shareholders will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 July 2009.

RESERVES AND PROVISIONS

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

Directors' Report

ISSUE OF SHARES

Alteration of authorised share capital, bonus issue and subdivision of shares :-

- a) On 21 February 2008, the authorised share capital of the Company was altered from RM500,000,000 comprising 500,000,000 ordinary shares of RM1-00 each to RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0-50 each.
- b) On 21 February 2008, the Company increased its issued and paid-up share capital through a bonus issue of 87,932,518 new ordinary shares of RM1-00 each in the Company on the basis of three (3) new bonus shares for every four (4) existing ordinary shares of RM1-00 each in the Company by way of capitalisation of the share premium account amounting to RM49,058,015 and retained earnings of RM38,874,503. The paid-up share capital of the Company was increased from RM117,243,358 to RM205,175,876 by the above bonus issue.
- c) On 21 February 2008, following the completion of the bonus issue, the Company subdivided every one (1) existing ordinary share of RM1-00 each in the Company into two (2) ordinary shares of RM0-50 each in the Company. The enlarged issued and paid-up share capital of the Company comprising of 205,175,876 ordinary shares of RM1-00 each after the completion of the bonus issue was subdivided into 410,351,752 ordinary shares of RM0-50 each.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

SHARE OPTIONS

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

DIRECTORS

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

DATO' CHOON YEE SEIONG
CHEONG TECK CHONG
CHOON NEE SIEW
MOHD ANNUAR CHOON BIN ABDULLAH (Retired on 15 / 1 / 2008)
CHANG KWONG HIM (Retired on 15 / 1 / 2008)
SIOU DER MING (Retired on 15 / 1 / 2008)
CHOON YOKE YING (Appointed w.e.f. 22 / 1 / 2008)
CHOON WAN JOO (Appointed w.e.f. 22 / 1 / 2008)
CHOON YEE FOOK (Appointed w.e.f. 22 / 1 / 2008)
DR. CHOONG TUCK YEW
FAZRIN AZWAR BIN MD. NOR
LIEW YUKE FOONG

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

Directors' Report

DIRECTORS (CONT'D)

CHOON YOKE YING, CHOON WAN JOO and CHOON YEE FOOK 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.

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

DIRECTORS' INTERESTS

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

COMPANY DIRECT INTEREST

	DATO' CHOON YEE SEIONG	CHEONG TECK CHONG	CHOON NEE SIEW	CHOON YOKE YING	CHOON WAN JOO	CHOON YEE FOOK	FAZRIN AZWAR BIN MD. NOR	DR. CHOONG TUCK YEOW	LIEW YUKE FOONG
Number of ordinary shares of RM1-00 each									
Balance at 1/8/2007	1,794,985	560,094	586,392	464,792	605,023	18,238	400,500	15,000	15,000
Bought	-	89,600	-	136,000	50,700	-	-	-	-
Sold	-	-	-	(70,000)	(55,700)	(11,300)	(390,500)	-	-
Bonus issue	1,346,238	487,270	439,794	398,094	450,017	5,203	7,500	11,250	11,250
Balance at 21/2/2008	3,141,223	1,136,964	1,026,186	928,886	1,050,040	12,141	17,500	26,250	26,250
Effect of share split to ordinary shares of RM0-50 each	3,141,223	1,136,964	1,026,186	928,886	1,050,040	12,141	17,500	26,250	26,250
Number of ordinary shares of RM0-50 each									
Balance at 21/2/2008	6,282,446	2,273,928	2,052,372	1,857,772	2,100,080	24,282	35,000	52,500	52,500
Bought	-	-	-	-	120,000	-	-	50,000	-
Sold	-	-	-	-	-	-	-	-	-
Balance at 31/7/2008	6,282,446	2,273,928	2,052,372	1,857,772	2,220,080	24,282	35,000	102,500	52,500

Directors' Report

DIRECTORS' INTERESTS (CONT'D)

	DATO' CHOON YEE SEIONG	CHEONG TECK CHONG	CHOON NEE SIEW	CHOON YOKE YING	CHOON WAN JOO	CHOON YEE FOOK	LIEW YUKE FOONG
INDIRECT INTEREST							
Number of ordinary shares of RM1-00 each							
Balance at 1/8/2007	70,699,346 ⁽ⁱ⁾	68,357,427 ⁽ⁱ⁾	71,414,950 ⁽ⁱⁱ⁾	71,678,195 ⁽ⁱⁱ⁾	71,566,853 ⁽ⁱⁱ⁾	71,977,604 ⁽ⁱⁱ⁾	5,000 ⁽ⁱⁱⁱ⁾
Bought	342,300	131,000	325,300	196,300	261,600	312,300	-
Sold	(137,000)	-	(137,000)	(67,000)	(81,300)	(137,000)	-
Bonus issue	52,992,183	51,366,397	53,516,136	53,669,319	53,624,063	53,948,152	3,750
Balance at 21/2 /2008	123,896,829	119,854,824	125,119,386	125,476,814	125,371,216	126,101,056	8,750
Effect of share split to ordinary shares of RM0-50 each	123,896,829	119,854,824	125,119,386	125,476,814	125,371,216	126,101,056	8,750
Number of ordinary shares of RM0-50 each							
Balance at 21/2/2008	247,793,658	239,709,648	250,238,772	250,953,628	250,742,432	252,202,112	17,500
Bought	120,000	-	120,000	120,000	-	120,000	-
Sold	-	-	-	-	-	-	-
Balance at 31/7/2008	247,913,658	239,709,648	250,358,772	251,073,628	250,742,432	252,322,112	17,500

	DATO' CHOON YEE SEIONG	CHEONG TECK CHONG	CHOON NEE SIEW	CHOON YOKE YING	CHOON WAN JOO
ULTIMATE HOLDING COMPANY					
DIRECT INTEREST					
POH KONG SDN BHD					
Number of ordinary shares of RM1-00 each					
Balance at 1/8/2007		46,792,745	25,801,826	20,893,411	5,303,591
Bought		-	-	-	-
Sold		-	-	-	-
Capital repayment		(5,147,202)	(2,838,201)	(2,298,275)	(583,395)
Balance at 31 /7/2008		41,645,543	22,963,625	18,595,136	4,720,196

Directors' Report

DIRECTORS' INTERESTS (CONT'D)

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

By virtue of their interests in the shares of the Company, all the Directors are also deemed to be interested in the shares of the Company's Subsidiary Companies to the extent the Company has an interest.

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in the shares of the Company's related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in Note 28 to the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

OTHER STATUTORY INFORMATION

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

- a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and
- b) to ensure that any current assets, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable value.

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

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

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

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

Directors' Report

OTHER STATUTORY INFORMATION (CONT'D)

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

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

In the opinion of the Directors :-

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

ULTIMATE HOLDING COMPANY

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

SIGNIFICANT EVENT

The significant event during the financial year is disclosed in Note 40 to the financial statements.

SIGNIFICANT SUBSEQUENT EVENT

Significant event subsequent to the balance sheet date is disclosed in Note 41 to the financial statements.

AUDITORS

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

Signed in accordance with a resolution of the Directors dated 18 November 2008

DATO' CHOON YEE SEIONG

CHEONG TECK CHONG

Petaling Jaya
18 November 2008

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 as set out on pages 53 to 114 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 July 2008 and of the results of their operations, changes in equity and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors dated 18 November 2008

DATO' CHOON YEE SEIONG

CHEONG TECK CHONG

Petaling Jaya
18 November 2008

Statutory Declaration

I, KOH SZE HAW being the officer primarily responsible for the financial management of POH KONG HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements as set out on pages 53 to 114 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
KOH SZE HAW)
at Petaling Jaya)
on 18 November 2008)

KOH SZE HAW

Before me

SELVARAJAH A/L SIVALINGAM (No. B103)

Commissioner for Oaths

Independent Auditors' Report

to the Members of Poh Kong Holdings Berhad (586139-K) (Incorporated In Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of POH KONG HOLDINGS BERHAD, which comprise the balance sheets as at 31 July 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 53 to 114.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 July 2008 and of their financial performance and cash flows for the year then ended.

Independent Auditors' Report

to the Members of Poh Kong Holdings Berhad (586139-K) (Incorporated In Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the Auditors' Report of a subsidiary company of which we have not acted as auditors, which is indicated in Note 8 to the financial statements.
- c) We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

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

GEP ASSOCIATES

No : AF 1030
Chartered Accountants

Petaling Jaya
18 November 2008

ESTHER TAN CHOON HWA

No : 1023/03/10 (J)
Chartered Accountant

Consolidated Balance Sheet

As At 31 July 2008

	Note	2008 RM	2007 RM (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	5	69,012,792	60,088,938
Prepaid land lease payments	6	7,212,977	3,941,361
Investment property	7	240,000	122,954
Other investments	9	532,999	532,999
Intangible assets	10	1,485,140	1,485,140
Deferred tax assets	11	121,260	447,390
		78,605,168	66,618,782
Current assets			
Inventories	12	391,286,395	324,370,613
Trade receivables	13	1,538,022	1,887,523
Non-trade receivables	14	13,847,565	12,330,535
Tax recoverable		3,419,739	3,607,859
Fixed deposits with licensed banks	16	3,359,623	3,196,761
Cash and bank balances		9,263,079	12,220,192
		422,714,423	357,613,483
TOTAL ASSETS		501,319,591	424,232,265
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	17	205,175,876	117,243,358
Reserves	18	55,889,680	116,251,995
		261,065,556	233,495,353
Minority interests	19	3,514,509	3,434,159
Total equity		264,580,065	236,929,512

Consolidated Balance Sheet

As At 31 July 2008

	Note	2008 RM	2007 RM (Restated)
Non-current liabilities			
Advance from Ultimate Holding Company	21	15,000,000	-
Long-term borrowings	22	76,386,669	75,965,798
Deferred tax liabilities	11	5,622,848	3,498,299
		97,009,517	79,464,097
Current liabilities			
Trade payables	23	23,363,050	22,714,510
Non-trade payables	24	14,642,325	13,142,434
Amounts due to Directors	25	1,990,778	1,725,860
Short-term borrowings	22	95,895,088	68,931,502
Provision for taxation		3,838,768	1,324,350
		139,730,009	107,838,656
Total liabilities		236,739,526	187,302,753
TOTAL EQUITY AND LIABILITIES		501,319,591	424,232,265

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

Consolidated Income Statement

For The Year Ended 31 July 2008

	Note	2008 RM	2007 RM
Revenue	26	509,354,368	414,239,335
Cost of sales		(353,558,743)	(291,608,575)
Gross profit		155,795,625	122,630,760
Other operating income		1,265,877	3,198,957
		157,061,502	125,829,717
Selling and distribution expenses		(54,531,144)	(43,834,866)
		102,530,358	81,994,851
Administrative expenses		(52,407,350)	(48,116,332)
Profit from operations	27	50,123,008	33,878,519
Finance costs	29	(10,167,468)	(8,513,453)
Profit before taxation		39,955,540	25,365,066
Income tax expense	30	(11,189,920)	(6,949,126)
Profit for the year		28,765,620	18,415,940
Attributable to :-			
Equity holders of the Company		28,685,270	18,404,690
Minority interests		80,350	11,250
		28,765,620	18,415,940
Earnings per share attributable to equity holders of the Company (sen) :-			
Basic (*)	31	6-99	4-51
Proposed net dividends per share (sen)	32	1-40	4-44

(*) The comparative figures for earnings per ordinary share have been restated to account for the effect of bonus issue and subdivision of shares.

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

Consolidated Statement of Changes in Equity

For The Year Ended 31 July 2008

	Note	Attributable to equity holders of the Company				Total RM	Minority interests RM	Total equity RM
		Share capital RM	Non-distributable Share premium RM	Capital reserve RM	Distributable Retained earnings RM			
At 1 August 2006		115,881,825	48,433,422	164,648	42,266,185	206,746,080	1,723,965	208,470,045
Effects of adopting FRS 3		-	-	-	11,466,037	11,466,037	-	11,466,037
Issue of shares :-	17							
- Conversion of ICULS		1,361,533	816,921	-	-	2,178,454	-	2,178,454
Equity component of ICULS		-	-	(164,648)	-	(164,648)	-	(164,648)
Profit for the year		-	-	-	18,404,690	18,404,690	11,250	18,415,940
Dividends	32	-	-	-	(5,135,260)	(5,135,260)	-	(5,135,260)
Acquisition of interests in Subsidiary Companies		-	-	-	-	-	1,698,944	1,698,944
At 31 July 2007		117,243,358	49,250,343	-	67,001,652	233,495,353	3,434,159	236,929,512
At 1 August 2007		117,243,358	49,250,343	-	67,001,652	233,495,353	3,434,159	236,929,512
Revaluation increase of freehold land and buildings and leasehold buildings		-	-	4,282,866	-	4,282,866	-	4,282,866
Profit for the year		-	-	-	28,685,270	28,685,270	80,350	28,765,620
Dividends	32	-	-	-	(5,205,605)	(5,205,605)	-	(5,205,605)
Bonus issue	17	87,932,518	(49,058,015)	-	(38,874,503)	-	-	-
Transaction costs		-	(192,328)	-	-	(192,328)	-	(192,328)
At 31 July 2008		205,175,876	-	4,282,866	51,606,814	261,065,556	3,514,509	264,580,065

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

Consolidated Cash Flow Statement

For The Year Ended 31 July 2008

	2008 RM	2007 RM (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	39,955,540	25,365,066
Adjustments for :-		
Amortisation of prepaid land lease payments	132,195	78,600
Allowance for doubtful debts	529,134	77,696
Deposit written off	64,120	19,781
Depreciation	7,044,487	6,114,709
Dividend income	(299,999)	(299,998)
Fair value adjustment of investment property	(117,046)	-
Forfeited customers' deposits	(213,699)	(152,186)
Gain on disposal of property, plant and equipment	(284,882)	(31,149)
Impairment loss of property, plant and equipment	143,178	-
Interest expense	10,167,468	8,513,453
Interest income	(140,462)	(139,489)
Inventory loss	-	2,201,728
Property, plant and equipment written off	688,033	365,055
Reversal of allowance for doubtful debts	(65,418)	(216,016)
Reversal of impairment of property, plant and equipment	(944,186)	-
Short-term accumulating compensated absences	24,478	54,242
Operating profit before working capital changes	56,682,941	41,951,492
Increase in inventories	(66,915,782)	(39,695,912)
Increase in trade receivables	(114,215)	(47,545)
Increase in non-trade receivables	(1,581,150)	(3,704,371)
Increase / (Decrease) in trade payables	648,540	(16,418,129)
Increase / (Decrease) in non-trade payables	1,751,112	(1,255,231)
Increase / (Decrease) in amounts due to Directors	264,918	(693,003)
	(65,946,577)	(61,814,191)
Cash used in operations	(9,263,636)	(19,862,699)
Income tax refund	1,148,333	-
Income tax paid	(8,511,103)	(8,765,034)
Net cash used in operating activities carried forward	(16,626,406)	(28,627,733)

Consolidated Cash Flow Statement

For The Year Ended 31 July 2008

	2008 RM	2007 RM (Restated)
Net cash used in operating activities brought forward	(16,626,406)	(28,627,733)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	498,983	122,561
Purchase of property, plant and equipment	(8,693,819)	(5,729,995)
Purchase of investment	-	(149,999)
Interest received	35,608	19,747
Dividend received	218,999	215,999
Fixed deposits pledged	(29,287)	-
	(7,969,516)	(5,521,687)
Net cash used in investing activities	(24,595,922)	(34,149,420)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares to minority interests	-	1,698,944
Transaction costs pursuant to issuance of shares	(192,328)	-
Loans raised	14,481,918	99,932,158
Repayments of term loans	(800,390)	(5,039,216)
Repayments to finance lease creditors	(3,336,002)	(2,538,348)
Repayments to hire purchase creditors	(1,435,421)	(1,245,808)
Increase / (Decrease) in amount due to Ultimate Holding Company	15,000,000	(14,400,000)
Interest paid	(10,188,347)	(8,514,776)
Dividend paid	(5,205,605)	(5,135,260)
Net cash generated from financing activities	8,323,825	64,757,694
Net (decrease) / increase in cash and cash equivalents	(16,272,097)	30,608,274
Cash and cash equivalents brought forward	8,047,478	(22,560,796)
Cash and cash equivalents carried forward	33 (8,224,619)	8,047,478

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

Balance Sheet

As At 31 July 2008

	Note	2008 RM	2007 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	351,520	423,425
Investments in Subsidiary Companies	8	156,773,424	156,773,424
Deferred tax assets	11	120,771	20,250
		157,245,715	157,217,099
Current assets			
Trade receivables	13	3,116,540	2,516,760
Non-trade receivables	14	88,789	37,120
Amounts due from Subsidiary Companies	15	160,953,068	106,757,498
Tax recoverable		2,022,881	1,233,526
Dividend receivable		9,966,600	7,809,000
Cash and bank balances		271,872	752,189
		176,419,750	119,106,093
TOTAL ASSETS		333,665,465	276,323,192
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	17	205,175,876	117,243,358
Reserves	18	12,649,338	58,144,963
Total equity		217,825,214	175,388,321
Non-current liabilities			
Advance from Ultimate Holding Company	21	15,000,000	-
Long-term borrowings	22	70,070,623	70,053,932
		85,070,623	70,053,932
Current liabilities			
Non-trade payables	24	3,242,520	3,278,672
Amounts due to Directors	25	615,061	789,296
Amounts due to Subsidiary Companies	15	1,845,486	1,727,170
Short-term borrowings	22	25,066,561	25,085,801
		30,769,628	30,880,939
Total liabilities		115,840,251	100,934,871
TOTAL EQUITY AND LIABILITIES		333,665,465	276,323,192

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

Income Statement

For The Year Ended 31 July 2008

	Note	2008 RM	2007 RM
Revenue	26	74,799,789	20,261,840
Cost of sales		-	-
Gross profit		74,799,789	20,261,840
Other operating income		3,980	129,928
		74,803,769	20,391,768
Selling and distribution expenses		-	-
		74,803,769	20,391,768
Administrative expenses		(10,800,698)	(9,817,645)
Profit from operations	27	64,003,071	10,574,123
Finance costs	29	(5,941,385)	(1,948,908)
Profit before taxation		58,061,686	8,625,215
Income tax expense	30	(10,226,860)	(2,481,776)
Profit after taxation		47,834,826	6,143,439

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

Statement of Changes in Equity

For The Year Ended 31 July 2008

	Note	Share capital RM	Share premium RM	Non-distributable Capital reserve RM	Distributable Retained earnings RM	Total RM
At 1 August 2006		115,881,825	48,433,422	164,648	7,886,441	172,366,336
Issue of shares :-	17					
- Conversion of ICULS		1,361,533	816,921	-	-	2,178,454
Equity component of ICULS		-	-	(164,648)	-	(164,648)
Profit for the year		-	-	-	6,143,439	6,143,439
Dividends	32	-	-	-	(5,135,260)	(5,135,260)
At 31 July 2007		117,243,358	49,250,343	-	8,894,620	175,388,321
At 1 August 2007		117,243,358	49,250,343	-	8,894,620	175,388,321
Profit for the year		-	-	-	47,834,826	47,834,826
Dividends	32	-	-	-	(5,205,605)	(5,205,605)
Bonus issue	17	87,932,518	(49,058,015)	-	(38,874,503)	-
Transaction costs		-	(192,328)	-	-	(192,328)
At 31 July 2008		205,175,876	-	-	12,649,338	217,825,214

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

Cash Flow Statement

For The Year Ended 31 July 2008

	Note	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		58,061,686	8,625,215
Adjustments for :-			
Depreciation		77,370	61,842
Dividend income		(61,688,579)	(10,697,260)
Interest income		(6,247,788)	(3,409,578)
Interest expense		5,941,385	1,948,908
Property, plant and equipment written off		49,352	-
Short-term accumulating compensated absences		(1,800)	20,498
Operating loss before working capital changes		(3,808,374)	(3,450,375)
(Increase) / Decrease in trade receivables		(599,780)	732,984
(Increase) / Decrease in non-trade receivables		(51,669)	5,458
Decrease in non-trade payables		(34,352)	(980,162)
Decrease in amounts due to Directors		(174,235)	(118,926)
		(860,036)	(360,646)
Cash used in operations		(4,668,410)	(3,811,021)
Income tax refund		723,754	337,303
Income tax paid		(118,512)	-
Net cash used in operating activities		(4,063,168)	(3,473,718)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(54,817)	(198,158)
Interest received		6,247,788	3,409,578
Dividend received		47,809,000	8,542,080
Net cash generated from investing activities		54,001,971	11,753,500
Balance carried forward		49,938,803	8,279,782

Cash Flow Statement

For The Year Ended 31 July 2008

	Note	2008 RM	2007 RM
Balance brought forward		49,938,803	8,279,782
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan raised		99,902	95,000,000
Interest paid		(5,962,400)	(1,950,232)
Dividend paid		(5,205,605)	(5,135,260)
Repayment to hire purchase creditor		(16,610)	(12,458)
Repayment to finance lease creditors		(64,825)	(126,103)
Transaction costs pursuant to issuance of shares		(192,328)	-
Increase / (Decrease) in advance from Ultimate Holding Company		15,000,000	(14,400,000)
Decrease in amount due from / (to) Subsidiary Companies		(54,077,254)	(81,212,780)
Net cash used in financing activities		(50,419,120)	(7,836,833)
Net (decrease) / increase in cash and cash equivalents		(480,317)	442,949
Cash and cash equivalents brought forward		752,189	309,240
Cash and cash equivalents carried forward	33	271,872	752,189

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

Notes to the Financial Statements

31 July 2008

1. CORPORATE INFORMATION

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

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

The principal activities of the Company are investment holding and provision of management services to its Subsidiary Companies.

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

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

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

The financial statements are expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 November 2008.

2. BASIS OF PREPARATION

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

3. COMPARATIVE FIGURES

The comparative figures were extended to comply with the additional disclosure requirements of the new FRSs that are applicable for the financial year ended 31 July 2008.

Certain comparative figures have been restated to conform with the current year's presentation, which include mainly :-

GROUP	As previously reported RM	Effects of adopting FRS 117 RM	As restated RM
Property, plant and equipment	64,030,299	(3,941,361)	60,088,938
Prepaid land lease payments	-	3,941,361	3,941,361

Notes to the Financial Statements

31 July 2008

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

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

The financial statements comply with the provisions of the Companies Act, 1965 and applicable FRSs in Malaysia.

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

4.2 Changes in accounting policies

On 1 August 2007, the Group and the Company adopted the following new and revised FRSs, amendment to FRS and Issues Committee Interpretations ("IC Int.") which are mandatory for financial periods beginning on or after the respective dates as follows :-

a) Financial periods beginning on or after 1 October 2006

FRS 117	Leases
FRS 124	Related Party Disclosures

b) Financial periods beginning on or after 1 January 2007

FRS 6	Exploration for and Evaluation of Mineral Resources
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c) Financial periods beginning on or after 1 July 2007

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Int. 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Int. 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Int. 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Int. 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Int. 7	Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies
IC Int. 8	Scope of FRS 2

The Group has not early adopted FRS 139 Financial Instruments : Recognition and Measurement which the effective date will be for financial periods beginning on or after 1 January 2010.

The adoption of new and revised FRS 6, 107, 111, 112, 118, 120, 124, 134, 137, amendment to FRS 121, IC Int. 1, 2, 5, 6, 7 and 8 does not result in significant changes in accounting policies of the Group. The principal changes in accounting policies and their effects resulting from the adoption of the revised FRS 117 are discussed as follows :-

Notes to the Financial Statements

31 July 2008

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Changes in accounting policies (Cont'd)

a) FRS 117 Leases

i) Leasehold land held for own use

Prior to 1 August 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment relating to the land element represents prepaid lease payments and are amortised on a straight- line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 August 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and as such, certain comparative figures have been restated. The effects on the consolidated balance sheet as at 31 July 2008 are as follows :-

	2008 RM	2007 RM
Property, plant and equipment	(7,212,977)	(3,941,361)
Prepaid land lease payments	7,212,977	3,941,361

There were no effects on the consolidated income statement for the financial year ended 31 July 2008 and the Company's separate financial statements.

ii) Initial direct costs

Prior to 1 August 2007, the Group, as a lessor in operating lease arrangements, had recognised initial direct costs incurred in negotiating and arranging lease as an expense in the income statement in the period in which they were incurred. The revised FRS 117 requires such costs to be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. According to the revised FRS 117, this change in accounting policy should be applied retrospectively. In general, the Group does not incur significant initial direct costs on negotiating and arranging leases and as a result, this change in accounting policy did not materially affect the financial statements of the Group and the Company.

Notes to the Financial Statements

31 July 2008

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Significant accounting estimates and judgements

Key sources of estimation uncertainty

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

a) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 July 2008 was RM1,485,140 (2007 : RM1,485,140). Further details are as disclosed in Note 10 to the financial statements.

b) Income taxes

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

c) Deferred tax assets

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

d) Useful lives of property, plant and equipment

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

4.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its Subsidiary Companies, which are prepared up to the end of the same financial year.

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

Notes to the Financial Statements

31 July 2008

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Basis of consolidation (Cont'd)

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

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

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

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

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

4.5 Property, plant and equipment

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

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

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

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

Freehold land is not amortised as it has an infinite life.

Building-in-progress is stated at cost unless in the opinion of the Directors there is a permanent diminution in value, in which case, provision will be made. Depreciation of building-in-progress commences when the assets are ready for their intended use.

Notes to the Financial Statements

31 July 2008

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Property, plant and equipment (Cont'd)

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on disposals are determined by comparing the net disposal proceeds with net carrying amounts and recognised in the income statement. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

4.6 Leases

a) Classification

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

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease, as disclosed in Note 4.7 to the financial statements; and
- Land held under own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

b) Finance leases - the Group as lessee

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

Notes to the Financial Statements

31 July 2008

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Leases (Cont'd)

b) Finance leases - the Group as lessee (Cont'd)

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

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

c) Operating leases - the Group as lessee

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

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

d) Operating leases - the Group as lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease as disclosed in Note 4.17 to the financial statements. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

4.7 Investment properties

Investment properties are properties which are to earn rental income or for capital appreciation or for both, and are not occupied by the Group. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by independent professional valuers.

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

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

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

Notes to the Financial Statements

31 July 2008

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Subsidiary Companies

Subsidiary Companies are companies over which the Group has the power to exercise control over the financial and operating policies of an entity so as to attain benefit from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

Investments in Subsidiary Companies are stated at cost less allowance made or amount written off for any diminution in value other than temporary. Diminution in value other than temporary diminution of an investment is recognised as an expense in the period in which the diminution is identified.

4.9 Other investments

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

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

4.10 Inventories

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

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

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

4.11 Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the year in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts.

4.12 Payables

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

4.13 Foreign currency translation

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.

Notes to the Financial Statements

31 July 2008

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Foreign currency translation (Cont'd)

For consolidation purposes, the financial statements of overseas Subsidiary Company's undertaking are translated at the rates of exchange ruling at the balance sheet date. The income statement is translated at average rates for the period. The exchange difference arising on the re-translation is taken directly to exchange translation reserves.

The principal closing rates used in translation of foreign currency amounts are as follows :-

Foreign currency	31/7/2008 RM	31/7/2007 RM
1 US Dollar	3-30	3-49
100 Hongkong Dollar	42-86	45-23

4.14 Borrowings

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

4.15 Interest capitalisation

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of the cost of the property, plant and equipment during the period of time that is required to complete and prepare the property, plant and equipment for its intended use.

4.16 Provisions

Provisions are recognised where there is a present obligation as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligations.

4.17 Revenue recognition

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

a) Sale of goods

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

b) Dividend income

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

c) Management fee

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Revenue recognition (Cont'd)

d) Rental and interest income

Rental income and interest income are recognised in the income statement as it accrues unless collection is doubtful.

e) Royalty income

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

4.18 Impairment of assets

The carrying values of assets other than investment properties are reviewed for impairment at each balance sheet date to determine whether there is an indication that the assets might be impaired. If any of such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 Employee benefits

a) Short-term benefits

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

b) Defined contribution plan

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

4.20 Interest expense

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

4.21 Income tax

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

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

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

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

Notes to the Financial Statements

31 July 2008

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 Share capital

a) Classification

Ordinary shares are classified as equity.

b) Share issue costs

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

c) Dividends

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

4.23 Cash and cash equivalents

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

4.24 Financial instruments

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

a) Financial instruments recognised in the balance sheet

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

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

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

The Group has not used any derivative financial instruments.

b) Fair values estimation for disclosure purposes

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

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

Notes to the Financial Statements

31 July 2008

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.25 Segment reporting

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

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

5. PROPERTY, PLANT AND EQUIPMENT

GROUP

Net book value	At 1/8/2007 RM	Reclassifi- cations RM	Effects of adopting FRS 117 RM	Additions RM	Written off / Disposals RM	Revaluation surplus RM	Reversal of impairment losses RM	Current depreciation RM	At 31/7/2008 RM
Leasehold land	-	3,403,811	(3,403,811)	-	-	-	-	-	-
Freehold land	6,803,948	211,846	-	-	-	1,600,873	-	-	8,616,667
Buildings	24,346,731	(3,615,657)	-	-	-	4,027,053	801,008	502,213	25,056,922
Building-in- progress	427,951	-	-	210,000	-	-	-	-	637,951
Equipment, furniture and fittings	23,286,122	24,424	-	11,747,767	702,310	-	-	4,907,358	29,448,645
Plant and machinery	2,116,097	-	-	65,930	-	-	-	272,929	1,909,098
Motor vehicles	3,108,089	(24,424)	-	1,661,490	39,659	-	-	1,361,987	3,343,509
	60,088,938	-	(3,403,811)	13,685,187	741,969	5,627,926	801,008	7,044,487	69,012,792

Net book value (restated)	At 1/8/2006 RM	Reclassifi- cations RM	Effects of adopting FRS 117 RM	Additions RM	Written off / Disposals RM	Current depreciation RM	At 31/7/2007 RM
Leasehold land	4,019,961	-	(4,019,961)	-	-	-	-
Freehold land	6,803,948	-	-	-	-	-	6,803,948
Buildings	23,161,028	1,756,675	-	-	-	570,972	24,346,731
Building-in- progress	2,054,486	(1,756,675)	-	130,140	-	-	427,951
Equipment, furniture and fittings	20,973,609	-	-	6,626,091	393,600	3,919,978	23,286,122
Plant and machinery	2,012,776	-	-	427,462	-	324,141	2,116,097
Motor vehicles	3,236,301	-	-	1,231,812	60,406	1,299,618	3,108,089
	62,262,109	-	(4,019,961)	8,415,505	454,006	6,114,709	60,088,938

Notes to the Financial Statements

31 July 2008

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

2008	Valuation / Cost RM	Accumulated impairment losses RM	Accumulated depreciation RM	Net book value RM
At valuation				
Leasehold land	-	-	-	-
Freehold land	8,616,667	-	-	8,616,667
Buildings	29,787,142	150,841	4,579,379	25,056,922
At cost				
Building-in-progress	637,951	-	-	637,951
Equipment, furniture and fittings	53,508,055	-	24,059,410	29,448,645
Plant and machinery	4,245,663	-	2,336,565	1,909,098
Motor vehicles	11,754,899	-	8,411,390	3,343,509
	108,550,377	150,841	39,386,744	69,012,792

2007 (restated)	Valuation / Cost RM	Accumulated impairment losses RM	Accumulated depreciation RM	Net book value RM
At valuation				
Leasehold land	-	-	-	-
Freehold land	6,803,948	-	-	6,803,948
Buildings	30,175,416	1,315,853	4,512,832	24,346,731
At cost				
Building-in-progress	427,951	-	-	427,951
Equipment, furniture and fittings	43,390,753	-	20,104,631	23,286,122
Plant and machinery	4,179,733	-	2,063,636	2,116,097
Motor vehicles	11,574,316	-	8,466,227	3,108,089
	96,552,117	1,315,853	35,147,326	60,088,938

Notes to the Financial Statements

31 July 2008

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

COMPANY

Net book value	1/8/2007 RM	Additions RM	Written off RM	Current depreciation RM	At 31/7/2008 RM
Equipment, furniture and fittings	345,060	54,817	49,352	58,226	292,299
Motor vehicles	78,365	-	-	19,144	59,221
	423,425	54,817	49,352	77,370	351,520

Net book value	1/8/2006 RM	Additions RM	Written off RM	Current depreciation RM	At 31/7/2007 RM
Equipment, furniture and fittings	193,109	197,440	-	45,489	345,060
Motor vehicles	11,000	83,718	-	16,353	78,365
	204,109	281,158	-	61,842	423,425

2008	Cost RM	Accumulated depreciation RM	Net book value RM
Equipment, furniture and fittings	417,654	125,355	292,299
Motor vehicles	95,718	36,497	59,221
	513,372	161,852	351,520

2007	Cost RM	Accumulated depreciation RM	Net book value RM
Equipment, furniture and fittings	414,785	69,725	345,060
Motor vehicles	95,718	17,353	78,365
	510,503	87,078	423,425

Notes to the Financial Statements

31 July 2008

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

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Equipment, furniture and fittings	11,762,705	9,969,814	946	-
Net carrying amount of assets acquired under hire purchase arrangements of which instalments are still outstanding at the balance sheet date :-				
- Motor vehicles	3,138,109	2,849,946	53,022	70,224
Net carrying amount of assets acquired under finance lease arrangements of which instalments are still outstanding at the balance sheet date :-				
- Equipment, furniture and fittings	6,055,097	3,468,011	-	50,985

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM13,685,187 (2007 : RM8,415,505) of which RM4,991,368 (2007 : RM2,685,510) were acquired by means of hire purchase and finance lease arrangements.

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Net carrying amounts of assets pledged as security for bank borrowings (Note 22) :-				
At valuation				
- Freehold land	6,500,000	5,458,965	-	-
- Buildings	14,954,315	13,952,284	-	-
At cost				
- Buildings	-	1,730,325	-	-
- Building-in-progress	637,951	427,951	-	-
Net carrying amounts of revalued assets, had these assets been carried at cost less accumulated depreciation :-				
- Freehold land	4,220,860	4,220,860	-	-
- Buildings	12,744,944	14,303,880	-	-

Interest expense on borrowings directly related to building-in-progress that have been capitalised within additions of the Group during the financial year amounted to NIL (2007 : RM5,816).

Land and buildings of the Group have been revalued on 31 July 2008 since they were last revalued on 1 April 2003 based on an open market value basis by firms of independent professional valuers.

Notes to the Financial Statements

31 July 2008

6. PREPAID LAND LEASE PAYMENTS

	GROUP	
	2008 RM	2007 RM (Restated)
Valuation		
At 1 August	4,701,871	-
Effects of adopting FRS 117	4,061,718	4,701,871
At 31 July	8,763,589	4,701,871
Accumulated amortisation		
At 1 August	760,510	-
Effects of adopting FRS 117	657,907	681,910
Amortisation for the year	132,195	78,600
At 31 July	1,550,612	760,510
Net carrying amount		
At 31 July	7,212,977	3,941,361
Analysed as :-		
Long-term leasehold land	7,212,977	3,941,361

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

The long-term leasehold land of the Group stated at valuation was last revalued by the Directors on 1 April 2003 based on valuation by an independent professional valuer on an open market value basis.

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

7. INVESTMENT PROPERTY

	GROUP	
	2008 RM	2007 RM
At fair value		
Leasehold land		
At 1 August	122,954	122,954
Fair value adjustment	117,046	-
At 31 July	240,000	122,954

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

The fair value of the investment property of the Group was recommended by the Directors based on a valuation carried out on 31 July 2008 by independent professional valuers on an open market value basis.

Notes to the Financial Statements

31 July 2008

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	COMPANY	
	2008 RM	2007 RM
Unquoted shares, at cost	156,773,424	156,773,424

The Subsidiary Companies are as follows :-

Name of Company	Effective equity interest		Principal activities
	2008 %	2007 %	
In Vogue Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Jungmax Property Sdn Bhd	100.00	100.00	Property investment
Kedai Emas Likwong Sdn Bhd	100.00	100.00	Dormant
Pajak Gadaai Anda Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
PK Design Sdn Bhd	100.00	100.00	Suppliers and retailers of packing and utility products
PK Jewellery Export Sdn Bhd	100.00	100.00	Dormant
+ ^ Poh Kong Diamond Industry Limited	51.00	51.00	Manufacturer and distributor of loose diamonds and investment holding
Poh Kong International Sdn Bhd	100.00	100.00	Investment holding
Poh Kong Jewellers (Ampang Point) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Bandar Utama) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Bangsar) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Banting) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers (Batu Pahat) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments

Notes to the Financial Statements

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Effective equity interest		Principal activities
	2008 %	2007 %	
Poh Kong Jewellers (Franchise) Sdn Bhd	100.00	100.00	Provision of management services
Poh Kong Jewellers (Gold Seremban) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Ipoh) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Jaya) Sdn Bhd	100.00	100.00	Manufacturer and dealers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Jln. Taman Malacca) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Kajang) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Kinta City) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Klang) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Kuantan) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (M) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Malacca) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Maluri) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Meru) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Muar) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (MV) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments

Notes to the Financial Statements

31 July 2008

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Effective equity interest		Principal activities
	2008 %	2007 %	
Poh Kong Jewellers (Old Klang Road) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Peringgit) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Permas Jaya) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (PHT) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Puchong) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Selayang) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Seremban) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Shah Alam) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (SS2) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Subang Parade) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Summit) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (The Mall) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (The Mines) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments
Poh Kong Jewellers (Tmn Universiti J.B.) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewelleries, precious stones and gold ornaments

Notes to the Financial Statements

31 July 2008

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Effective equity interest		Principal activities
	2008 %	2007 %	
Poh Kong Jewellers (Wangsamaju) Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellers Sdn Bhd	100.00	100.00	Suppliers and retailers of jewellerys, precious stones and gold ornaments
Poh Kong Jewellery Manufacturer Sdn Bhd	100.00	100.00	Manufacturer and dealers of jewellerys, precious stones and gold ornaments
Poh Kong Properties Sdn Bhd	100.00	100.00	Property investment
Precious Jewellery Sdn Bhd	100.00	100.00	Investment holding

+ Subsidiary Company not audited by GEP Associates

^ The country of incorporation is Hong Kong

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

9. OTHER INVESTMENTS

	GROUP	
	2008 RM	2007 RM
Unquoted shares, at cost	299,999	299,999
Others	233,000	233,000
	532,999	532,999

10. INTANGIBLE ASSETS

	GROUP	
	2008 RM	2007 RM
Goodwill on consolidation		
At 1 August	-	(11,466,037)
Effect of adopting FRS 3	-	11,466,037
At 31 July	-	-
Purchased goodwill		
At 1 August / At 31 July	1,485,140	1,485,140

Notes to the Financial Statements

31 July 2008

10. INTANGIBLE ASSETS (CONT'D)

Impairment tests for goodwill

10.1 Allocation of goodwill

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

	GROUP	
	2008 RM	2007 RM
Trading	1,485,140	1,485,140

10.2 Key assumptions used in value-in-use calculations

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

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

i) Discount rate

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

ii) Growth rate

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

10.3 Sensitivity to changes in assumption

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

11. DEFERRED TAX ASSETS / (LIABILITIES)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
At 1 August	(3,050,909)	(2,918,218)	20,250	(21,467)
Conversion of ICULS	-	64,030	-	64,030
Recognised in income statement	(1,043,615)	(196,721)	100,521	(22,313)
Recognised in equity	(1,407,064)	-	-	-
At 31 July	(5,501,588)	(3,050,909)	120,771	20,250

Notes to the Financial Statements

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

Presented after appropriate offsetting as follows :-

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Deferred tax assets	121,260	447,390	120,771	20,250
Deferred tax liabilities	(5,622,848)	(3,498,299)	-	-
	(5,501,588)	(3,050,909)	120,771	20,250

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

Deferred tax assets of the Group :-

	Unabsorbed capital allowances RM	Unutilised tax losses RM	Total RM
At 1 August 2007	243,032	537,567	780,599
Recognised in income statement	(138,285)	(339,523)	(477,808)
At 31 July 2008	104,747	198,044	302,791
At 1 August 2006	53,261	835,847	889,108
Recognised in income statement	189,771	(298,280)	(108,509)
At 31 July 2007	243,032	537,567	780,599

Deferred tax liabilities of the Group :-

	Convertible loan stocks RM	Capital allowances RM	Revaluation of assets RM	Total RM
At 1 August 2007	-	(2,536,015)	(1,295,493)	(3,831,508)
Recognised in income statement	-	(565,807)	-	(565,807)
Recognised in equity	-	-	(1,407,064)	(1,407,064)
At 31 July 2008	-	(3,101,822)	(2,702,557)	(5,804,379)
At 1 August 2006	(1,015)	(2,510,818)	(1,295,493)	(3,807,326)
Conversion of ICULS	64,030	-	-	64,030
Recognised in income statement	(63,015)	(25,197)	-	(88,212)
At 31 July 2007	-	(2,536,015)	(1,295,493)	(3,831,508)

Notes to the Financial Statements

31 July 2008

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

Deferred tax assets of the Company :-

	Unabsorbed capital allowances RM	Unutilised tax losses RM	Total RM
At 1 August 2007	55,698	-	55,698
Recognised in income statement	27,316	82,099	109,415
At 31 July 2008	83,014	82,099	165,113
At 1 August 2006	-	-	-
Recognised in income statement	55,698	-	55,698
At 31 July 2007	55,698	-	55,698

Deferred tax liabilities of the Company :-

	Capital allowances RM	Convertible loan stocks RM	Total RM
At 1 August 2007	(35,448)	-	(35,448)
Conversion of ICULS	-	-	-
Recognised in income statement	(8,894)	-	(8,894)
At 31 July 2008	(44,342)	-	(44,342)
At 1 August 2006	(20,452)	(1,015)	(21,467)
Conversion of ICULS	-	64,030	64,030
Recognised in income statement	(14,996)	(63,015)	(78,011)
At 31 July 2007	(35,448)	-	(35,448)

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

	GROUP	
	2008 RM	2007 RM
Unutilised tax losses	311,386	632,078
Unabsorbed capital allowances	16,669	13,681
	328,055	645,759

Notes to the Financial Statements

31 July 2008

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

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

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

12. INVENTORIES

	GROUP	
	2008 RM	2007 RM
At cost		
Raw material	4,197,920	3,380,328
Work-in-progress	10,440,352	8,731,464
Finished goods		
- Jewelleries, precious stones and gold ornaments	376,055,686	311,633,055
- Packing and utility products	592,437	625,766
	376,648,123	312,258,821
	391,286,395	324,370,613

13. TRADE RECEIVABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade receivables	2,234,988	2,120,773	3,116,540	2,516,760
Less : Allowance for doubtful debts	(696,966)	(233,250)	-	-
	1,538,022	1,887,523	3,116,540	2,516,760

Included in the accounts are amounts due from :-

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Subsidiary Companies	-	-	3,116,540	2,516,760

Notes to the Financial Statements

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13. TRADE RECEIVABLES (CONT'D)

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

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

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

14. NON-TRADE RECEIVABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Other receivables	4,268,431	4,777,140	9,497	5,292
Deposits	8,022,041	6,215,078	9,250	9,250
Prepayments	1,557,093	1,338,317	70,042	22,578
	13,847,565	12,330,535	88,789	37,120

15. AMOUNTS DUE FROM / (TO) SUBSIDIARY COMPANIES

COMPANY

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

16. FIXED DEPOSITS WITH LICENSED BANKS

	GROUP	
	2008 RM	2007 RM
Deposits with licensed banks	3,359,623	3,196,761

The weighted average effective interest rate of fixed deposits at the balance sheet date was as follows :-

	GROUP	
	2008 %	2007 %
Licensed banks	3.05	3.00

Fixed deposits of the Group amounting to RM3,330,905 (2007 : RM3,196,761) are pledged to licensed banks for banking facilities granted.

Fixed deposits with licensed banks have an average maturity period of 56 (2007 : 30) days.

Notes to the Financial Statements

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17. SHARE CAPITAL

	GROUP AND COMPANY					
	2008			2007		
	Number of Shares Unit	Par Value RM	Share Capital RM	Number of Shares Unit	Par Value RM	Share Capital RM
Ordinary shares						
Authorised :-						
At 1 August	500,000,000	1-00	500,000,000	500,000,000	1-00	500,000,000
Share split	500,000,000	-	-	-	-	-
At 31 July	1,000,000,000	0-50	500,000,000	500,000,000	1-00	500,000,000
Issued and fully paid :-						
Number of ordinary shares of RM1-00 each						
At 1 August	117,243,358	1-00	117,243,358	115,881,825	1-00	115,881,825
Issuance of ordinary shares pursuant to :-						
- Conversion of ICULS	-	1-00	-	1,361,533	1-00	1,361,533
- Bonus issue	87,932,518	1-00	87,932,518	-	1-00	-
At 21 February	205,175,876	1-00	205,175,876	117,243,358	1-00	117,243,358
Effect of share split to ordinary shares of RM0-50 each	205,175,876	-	-	-	-	-
Number of ordinary shares of RM0-50 each						
At 31 July	410,351,752	0-50	205,175,876	117,243,358	1-00	117,243,358

Alteration of authorised share capital, bonus issue and subdivision of shares :-

- a) On 21 February 2008, the authorised share capital of the Company was altered from RM500,000,000 comprising 500,000,000 ordinary shares of RM1-00 each to RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0-50 each.

Notes to the Financial Statements

31 July 2008

17. SHARE CAPITAL (CONT'D)

Alteration of authorised share capital, bonus issue and subdivision of shares :- (Cont'd)

- b) On 21 February 2008, the Company increased its issued and paid-up share capital through a bonus issue of 87,932,518 new ordinary shares of RM1-00 each in the Company on the basis of three (3) new bonus shares for every four (4) existing ordinary shares of RM1-00 each in the Company by way of capitalisation of the share premium account amounting to RM49,058,015 and retained earnings of RM38,874,503. The paid-up share capital of the Company was increased from RM117,243,358 to RM205,175,876 by the above bonus issue.
- c) On 21 February 2008, following the completion of the bonus issue, the Company subdivided every one (1) existing ordinary share of RM1-00 each in the Company into two (2) ordinary shares of RM0-50 each in the Company. The enlarged issued and paid-up share capital of the Company comprising of 205,175,876 ordinary shares of RM1-00 each after the completion of the bonus issue was subdivided into 410,351,752 ordinary shares of RM0-50 each.

The approval for the listing and quotation of the bonus issue and subdivision of shares was granted by Bursa Malaysia Securities Berhad vide the approval letter dated 29 January 2008. The above proposals were passed by the shareholders at an Extraordinary General Meeting held on 15 January 2008.

The bonus issue and subdivision of shares were completed and quoted on the Bursa Malaysia Securities Berhad on 21 February 2008.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

18. RESERVES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
NON-DISTRIBUTABLE RESERVE				
SHARE PREMIUM				
At 1 August	49,250,343	48,433,422	49,250,343	48,433,422
Issuance of shares via conversion of ICULS	-	816,921	-	816,921
Bonus issue	(49,058,015)	-	(49,058,015)	-
Transaction costs	(192,328)	-	(192,328)	-
At 31 July	-	49,250,343	-	49,250,343
CAPITAL RESERVE				
At 1 August	-	164,648	-	164,648
Equity component of ICULS	-	(164,648)	-	(164,648)
At 31 July	-	-	-	-

Notes to the Financial Statements

31 July 2008

18. RESERVES (CONT'D)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
NON-DISTRIBUTABLE RESERVE (CONT'D)				
REVALUATION RESERVE				
At 1 August	-	-	-	-
Revaluation increase, net of deferred tax	4,282,866	-	-	-
At 31 July	4,282,866	-	-	-
DISTRIBUTABLE RESERVE				
Retained earnings	51,606,814	67,001,652	12,649,338	8,894,620
	55,889,680	116,251,995	12,649,338	58,144,963

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

19. MINORITY INTERESTS

GROUP

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

Notes to the Financial Statements

31 July 2008

20. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“ICULS”)

GROUP AND COMPANY

On 20 January 2004, the Company issued 85,189,374 of 3 year 3% ICULS 2004 / 2007 at a nominal value of RM1-00 each in relation to the acquisitions of Subsidiary Companies.

The principal terms of the ICULS are as follows :-

a) Form and denomination

ICULS are issued in registered form and in multiples of RM1-00 nominal value each.

b) Tenure, maturity date and interest rate

Tenure for ICULS are three (3) years. Maturity date for ICULS is the date falling three (3) years from the date of the issue of ICULS. ICULS interest is at 3% per annum payable in arrears annually over the three (3) years period. Last interest payment shall be made on the maturity date of the ICULS.

c) Conversion rights

Each registered ICULS holder shall have the right to convert all or part of his ICULS into fully paid new ordinary shares of the Company at the conversion price during the conversion period.

All ICULS converted under the Trust Deed shall cease to carry interest from and including the conversion date.

The new ordinary shares issued and allotted on conversion of the ICULS shall rank pari passu in all respects with the then existing issued shares save for any dividends, rights, allotments and / or other distributions of which their respective entitlement dates are before the conversion date of the ICULS.

d) Conversion price and mode of conversion

The ICULS will be converted on the basis of RM1-60 per new ordinary share of RM1-00 each. The conversion price shall be satisfied by tendering 1.6 ICULS of RM1-00 each for cancellation for one (1) new ordinary share to be credited as issued and fully paid-up share capital of the Company.

e) Redeemability

The ICULS are non-redeemable for cash. Unless previously converted, all outstanding ICULS will be mandatorily converted into new ordinary shares in the Company at the conversion price on the maturity date.

f) Security and status

The ICULS are unsecured and unsubordinated obligations of the Company.

g) Rights of ICULS holders on the event of default

Upon the occurrence of such an event of default, the ICULS holders, may by way of a special resolution, direct the trustee by giving notice in writing to the Company to declare the ICULS then outstanding as being immediately payable by the Company.

Notes to the Financial Statements

31 July 2008

20. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") (CONT'D)

The principal terms of the ICULS are as follows :- (Cont'd)

h) Listing

ICULS are admitted to the Official List of the Bursa Malaysia Securities Berhad.

i) Trust deed

ICULS are constituted by a trust deed executed by the Company and Malaysian Trustees Berhad dated 13 January 2004. The trustee acts on the benefit of the holders of the ICULS. The ICULS and the trust deed are governed by and construed in accordance with the laws of Malaysia.

The proceeds received from the ICULS have been split between the liability component and the equity component, representing the fair value of the conversion option. The ICULS are accounted for in the balance sheet of the Group and of the Company as follows :-

	GROUP AND COMPANY	
	2008	2007
	RM	RM
Nominal value of ICULS	-	2,178,454
Equity component net of deferred tax	-	(164,648)
Deferred tax liability	-	(366,095)
Liability component at date of issue	-	1,647,711
Adjustment for effect of conversion of ICULS :-		
Reduction in nominal value of ICULS	-	(2,178,454)
Reduction in equity component net of deferred tax	-	164,648
Reduction in deferred tax liability	-	366,095
Interest expense	-	-
Liability component as at 31 July	-	-

Up to the date of maturity of the ICULS on 19 January 2007, all the ICULS have been converted into new ordinary shares of RM1-00 each fully paid at a conversion of RM1-60 per ordinary share.

21. ADVANCE FROM ULTIMATE HOLDING COMPANY

GROUP AND COMPANY

The advance is unsecured, without any fixed term of repayment and bears effective interest at 6.60% (2007 : NIL) per annum.

Notes to the Financial Statements

31 July 2008

22. BORROWINGS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Short-term borrowings				
Secured				
Bank overdraft (Note 22.1)	17,516,416	4,172,714	-	-
Bankers' acceptance (Note 22.2)	36,356,000	26,313,000	-	-
Revolving credit (Note 22.2)	3,000,000	3,000,000	-	-
Short-term loan (Note 22.2)	9,117,862	5,905,760	-	-
Term loans (Note 22.3)	442,229	792,734	-	-
Hire purchase payables (Note 22.4)	1,187,435	1,241,501	16,610	16,610
Finance lease payables (Note 22.5)	3,275,146	2,505,793	49,951	69,191
Unsecured				
Commercial papers (Note 22.6)	25,000,000	25,000,000	25,000,000	25,000,000
	95,895,088	68,931,502	25,066,561	25,085,801
Long-term borrowings				
Secured				
Term loans (Note 22.3)	3,019,514	3,469,399	-	-
Hire purchase payables (Note 22.4)	1,831,165	1,608,475	37,322	53,932
Finance lease payables (Note 22.5)	1,535,990	887,924	33,301	-
Unsecured				
Medium term notes (Note 22.6)	70,000,000	70,000,000	70,000,000	70,000,000
	76,386,669	75,965,798	70,070,623	70,053,932

22.1 Bank overdraft

Bank overdraft facilities incur weighted average effective interest at 8.00% (2007 : 8.48%) per annum for the Group. The securities for bank overdraft are as disclosed in Note 22.2 to the financial statements.

Notes to the Financial Statements

31 July 2008

22. BORROWINGS (CONT'D)

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

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

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

The bankers' acceptance and revolving credit facilities incur weighted average effective interest rates at 4.97% (2007 : 4.88%) and 6.85% (2007 : 7.96%) per annum respectively.

22.3 Term loans

	GROUP	
	2008 RM	2007 RM
Repayable within twelve months	442,229	792,734
Repayable after twelve months	3,019,514	3,469,399
	3,461,743	4,262,133

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

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

Term loan facilities incur weighted average effective interest at 8.21% (2007 : 8.23%) per annum.

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

	GROUP	
	2008 RM	2007 RM
Amount repayable :-		
Within one year	442,229	792,734
After one year but within two years	416,320	446,142
After two years but within three years	451,505	418,431
After three years but within four years	327,336	449,026
After four years but within five years	259,738	323,152
After five years	1,564,615	1,832,648
	3,461,743	4,262,133

Notes to the Financial Statements

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22. BORROWINGS (CONT'D)

22.4 Hire purchase payables

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Minimum hire purchase payments :-				
- not later than one year	1,383,009	1,427,010	18,768	18,768
- later than one year but not later than five years	2,001,157	1,834,037	42,178	60,946
- later than five years	-	1,757	-	-
	3,384,166	3,262,804	60,946	79,714
Future finance charges on hire purchase	(365,566)	(412,828)	(7,014)	(9,172)
Present value of hire purchase payments	3,018,600	2,849,976	53,932	70,542
Present value of hire purchase payments :-				
- not later than one year	1,187,435	1,241,501	16,610	16,610
- later than one year but not later than five years	1,831,165	1,607,117	37,322	53,932
- later than five years	-	1,358	-	-
	3,018,600	2,849,976	53,932	70,542
Less : Amount repayable within one year	(1,187,435)	(1,241,501)	(16,610)	(16,610)
Amount repayable after one year	1,831,165	1,608,475	37,322	53,932

Hire purchase facilities incur weighted average effective interest at 2.79% (2007 : 3.23%) per annum.

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Amount repayable :-				
Within one year	1,187,435	1,241,501	16,610	16,610
After one year but within two years	971,174	785,040	16,610	16,610
After two years but within three years	524,385	536,595	16,610	16,610
After three years but within four years	203,761	222,723	4,102	16,610
After four years but within five years	131,845	62,759	-	4,102
After five years	-	1,358	-	-
	3,018,600	2,849,976	53,932	70,542

Notes to the Financial Statements

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22. BORROWINGS (CONT'D)

22.5 Finance lease payables

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Minimum lease payments :-				
- not later than one year	3,569,848	2,686,095	54,252	74,332
- later than one year but not later than five years	1,674,169	1,019,434	36,168	-
- later than five years	-	-	-	-
Future finance charges on lease	5,244,017 (432,881)	3,705,529 (311,812)	90,420 (7,168)	74,332 (5,141)
Present value of lease payments	4,811,136	3,393,717	83,252	69,191
Present value of lease payments :-				
- not later than one year	3,275,146	2,505,793	49,951	69,191
- later than one year but not later than five years	1,535,990	887,924	33,301	-
- later than five years	-	-	-	-
Less : Amount repayable within one year	4,811,136 (3,275,146)	3,393,717 (2,505,793)	83,252 (49,951)	69,191 (69,191)
Amount repayable after one year	1,535,990	887,924	33,301	-

Finance lease facilities incur weighted average effective interest at 4.50% (2007 : 5.46%) per annum.

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Amount repayable :-				
Within one year	3,275,146	2,505,793	49,951	69,191
After one year but within two years	1,535,990	887,924	33,301	-
After two years but within three years	-	-	-	-
After three years but within four years	-	-	-	-
After four years but within five years	-	-	-	-
After five years	-	-	-	-
	4,811,136	3,393,717	83,252	69,191

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22. BORROWINGS (CONT'D)

22.6 Murabahah Commercial Papers / Medium Term Notes

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Commercial Papers	25,000,000	25,000,000	25,000,000	25,000,000
Medium Term Notes	70,000,000	70,000,000	70,000,000	70,000,000
	95,000,000	95,000,000	95,000,000	95,000,000
Amount repayable within one year				
- Commercial Papers	25,000,000	25,000,000	25,000,000	25,000,000
Amount repayable after one year				
- Medium Term Notes	70,000,000	70,000,000	70,000,000	70,000,000
	95,000,000	95,000,000	95,000,000	95,000,000

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

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

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

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

The CPs and MTNs bear an weighted average effective interest rate of 4.50% (2007 : 3.95%) and 7.19% (2007 : 7.19%) per annum respectively.

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

Notes to the Financial Statements

31 July 2008

22. BORROWINGS (CONT'D)

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

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Amount repayable :-				
Within one year	25,000,000	25,000,000	25,000,000	25,000,000
After one year but within two years	40,000,000	-	40,000,000	-
After two years but within three years	-	40,000,000	-	40,000,000
After three years but within four years	30,000,000	-	30,000,000	-
After four years but within five years	-	30,000,000	-	30,000,000
After five years	-	-	-	-
	95,000,000	95,000,000	95,000,000	95,000,000

23. TRADE PAYABLES

GROUP

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

24. NON-TRADE PAYABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Other payables	6,365,267	5,288,526	800,287	560,079
Accruals	6,828,616	6,498,404	2,442,233	2,718,593
Customers' deposits	1,448,442	1,355,504	-	-
	14,642,325	13,142,434	3,242,520	3,278,672

25. AMOUNTS DUE TO DIRECTORS

GROUP AND COMPANY

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

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26. REVENUE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Revenue is categorised as follows :-				
Advertising and promotion recovery	-	-	4,361,160	4,113,538
Dividend income	-	-	61,688,579	10,697,260
Interest income	1,295	19,517	6,247,788	3,409,578
Management fee	-	-	2,502,262	2,041,464
Sale of goods	509,353,073	414,219,818	-	-
	509,354,368	414,239,335	74,799,789	20,261,840

27. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging :-

	Group		Company	
	2008 RM	2007 RM (Restated)	2008 RM	2007 RM
Amortisation of prepaid land lease payments	132,195	78,600	-	-
Allowance for doubtful debts	529,134	77,696	-	-
Auditors' remuneration				
- current year's provision	285,900	230,630	14,350	12,400
- under / (over) provision for prior year	21,200	(1,800)	-	-
Deposits written off	64,120	19,781	-	-
Depreciation	7,044,487	6,114,709	77,370	61,842
Directors' fee	321,000	225,000	72,000	72,000
Directors' other emoluments	5,896,193	5,535,822	2,635,292	2,530,327
Hostel rental	443,466	391,620	-	-
Impairment loss of property, plant and equipment	143,178	-	-	-
Inventory loss	-	2,201,728	-	-
Loss on foreign exchange	49	241	49	-
Property, plant and equipment written off	688,033	365,055	49,352	-
Shop rental	16,463,257	11,999,695	25,200	-
Staff costs	44,997,826	38,802,488	4,123,887	3,605,226
and crediting :-				
Advertising and promotion recovery	-	-	4,361,160	4,113,538
Dividend income	299,999	299,998	61,688,579	10,697,260
Fair value adjustment for investment property	117,046	-	-	-
Forfeited customers' deposits	213,699	152,186	-	-
Gain on disposal of property, plant and equipment	284,882	31,149	-	-
Interest income	140,462	139,489	6,247,788	3,409,578
Management fee received	-	-	2,502,262	2,041,464
Realised gain on foreign exchange	13,212	2,925	-	-
Reversal of allowance for doubtful debts	65,418	216,016	-	-
Reversal of impairment losses of property, plant and equipment	944,186	-	-	-
Royalty income	40,703	87,031	-	-

Notes to the Financial Statements

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28. DIRECTORS' REMUNERATION

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Executive Directors				
- Salaries and other emoluments	4,922,693	4,550,122	2,077,792	2,050,627
- Bonus	866,000	956,000	450,000	450,000
- Benefits-in-kind	214,054	205,048	-	-
- Fees	249,000	153,000	-	-
	6,251,747	5,864,170	2,527,792	2,500,627
Non-Executive Directors				
- Fees	72,000	72,000	72,000	72,000
- Non-fees	107,500	29,700	107,500	29,700
	179,500	101,700	179,500	101,700
Total Directors' remuneration	6,431,247	5,965,870	2,707,292	2,602,327

29. FINANCE COSTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Interest expense on borrowings	9,656,086	8,104,895	5,932,653	1,940,907
Hire purchase and finance lease charges	511,382	411,540	8,732	10,983
ICULS interest	-	(2,982)	-	(2,982)
	10,167,468	8,513,453	5,941,385	1,948,908

Notes to the Financial Statements

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30. INCOME TAX EXPENSE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Current year's provision	10,896,319	6,474,454	10,961,884	2,407,049
Deferred tax :-				
(Over) / Underprovision of deferred tax in prior year	(5,578)	(217,422)	(4,070)	36,584
Relating to origination / (reversal) of temporary differences	1,049,193	414,143	(96,451)	(14,271)
	11,939,934	6,671,175	10,861,363	2,429,362
(Over) / Underprovision of taxation in prior year	(750,014)	277,951	(634,503)	52,414
	11,189,920	6,949,126	10,226,860	2,481,776

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit before taxation	39,955,540	25,365,066	58,061,686	8,625,215
Taxation at Malaysian statutory tax rate :-				
- up to RM500,000 at 20%	3,126,625	1,902,818	-	-
- at 26% (2007 : 27%)	13,215,929	4,175,728	15,096,038	2,328,808
Expenses not deductible for tax purposes	659,057	813,613	81,784	63,421
Income not subject to tax	(4,909,703)	(11,038)	(4,317,052)	-
Effect of different in tax rate	134,643	29,053	4,663	549
Effect of offsetting deferred tax liabilities against deferred tax assets	28,463	-	-	-
Deferred tax assets not recognised during the year	21,389	213,394	-	-
Utilisation of previously unrecognised tax assets	(330,891)	(234,971)	-	-
(Over) / Underprovision of taxation in prior year	(750,014)	277,951	(634,503)	52,414
(Over) / Underprovision of deferred tax in prior year	(5,578)	(217,422)	(4,070)	36,584
	11,189,920	6,949,126	10,226,860	2,481,776

Notes to the Financial Statements

31 July 2008

30. INCOME TAX EXPENSE (CONT'D)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Tax savings recognised during the year arising from :-				
Utilisation of current year tax losses	842,030	797,540	842,030	797,540
Utilisation of tax losses brought forward from previous years	285,995	98,550	-	-
Utilisation of current year capital allowances	1,888,143	1,217,415	-	-
Utilisation of unabsorbed capital allowances brought forward from previous years	49,207	139,326	-	-

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Unutilised tax losses	2,086,391	3,935,700	328,396	-
Unabsorbed capital allowances	536,857	668,127	332,057	225,620

31. EARNINGS PER SHARE

Basic earnings per share

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

	GROUP	
	2008	2007
Net profit attributable to shareholders (RM)	28,685,270	18,404,690
Weighted average number of ordinary shares in issue (*)	410,351,752	408,123,705
Basic earnings per share (sen)	6-99	4-51

(*) The weighted average number of ordinary shares in issue is arrived at after accounting for the effect of the bonus issue and subdivision of existing ordinary shares, which was completed on 21 February 2008.

Notes to the Financial Statements

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32. DIVIDENDS

	GROUP AND COMPANY	
	2008 RM	2007 RM
Final dividend of 4.44 sen single tier exempt dividend	5,205,605	-
Final dividend of 6.00 sen less income tax of 27%	-	5,135,260

The Directors now recommend a first and final dividend of 1.40 sen single tier exempt dividend in respect of the current financial year ended 31 July 2008 which, subject to the approval of the shareholders at the forthcoming annual general meeting of the Company, will be paid to shareholders whose names appear in the Record of Depositors on a date to be determined by the Directors, based on the outstanding issued and paid-up share capital of the Company as at 31 July 2008 of 410,351,752 ordinary shares of RM0-50 each, amounting to RM5,744,925. Such dividend, if approved by the shareholders will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 July 2009.

33. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts :-

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Fixed deposits with licensed banks	3,359,623	3,196,761	-	-
Cash and bank balances	9,263,079	12,220,192	271,872	752,189
Bank overdraft (Note 22)	(17,516,416)	(4,172,714)	-	-
	(4,893,714)	11,244,239	271,872	752,189
Less : Fixed deposits pledged (Note 16)	(3,330,905)	(3,196,761)	-	-
	(8,224,619)	8,047,478	271,872	752,189

34. OPERATING LEASE ARRANGEMENTS

The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the use of buildings. These leases have an average life of between 1 and 3 years with no renewal or purchase option included in the contracts.

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34. OPERATING LEASE ARRANGEMENTS (CONT'D)

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Future minimum rental payments :-				
Not later than one year	12,409,158	10,727,076	25,200	4,200
Later than one year and not later than five years	8,334,303	6,610,734	29,400	-
Later than five years	-	-	-	-
	20,743,461	17,337,810	54,600	4,200

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions which were carried out on terms and conditions obtainable in transactions with unrelated parties.

Related parties

Poh Kong Sdn Bhd
China Diamond Corporation Ltd
Jewellery Collection International Ltd
Lian Sin Tang Sdn Bhd
Liew Ngeok Kong
Rashidah Muzafar & Azwar

Relationship

Ultimate Holding Company
Shareholder of a Subsidiary Company
Shareholder of a Subsidiary Company
Company connected to a Director of the Company
Person connected to a Director of the Company
Company connected to a Director of the Company

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35. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
a) Dividend received from :-				
- Subsidiary Companies	-	-	61,688,579	10,697,260
- Lian Sin Tang Sdn Bhd	299,999	299,998	-	-
b) Interest income received from :-				
- Subsidiary Companies	-	-	6,247,788	3,409,578
c) Management fee received from :-				
- Subsidiary Companies	-	-	2,502,262	2,041,464
d) Purchases from :-				
- Shareholders of a a Subsidiary Company	-	3,148,477	-	-
e) Consultancy fee paid to :-				
- Liew Ngeok Kong	47,328	41,400	47,328	41,400
f) Sales to :-				
- Certain Directors of the Company	668,213	68,053	-	-
- Directors of Subsidiary Companies	68,547	277,880	-	-
- Shareholders of a Subsidiary Company	69,732	1,701,823	-	-
g) Hostel rental paid to :-				
- Certain Directors of the Company	110,400	60,000	-	-
- Directors of Subsidiary Companies	10,200	48,600	-	-
h) Interest expense paid to :-				
- Ultimate Holding Company	884,219	653,931	884,219	653,931

Notes to the Financial Statements

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35. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
i) Legal fee paid to :-				
- Rashidah Muzafar & Azwar	12,775	-	-	-

j) Compensation of key management personnel :-

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Short-term employee benefits	8,389,378	7,769,505	2,942,992	2,841,107
Included in the total compensation of key management personnel are :-				
Directors' remuneration	6,217,193	5,760,822	2,707,292	2,602,327

36. FINANCIAL INSTRUMENTS

a) Financial risk management objectives and policies

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

i) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing financial instruments.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The objectives of a mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

The information on maturity dates and effective interest rates on financial assets and liabilities are disclosed in their respective notes. As at 31 July 2008, the Group has not entered into any hedging instruments arrangement to minimise its exposure to interest rate volatility.

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36. FINANCIAL INSTRUMENTS (CONT'D)

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

ii) Credit risk

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

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

iii) Foreign exchange risk

The Group's trading division has operation in Hong Kong and is exposed to Hongkong Dollars. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

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

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

iv) Liquidity risk

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

v) Price fluctuation risk

The Company 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) Fair values

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

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

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36. FINANCIAL INSTRUMENTS (CONT'D)

b) Fair values (Cont'd)

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

	2008		2007	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
GROUP				
Financial liabilities				
Borrowings (excluding bank overdraft)	146,935,605	146,935,605	134,480,893	134,480,893
Hire purchase payables	3,018,600	2,979,565	2,849,976	2,840,699
Finance lease payables	4,811,136	4,811,136	3,393,717	3,393,717
COMPANY				
Financial liabilities				
Borrowings (excluding bank overdraft)	95,000,000	95,000,000	95,000,000	95,000,000
Hire purchase payables	53,932	52,347	70,542	68,005
Finance lease payables	83,252	83,252	69,191	69,191

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

- i) Cash and cash equivalents, trade and other receivables / payables and short-term borrowings

The carrying amounts approximate fair values of cash and cash equivalents, trade and other receivables / payables and short-term borrowings due to the relatively short-term maturity of these financial instruments.

- ii) Borrowings

The fair value of borrowings is estimated using discounted cash flow analysis, based on the current incremental lending and borrowing arrangement.

- iii) Medium term notes

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

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37. COMMITMENTS

	GROUP	
	2008 RM	2007 RM
Property, plant and equipment		
- Contracted but not provided for	3,707,729	2,053,922

38. CONTINGENT LIABILITIES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Secured				
Guarantees given in support of banking facilities granted to Subsidiary Companies	-	-	105,791,253	103,843,680
Unsecured				
Guarantees given to third party in respect of leasing and hire purchase facilities granted to :-				
- the Company	6,500,000	6,500,000	6,500,000	6,500,000
- Subsidiary Companies	-	-	578,400	578,400

39. SEGMENT INFORMATION

a) Business Segments

The Group is organised into three major business segments :-

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

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

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39. SEGMENT INFORMATION (CONT'D)

As at 31 July 2008

	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Consolidated RM
Revenue					
External sales	507,891,006	1,462,067	1,295	-	509,354,368
Inter-segment sales	202,558,460	181,325,225	87,601,926	(471,485,611)	-
Total revenue	710,449,466	182,787,292	87,603,221	(471,485,611)	509,354,368
Results					
Segment results	65,429,542	13,630,864	79,001,556	(107,918,954)	50,143,008
Unallocated corporate expenses					(20,000)
Finance costs					50,123,008
Income tax expense					(10,167,468)
					(11,189,920)
Profit after taxation					28,765,620
Minority interests					(80,350)
Net profit for the year					28,685,270
Assets					
Segment assets	529,553,498	76,945,383	357,361,042	(466,081,331)	497,778,592
Unallocated corporate assets					3,540,999
Consolidated total assets					501,319,591
Liabilities					
Segment liabilities	280,402,829	19,897,157	9,862,209	(270,166,042)	39,996,153
Unallocated corporate liabilities					196,743,373
Consolidated total liabilities					236,739,526
Other information					
Capital expenditure					13,685,187
Depreciation					7,044,487
Amortisation of prepaid land lease payments					132,195
Impairment losses					143,178
Non-cash expenses other than depreciation, amortisation and impairment losses					1,305,765
Non-cash income					1,126,650

Notes to the Financial Statements

31 July 2008

39. SEGMENT INFORMATION (CONT'D)

As at 31 July 2007

	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Consolidated RM
Revenue					
External sales	412,272,226	1,947,592	19,517	-	414,239,335
Inter-segment sales	62,737,829	127,888,647	23,073,257	(213,699,733)	-
Total revenue	475,010,055	129,836,239	23,092,774	(213,699,733)	414,239,335
Results					
Segment results	29,916,153	4,726,696	20,656,089	(21,394,169)	33,904,769
Unallocated corporate expenses					(26,250)
					33,878,519
Finance costs					(8,513,453)
Income tax expense					(6,949,126)
					18,415,940
Profit after taxation					(11,250)
Minority interests					
Net profit for the year					18,404,690
Assets					
Segment assets	431,144,381	65,748,973	299,276,614	(375,992,952)	420,177,016
Unallocated corporate assets					4,055,249
Consolidated total assets					424,232,265
Liabilities					
Segment liabilities	198,166,470	7,867,378	9,637,685	(178,088,729)	37,582,804
Unallocated corporate liabilities					149,719,949
Consolidated total liabilities					187,302,753
Other information					
Capital expenditure					8,415,505
Depreciation					6,114,709
Amortisation of prepaid land lease payments					78,600
Non-cash expenses other than depreciation, amortisation and impairment losses					516,774
Non-cash income					216,016

b) Geographical Segments

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

Notes to the Financial Statements

31 July 2008

40. SIGNIFICANT EVENT

On 21 April 2008, Poh Kong Properties Sdn Bhd, a wholly-owned Subsidiary Company entered into Sale and Purchase Agreements with Kumpulan Voir Sdn Bhd to acquire the following properties at a total purchase consideration of RM2,100,000 :-

- i) Lot No. G27, Ground Floor, Kuantan Parade, Jalan Haji Abdul Rahman, 25000 Kuantan, Pahang Darul Makmur, measuring approximately 451 square feet for a cash consideration of RM1,012,946; and
- ii) Lot No. G28, Ground Floor, Kuantan Parade, Jalan Haji Abdul Rahman, 25000 Kuantan, Pahang Darul Makmur, measuring approximately 484 square feet for a cash consideration of RM1,087,054.

41. SIGNIFICANT SUBSEQUENT EVENT

On 28 August 2008, Poh Kong Jewellers (SS2) Sdn Bhd, a wholly-owned Subsidiary Company entered into a Sale and Purchase Agreement with Gan Seng Biang to acquire a piece of freehold land held under HS(D) 174414, Lot 25673, Bandar Petaling Jaya, Daerah Petaling, Selangor Darul Ehsan, measuring approximately 156.072 square metres together with a three storey shop office at a purchase consideration of RM2,800,000.

Analysis of Shareholdings

As At 28 November 2008

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

Size of shareholdings	No. of Shareholders	%	No. of Shareholdings	%
1 - 99	50	1.87	2,896	0.00
100 - 1,000	155	5.80	82,054	0.02
1,001 - 10,000	1,258	47.10	6,676,000	1.63
10,001 - 100,000	1,015	38.00	29,084,746	7.09
100,001 - 20,517,586 (*)	192	7.19	135,297,170	32.97
20,517,587 and above (**)	1	0.04	239,208,886	58.29
Total	2,671	100.00	410,351,752	100.00

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

30 LARGEST SHAREHOLDERS

No.	Name	No. of Ordinary Shares of RM1.00 each	% of Shares
1	Poh Kong Sdn. Bhd.	239,208,886	58.29
2	Tee Tiam Lee	14,489,600	3.53
3	Goh Phaik Lynn	14,000,000	3.41
4	Leong Lai Shen	13,300,000	3.24
5	Choon Yee Seiong	7,266,246	1.77
6	Kong Sum Mooi	5,502,250	1.34
7	OSK Nominees (Asing) Sdn Berhad UOB Kay Hian Private Limited For Lee Chiay Koon (Margin)	2,905,000	0.71
8	Thong Ming Seng @ Thong Chean Wah	2,854,470	0.70
9	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad icapital.biz Berhad	2,512,500	0.61

Analysis of Shareholdings

As At 28 November 2008

30 LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. of Ordinary Shares of RM1.00 each	% of Shares
10	Choon Wan Joo	2,220,080	0.54
11	Haw Yoo Hoon	2,114,400	0.52
12	Teng Li Ling	2,109,300	0.51
13	M & A Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account For Choon Nee Siew (M&A)	2,051,000	0.50
14	Cheong Teck Chong	1,960,328	0.48
15	Choon Yoke Ying	1,857,772	0.45
16	Koperasi Polis Diraja Malaysia Berhad	1,833,900	0.45
17	Hon Wee Fong	1,814,666	0.44
18	Hon Wei Sun	1,775,900	0.43
19	Ng Boon Thiam	1,743,350	0.42
20	Chan Hing	1,738,800	0.42
21	M & A Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account For Beh Soo Lang (M&A)	1,400,000	0.34
22	Tan Tuan Chai	1,372,000	0.33
23	How Ying Chong	1,173,550	0.29
24	Citigroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Oh Kooi Yin (474489)	1,033,800	0.25
25	Teo Tee Chun	1,025,150	0.25
26	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Yau Yee Fong	997,950	0.24
27	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lay Van Chong	921,900	0.22
28	Jacob Chan Teng Meng	909,900	0.22
29	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Mew Sim	869,400	0.21
30	Gan Seong Liam	821,100	0.20
	Total	333,783,198	81.34

Analysis of Shareholdings

As At 28 November 2008

Substantial Shareholders' as per the Register of Substantial Shareholders

	← Direct →		← Indirect →	
	No. of shares	%	No. of Shares	%
Poh Kong Sdn Bhd	239,208,886	58.29	-	-
Dato' Choon Yee Seiong	7,353,746	1.79	247,913,658 ⁽¹⁾	60.41
Choon Nee Siew	2,052,372	0.50	251,430,072 ⁽⁴⁾	61.26
Cheong Teck Chong	2,273,928	0.55	239,789,648 ⁽²⁾	58.43
Choon Wan Joo	2,220,080	0.54	251,813,732 ⁽⁵⁾	61.36
Datin Hon Wee Fong	1,814,710	0.44	247,896,144 ⁽³⁾	60.41
Choon Yoke Ying	1,857,772	0.45	252,144,928 ⁽⁵⁾	61.44
Choon Yee Bin	30	^	253,589,164 ⁽⁶⁾	61.79
Mohd Annuar Choon Bin Abdullah	663,630	0.16	252,782,064 ⁽⁶⁾	61.60
Choon Yee Fook	24,282	0.01	253,393,412 ⁽⁷⁾	61.74
Choong Bee Chu	35,000	0.01	253,417,696 ⁽⁹⁾	61.75
Chong Siew Loi @ Chong Kim Loi	103,012	0.03	241,482,814 ⁽¹⁰⁾	58.84
Cheong Poh See	57,750	0.01	243,542,186 ⁽¹¹⁾	59.34
Cheong Chee Kong	7,000	^	243,592,936 ⁽¹¹⁾	59.35
Choon Ching Yih	1,896	^	253,415,798 ⁽⁸⁾	61.32
Cheong Chee Khoon	-	-	243,599,936 ⁽¹¹⁾	59.35
Choon King Han	35,000	0.01	248,377,342 ⁽¹²⁾	60.52
Pang Cheow Mooi	413,000	0.10	241,482,814 ⁽¹³⁾	58.84
Elizabeth Choon Ee Ling	-	-	248,412,342 ⁽¹²⁾	60.53

Notes:-

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

Analysis of Shareholdings

As At 28 November 2008

Directors' Shareholdings as per the Register of Directors' Shareholdings

	Direct No. of shares	%	Indirect No. of Shares	%
Dato' Choon Yee Seiong	7,353,746	1.79	247,913,658 ⁽¹⁾	60.41
Cheong Teck Chong	2,273,928	0.55	239,789,648 ⁽²⁾	58.43
Choon Nee Siew	2,052,372	0.50	251,430,072 ⁽³⁾	61.26
Choon Yoke Ying	1,857,772	0.45	252,144,928 ⁽⁴⁾	61.44
Choon Yee Fook	24,282	0.01	253,393,412 ⁽⁵⁾	61.74
Choon Wan Joo	2,220,080	0.54	251,813,732 ⁽⁴⁾	61.36
Fazrin Azwar Bin Md. Nor	35,000	0.01	-	-
Dr. Choong Tuck Yew	102,000	0.02	30,000 ⁽⁶⁾	0.01

Notes :-

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

List of Properties

Held By The Group As At 31 July 2008

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 36 years	804,705	27.12.94
No.7, Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan							
Lot 10, PN7185, Section 25 Township of Petaling Jaya District of Petaling Selangor Darul Ehsan	4 - storey shopoffice	Leasehold (Expiring in 2058)	Shophouse	174.1875 square metres	Approximately 36 years	2,367,241	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 (Master Title Expiring in 2088 - pending issuance of strata title)	Shopping Complex Lot	G-23: 47.19 square metres G-25: 47.19 square metres	10 years	2,400,000	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	11 years	1,200,000	4.2.03

POH KONG JEWELLERS (JAYA) SDN BHD

Lot 11, HS(D) 164904 Township of Petaling Jaya District of Petaling Selangor Darul Ehsan	An intermediate unit of single-storey terrace house	Leasehold (Expiring in 2068)	Residential	153.285 square metres	Approximately 36 years	184,347	22.9.92
No.11, Jalan 14/15 (Jln Dato Jamil Rais) Seksyen 14, 46100 Petaling Jaya Selangor Darul Ehsan							

List of Properties

Held By The Group As At 31 July 2008

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 31 years	2,200,000	15.5.89
No.21, Jalan SS2/55 SS2, 47300 Petaling Jaya Selangor Darul Ehsan							
POH KONG JEWELLERS (SUBANG PARADE) SDN BHD							
PT 16955, HS(M) 9168 Mukim of Damansara District of Petaling Selangor Darul Ehsan	An intermediate unit of double-storey terrace house	Leasehold (Expiring in 2095)	Residential	160 square metres	Approximately 13 years	362,012	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 23 years	350,000	10.6.95
No.87, Jalan SS17/2 47500 Subang Jaya Selangor Darul Ehsan							
Lot G-19, Ground Floor Subang Parade 47500 Subang Jaya Selangor Darul Ehsan	Commercial shophot	Freehold	Shopping Complex Lot	139.3 square metres	Approximately 24 years	2,700,000	26.1.99

List of Properties

Held By The Group As At 31 July 2008

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG JEWELLERS (AMPANG POINT) SDN BHD							
Lot 26451 PN807/M7/4/241 Mukim of Ampang District of Hulu Langat Selangor Darul Ehsan	Apartment	Leasehold (Expiring in 2088)	Residential	95 square metres	16 years	150,000	15.7.97
No.33, 3rd Floor, Block Melor Apartment Desa 288 Persiaran Memanda 1 Taman Dato' Ahmad Razali 68000 Ampang, Selangor.							
POH KONG JEWELLERY MANUFACTURER SDN BHD							
PT 17654, HS(D) 142709 Mukim of Damansara District of Petaling Selangor Darul Ehsan	Double-storey detached with basement	Freehold	Office cum Factory	7,570.31 square metres	7.5 years	12,600,000	1.9.95
Lot 1, Jalan Astaka U8/81 Seksyen U8 40150 Shah Alam, Selangor							
PT 3867, HS(M) 10549 Mukim of Sungai Buluh District of Petaling building Selangor Darul Ehsan	Agricultural land with a detached building	Leasehold (Expiring in 2070)	Residential	0.6146 hectare	19 years	1,058,450	15.8.97
No.276, Jalan 4D, Kampung Baru Subang, Shah Alam, Selangor							
POH KONG JEWELLERS (THE MINES) SDN BHD							
Unit No.8-10, 8th Floor Pangsapuri Seri Indah Jalan Sungai Besi Indah 3 Taman Sungai Besi Indah Section U6 43300 Sri Kembangan Selangor	Condominium	Leasehold (Master Title Expiring in 2090 - pending issuance of strata title)	Residential	108.41 square metres	8 years	130,000	17.2.01

List of Properties

Held By The Group As At 31 July 2008

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG JEWELLERS (THE MALL) SDN BHD							
No.33-A-8-7, 8th Floor Villa Putra Condominium Jalan Tun Ismail 50480 Kuala Lumpur	Condominium	Freehold	Residential	107.13 square metres	14 years	260,000	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	14 years	280,000	6.4.96
POH KONG JEWELLERS (OLD KLANG ROAD) SDN BHD							
No 1C-9-20, 9th Floor Pearl Point Condominium Jalan Sepadu 3, Block C Batu 5, Jalan Kelang Lama 58000 Kuala Lumpur	Condominium	Freehold	Residential	100 square metres	11 years	200,000	21.11.94
POH KONG PROPERTIES SDN BHD							
LG-48, Lower Ground Floor The Summit, Subang USJ 47600 Subang Jaya Selangor Darul Ehsan	Commercial shoplot	Freehold	Shopping Complex Lot	51.19 square metres	11 years	750,000	6.2.95
G-13, Ground Floor Summit Parade 83000 Batu Pahat Johor Darul Takzim	Commercial shoplot	Freehold	Shopping Complex Lot	100 square metres	15 years	860,000	30.8.94
G-14, Ground Floor Mahkota Parade Jalan Merdeka 75000 Melaka	Commercial shoplot	Leasehold (Expiring in 2090)	Shopping Complex Lot	83.98 square metres	16 years	1,500,000	3.3.99
G-29, Ground Floor Mahkota Parade Jalan Taman 75000 Melaka	Commercial shoplot	Leasehold (Expiring in 2090)	Shopping Complex Lot	103.96 square metres	16 years	1,360,000	13.3.99

List of Properties

Held By The Group As At 31 July 2008

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG PROPERTIES SDN BHD							
Parcel No. GF119 and GF120 Ground Floor Queensbay Shopping Mall	Commercial shoplot	Leasehold (Expiring in 2095)	Shopping Complex Lot	GF119: 565 sq ft GF120: 565 sq ft	2 years	2,760,000	10.6.96
L1-050 and L-051 Plaza Rakyat, Shopping Mall Section 56 Town of Kuala Lumpur	Commercial shoplot -pending completion	Leasehold (Expiring in 2092)	Under Construction	L1-050: 510 sq ft L1-051: 348 sq ft	N/A	427,950	31.7.96
Lot 27 and G28 Ground Floor Kuantan Parade, Jalan Haji, Abdul Rahman, 25000 Kuantan	Commercial shoplot -pending completion of acquisition	Leasehold (Expiring in 2092)	Shopping Complex Lot	GF27: 451 sq ft GF28: 484 sq ft	Approximately 10 years	210,000	21.4.08
POH KONG JEWELLERS (MALACCA) SDN BHD							
6352, PN1 1986 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 16 years	156,069	15.8.97
302-L, Taman Bukit Baru 75450 Bukit Beruang Melaka							
KEDAI EMAS LIKWONG SDN BHD							
PT 16, HS(D) 143184 Township of Petaling Jaya District of Petaling Selangor Darul Ehsan	4-storey shopoffice	Leasehold (Expiring in 2059)	Shophouse	174.1875 square metres	Approximately 36 years	2,521,380	6.6.00
No.16, Jalan 52/4 46200 Petaling Jaya Selangor Darul Ehsan							

List of Properties

Held By The Group As At 31 July 2008

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
PRECIOUS JEWELLERY SDN BHD							
Lot 18, HS(D) 142695 (formerly QT(R)84/60) Section 25 (formerly PJ 24/60) Township of Petaling Jaya District of Petaling Selangor Darul Ehsan No.18, Jalan 52/4 46200 Petaling Jaya Selangor	4-storey shopoffice	Leasehold (Expiring in 2060)	Shophouse	174.1875 square metres	Approximately 36 years	2,500,000	17.2.89
JUNGMAX PROPERTY SDN BHD							
Lot PT31176, HS(M)23999 Mukim and District of Kelang Selangor Darul Ehsan	Agricultural land	Leasehold (Expiring in 2092)	Agricultural land zoned for residential land use	2.00 acres	N/A	240,000	24.11.98
POH KONG JEWELLERS (KLANG) SDN BHD							
PT 5999, HS(D) 57880, Mukim Kapar, District of Klang Selangor Darul Ehsan No.30, Jalan Sungai Keramat 7A Taman Klang Utama 42100 Klang Selangor Darul Ehsan	Single storey terrace house	Freehold	Residential	0.0121 Hectare	N/A	130,000	30.7.02
PT 71, HS(D) 38993 Mukim Kapar, District of Klang Selangor Darul Ehsan No.8, Jalan 9/5E 40100 Shah Alam Selangor Darul Ehsan	Double storey bungalow	Leasehold (Expiring in 2088)	Residential	1,649.4395 square metres	N/A	1,625,270	30.7.02

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of **POH KONG HOLDINGS BERHAD** (Company No. 586139-K) will be held at Laksamana Ballroom, Level 3, Armada Hotel, Petaling Jaya, Selangor Darul Ehsan on Friday, 9 January 2009 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS:-

1. To receive the Audited Financial Statements for the year ended 31 July 2008 together with the Reports of the Directors and Auditors thereon. Resolution 1
2. To declare a First and Final Single Tier Exempt Dividend of 1.4 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2008. Resolution 2
3. To approve the payment of Directors' fees for the year ended 31 July 2008. Resolution 3
4. To re-elect the following Directors retiring under Article 80 of the Articles of Association:-
 - a) Cheong Teck Chong Resolution 4
 - b) Fazrin Azwar bin Md Nor Resolution 5
5. To re-elect the following Directors retiring under Article 85 of the Articles of Association:-
 - a) Choon Yee Fook Resolution 6
 - b) Choon Yoke Ying Resolution 7
 - c) Choon Wan Joo Resolution 8
6. To re-appoint Dr Choong Tuck Yew who retires in accordance with Section 129(2) of the Companies Act, 1965. Resolution 9
7. To re-appoint GEP Associates as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 10

SPECIAL BUSINESS:-

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

ORDINARY RESOLUTION 1

Resolution 11

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

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

Notice of Annual General Meeting

ORDINARY RESOLUTION 2

Resolution 12

• Proposed Renewal Of Authority To Purchase Its Own Shares By The Company

“THAT subject to the Companies Act, 1965, the Memorandum and Articles of Association of the Company, Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant regulatory authorities, the Company be and is hereby authorised to purchase and/or hold up to ten percent (10%) of the issued and paid-up share capital of the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of Poh Kong Holdings Berhad from time to time through Bursa Securities upon such terms and conditions as the Directors of Poh Kong Holdings Berhad may deem fit and expedient in the interest of the Company and an amount not exceeding the retained profits of the Company as at 31 July 2008 of RM12,649,338-00 be allocated by the Company for the Proposed Share Buy-Back.

AND THAT upon completion of the purchase by the Company of its own shares, the Directors of Poh Kong Holdings Berhad be and are hereby authorised to cancel such shares or retain such shares as the treasury shares or a combination of both. The Directors of Poh Kong Holdings Berhad are further authorised to resell the treasury shares on Bursa Securities or distribute the treasury shares as dividends to the shareholders of Poh Kong Holdings Berhad or subsequently cancel the treasury shares or any combination of the three.

AND FURTHER THAT the Directors of Poh Kong Holdings Berhad be and are hereby authorised to carry out the Proposed Share Buy-Back immediately upon the passing of this resolution until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occur first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors of Poh Kong Holdings Berhad deem fit and expedient in the interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, amendments and/or variations as may be imposed by the relevant authorities.”

ANY OTHER BUSINESS:-

Resolution 13

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a First and Final Single Tier Exempt Dividend of 1.4 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 July 2008 will be payable on 9 March 2009 to Depositors registered in the Record of Depositors at the close of business on 28 January 2009.

Notice of Annual General Meeting

A Depositor shall qualify for entitlement only in respect of:

- a. Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 28 January 2009 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
18 December 2008

Notes:-

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

Resolution 11 pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution 1 proposed under item 8 above, if passed will give the Directors of the Company from the date of the above Meeting, authority to allot and issue ordinary shares for the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

Resolution 12 pursuant to the Proposed Renewal Of Authority For Purchase of its Own Shares by the Company

The proposed Ordinary Resolution 2 under item 8 above, is to seek the renewal of authority for the Company to purchase and/or hold up to a maximum of 41,035,175 ordinary shares of RM0-50 each representing 10% of the issued and paid-up share capital of the Company of 410,351,752 ordinary shares of RM0-50 each on the Bursa Malaysia Securities Berhad.

(Shareholders are requested to refer to the enclosed Share Buy-Back Statement set out on pages 129 to 135 of the Company's 2008 Annual Report for additional information).

Statement Accompanying Notice of Sixth Annual General Meeting

Details of the Directors who are standing for election or re-election at the Sixth Annual General Meeting of Poh Kong Holdings Berhad are laid out in pages 14 to 18 of this Annual Report.

- i. Cheong Teck Chong
- ii. Fazrin Azwar bin Md. Nor
- iii. Choon Yee Fook
- iv. Choon Yoke Ying
- v. Choon Wan Joo
- vi. Dr Choong Tuck Yew

Statement In Relation To Proposed Renewal of Authority To Purchase Its Own Shares By The Company

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused this statement prior to its issuance as this is an exempt Statement. Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement:

“Act”	The Companies Act, 1965 as amended from time to time and any re-enactment thereof
“Articles”	Articles of Association of PKHB, as amended from time to time
“Bursa Securities”	Bursa Malaysia Securities Berhad
“Board” or “Directors”	The Board of Directors of Poh Kong Holdings Berhad
“AGM”	Annual General Meeting
“EPS”	Earnings Per Share
“PKHB” or “the Company”	Poh Kong Holdings Berhad (586139-K)
“PKHB Group” or “Group”	PKHB and its subsidiary companies
“NA”	Net Assets
“Proposed Share Buy-Back”	Proposal to enable PKHB to purchase its own Shares up to ten per cent (10%) of the Company’s issued and paid-up share capital
“RM” or “Sen”	Ringgit Malaysia and sen respectively
“Purchased PKHB Shares”	Shares that may be purchased pursuant to the Proposed Share Buy-Back
“Share(s)”	Ordinary shares of RM0.50 each in PKHB
“Statement”	The Statement in relation to the proposed renewal of authority for purchase of own shares by the Company

1. INTRODUCTION

On 9 December 2008, the Directors announced that the approval granted by the shareholders at the AGM of PKHB held on 15 January 2008 for the Company to purchase its own shares shall expire at the conclusion of the forthcoming Sixth AGM. In the same announcement, PKHB announced its intention to seek a renewal of the Shareholders’ mandate for the Proposed Share Buy-Back at the forthcoming AGM to be held.

The purpose of this Statement is to provide you with the relevant information on the Proposed Share Buy-Back and to seek your approval for the renewal of shareholders’ mandate for the Proposed Share Buy-Back as per the ordinary resolution to be tabled at the forthcoming AGM of the Company.

Statement In Relation To Proposed Renewal of Authority To Purchase Its Own Shares By The Company

2. RATIONALE FOR THE PROPOSED SHARE BUY-BACK AUTHORITY

The Proposed Share Buy-Back Authority will enable PKHB Group to utilise its surplus financial resources to purchase the Shares of the Company. The Proposed Share Buy-Back Authority is expected to stabilise the supply and demand as well as the prices of PKHB Shares. Should PKHB Shares be cancelled, either immediately or subsequently after being held as Treasury Shares, the Proposed Share Buy-Back Authority is expected to improve the EPS of PKHB Group and benefit the Shareholders of the Company.

The Purchased Shares, which are held as Treasury Shares may be realised with potential gain without affecting the total issued and paid-up capital of the Company. In the event the Treasury Shares are distributed as share dividends, it serves as a reward to the Shareholders of the Company.

The Proposed Share Buy-Back Authority is not expected to have any potential material disadvantage to the Company and its Shareholders, as it will be exercised only after in depth consideration of the financial resources of PKHB Group and of the resultant impact on its Shareholders. The Directors in exercising any decision on the Proposed Share Buy-Back Authority will be mindful of the interest of the Company and its Shareholders.

3. SOURCES OF FUNDS

PKHB proposes to utilize internally generated funds to finance the Proposed Share Buy-Back. The maximum funds to be utilized for the Proposed Share Buy-Back must be backed by the equivalent amount of retained profits. The Directors have proposed to allocate an amount not exceeding the total retained earnings of the Company at the time of purchase of its own shares by the Company. As at 31 July 2008 the audited retained earnings of the Company was RM12,649,338.

4. POTENTIAL ADVANAGES AND DISADVANAGES OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The Proposed Share Buy-Back Authority, if exercised, is expected to potentially benefit PKHB Group and its Shareholders as follows:-

- (a) The EPS of PKHB Group would be enhanced (all things being equal). This is expected to have a positive impact on the market price of PKHB Shares, which will benefit Shareholders of PKHB.
- (b) If the Shares are bought back as Treasury Shares, it will provide the Directors an option to sell the Purchased Shares at a higher price and therefore make an exceptional gain for the Company. Alternatively, the Purchased Shares can be distributed as share dividend to Shareholders.

The Proposed Share Buy-Back Authority, if exercised, will however temporarily reduce the financial resources of PKHB Group and should there be any good investment opportunity arising in the future, the Company may have to re-sell the Shares for cash in the market not at an opportune time.

In any event, the Directors will be mindful of the interests of the PKHB Group and the Shareholders in implementing the Proposed Share Buy-Back Authority.

Statement In Relation To Proposed Renewal of Authority To Purchase Its Own Shares By The Company

5. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

On the assumption that the Proposed Share Buy-Back Authority is carried out in full, the effects of the Proposed Share Buy-Back Authority on the share capital, NA, working capital, earnings and shareholdings of Directors and Major Shareholders of PKHB are set out below:-

5.1 Share Capital

Assuming the Proposed Share Buy-Back Authority is carried out in full by PKHB and the Purchased Shares are cancelled, the proforma effect on the issued and paid-up share capital of the Company are summarised below:

Proforma Effect

(Assuming the Proposed Share Buy-Back Authority is carried out in full)

	No. of Shares
As at 28 November 2008	410,351,752
Shares to be cancelled	41,035,175
Upon Completion of the purchase and cancellation	369,316,577

However, there will be no effect on the issued and paid-up share capital of PKHB if the purchased shares are retained as Treasury Shares.

5.2 NA and Working Capital

The Proposed Share Buy-Back Authority may increase or decrease the NA per Share of PKHB depending on the purchase price in comparison to the NA per Share of PKHB Group at the time that the purchase is made. Assuming PKHB Shares purchased are cancelled, the Proposed Share Buy-Back Authority will reduce the consolidated NA per Share if the purchase price exceeds the audited consolidated NA per Share at the time of purchase and conversely would increase the consolidated NA per Share if the purchase price is less than the audited consolidated NA per Share at the time of purchase.

If the purchased PKHB Shares are kept as Treasury Shares, the NA per PKHB Share would decrease unless the cost per share of the Treasury Shares purchased is below the NA per Share at the relevant point in time. This is due to the requirement for Treasury Shares to be carried at cost and be offset against equity, resulting in a decrease in the NA of the Company.

The Proposed Share Buy-Back Authority is likely to reduce the working capital of PKHB Group, the quantum of which will depend on the actual purchase price and number of Shares that would be purchased pursuant to the Proposed Share Buy-Back Authority.

5.3 Cashflow

The Proposed Share Buy-Back will reduce the working capital of PKHB, the quantum of which will depend on the actual purchase prices of the Shares and the number of Shares to be bought back.

Statement In Relation To Proposed Renewal of Authority To Purchase Its Own Shares By The Company

5. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY (CONT'D)

5.4 Earnings

Assuming that the Purchased PKHB Shares under the Proposed Share Buy-Back Authority are cancelled, the Proposed Share Buy-Back Authority may increase the EPS of PKHB Group. Similarly, on the assumption that the Purchased Shares are treated as Treasury Shares and subsequently resold, the extend of the effect on earnings of PKHB Group will depend on the actual selling price and number of Treasury Shares resold and the effective gain arising. In the event that the Purchased Shares are held as Treasury Shares, i.e. neither cancelled nor resold, the effective reduction in the issued and paid-up share capital of the Company pursuant to the Proposed Share Buy-Back Authority would generally, all else being equal, increase the consolidated EPS of the Group.

5.5 Shareholdings of Directors and Substantial Shareholders

The effect of the Proposed Share Buy-Back Authority on the shareholdings of the directors and Existing Major Shareholders of PKHB based on the Register of Directors' Shareholdings and Register of Substantial Shareholders as at 28 November 2008 assuming the Proposed Share Buy-Back Authority is carried out in full by PKHB are as follows:

Directors' Shareholdings

Directors	Existing as at 28 November 2008				After Proposed Share Buy-Back			
	No. of Shares				No. of Shares			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Choon Yee Seiong	7,353,746	1.79	247,913,658 ⁽¹⁾	60.41	7,353,746	1.99	247,913,658 ⁽¹⁾	67.13
Cheong Teck Chong	2,273,928	0.55	239,789,648 ⁽²⁾	58.43	2,273,928	0.62	239,789,648 ⁽²⁾	64.93
Choon Nee Siew	2,052,372	0.50	251,430,072 ⁽³⁾	61.26	2,052,372	0.56	251,430,072 ⁽³⁾	68.08
Choon Yoke Ying	1,857,772	0.45	252,144,928 ⁽⁴⁾	61.44	1,857,772	0.50	252,144,928 ⁽⁴⁾	68.27
Choon Yee Fook	24,282	0.01	253,393,412 ⁽⁵⁾	61.74	24,282	0.01	253,393,412 ⁽⁵⁾	68.61
Choon Wan Joo	2,220,080	0.54	251,813,732 ⁽⁴⁾	61.36	2,220,080	0.60	251,813,732 ⁽⁴⁾	68.18
Fazrin Azwar Bin Md. Nor	35,000	0.01	-	-	35,000	0.01	-	-
Dr. Choong Tuck Yew	102,000	0.02	30,000 ⁽⁶⁾	0.01	102,000	0.03	30,000 ⁽⁶⁾	0.01

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 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 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's direct shareholding in PKHB
- ^ Negligible.

Statement In Relation To Proposed Renewal of Authority To Purchase Its Own Shares By The Company

5. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY (CONT'D)

5.5 Shareholdings of Directors and Substantial Shareholders (Cont'd)

Substantial Shareholders' Shareholdings

Major Shareholders	Existing as at 28 November 2008				After Proposed Share Buy-Back			
	No. of Shares				No. of Shares			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Poh Kong Sdn Bhd	239,208,886	58.29	-	-	239,208,886	64.77	-	-
Dato' Choon Yee Seiong	7,353,746	1.79	247,913,658 ⁽¹⁾	60.41	7,353,746	1.99	247,913,658 ⁽¹⁾	67.13
Choon Nee Siew	2,052,372	0.50	251,430,072 ⁽⁴⁾	61.26	2,052,372	0.56	251,430,072 ⁽⁴⁾	68.08
Cheong Teck Chong	2,273,928	0.55	239,789,648 ⁽²⁾	58.43	2,273,928	0.62	239,789,648 ⁽²⁾	64.93
Choon Wan Joo	2,220,080	0.54	251,813,732 ⁽⁵⁾	61.36	2,220,080	0.60	251,813,732 ⁽⁵⁾	68.18
Datin Hon Wee Fong	1,814,710	0.44	247,896,144 ⁽³⁾	60.41	1,814,710	0.49	247,896,144 ⁽³⁾	67.12
Choon Yoke Ying	1,857,772	0.45	252,144,928 ⁽⁵⁾	61.44	1,857,772	0.50	252,144,928 ⁽⁵⁾	68.27
Choon Yee Bin	30	^	253,589,164 ⁽⁶⁾	61.79	30	^	253,589,164 ⁽⁶⁾	68.66
Mohd Annuar Choon Bin Abdullah	663,630	0.16	252,782,064 ⁽⁶⁾	61.60	663,630	0.18	252,782,064 ⁽⁶⁾	68.45
Choon Yee Fook	24,282	0.01	253,393,412 ⁽⁷⁾	61.74	24,282	0.01	253,393,412 ⁽⁷⁾	68.61
Choong Bee Chu	35,000	0.01	253,417,696 ⁽⁹⁾	61.75	35,000	0.01	253,417,696 ⁽⁹⁾	68.62
Chong Siew Loi @ Chong Kim Loi	103,012	0.03	241,482,814 ⁽¹⁰⁾	58.84	103,012	0.03	241,482,814 ⁽¹⁰⁾	65.39
Cheong Poh See	57,750	0.01	243,542,186 ⁽¹¹⁾	59.34	57,750	0.02	243,542,186 ⁽¹¹⁾	65.94
Cheong Chee Kong	7,000	^	243,592,936 ⁽¹¹⁾	59.35	7,000	^	243,592,936 ⁽¹¹⁾	65.96
Choon Ching Yih	1,896	^	253,415,798 ⁽⁸⁾	61.32	1,896	^	253,415,798 ⁽⁸⁾	68.62
Cheong Chee Khoon	-	-	243,599,936 ⁽¹¹⁾	59.35	-	-	243,599,936 ⁽¹¹⁾	65.96
Choon King Han	35,000	0.01	248,377,342 ⁽¹²⁾	60.52	35,000	0.01	248,377,342 ⁽¹²⁾	67.25
Pang Cheow Mooi	413,000	0.10	241,482,814 ⁽¹³⁾	58.84	413,000	0.11	241,482,814 ⁽¹³⁾	65.39

Statement In Relation To Proposed Renewal of Authority To Purchase Its Own Shares By The Company

5. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY (CONT'D)

5.5 Shareholdings of Directors and Substantial Shareholders (Cont'd)

Substantial Shareholders' Shareholdings

Notes:

1. Deemed interested by virtue of the shareholding of his spouse, child, siblings and his substantial shareholding in Poh Kong Sdn Bhd ("PKSB") pursuant to Sections 6A and 122A of the Act
2. Deemed interested by virtue of the substantial shareholding of his spouse, sibling and children's direct shareholding in PKHB and his substantial shareholding in PKSB pursuant to Sections 6A of and 122A the Act
3. Deemed interested by virtue of the shareholding of her spouse, child, sibling and her substantial shareholding in PKSB pursuant to Sections 6A and 122A of the Act
4. Deemed interested by virtue of the shareholding of her siblings, children and her substantial shareholding in PKSB pursuant to Sections 6A and 122A of the Act
5. 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
6. 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
7. 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
8. 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
9. 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
10. 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
11. 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
12. 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
13. Deemed interested by virtue of her spouse's direct shareholding in PKHB and the substantial shareholding in PKSB by virtue of Sections 6A and 122A of the Act
- ^ Negligible

5.6 Dividend

The Proposed Share Buy-Back is not expected to have any impact on the policy of the Board in recommending dividends, if any, to shareholders of PKHB. However, the Board may distribute future dividends in the form of Shares which have been bought back and retained as Treasury Shares.

Statement In Relation To Proposed Renewal of Authority To Purchase Its Own Shares By The Company

6. PUBLIC SHAREHOLDING SPREAD

As at 28 November 2008, the public shareholding spread of the Company was 36.03% held by 2,582 Public shareholders. The public shareholding spread is expected to be reduced to 28.92% assuming the Proposed Share Buy-Back is implemented in full with the purchase from the market, all the PKHB Shares so purchased are cancelled and there is no change in the number of PKHB Shares held as at 28 November 2008 by Directors of PKHB Group, substantial shareholders of PKHB, and their associates, and shareholders holding less than 100 PKHB Shares.

The Directors will ensure that the Company complies with the public shareholding spread requirement and will not buy back shares if the purchase would result in the public shareholding spread requirement not being met.

7. IMPLICATION RELATING TO THE CODE IN RELATION TO THE PROPOSED SHARES BUY-BACK

Based on the Register of Substantial Shareholders as at 28 November 2008, the substantial shareholder of the Company, namely Poh Kong Sdn. Bhd. has a shareholding of 239,208,886 PKHB Shares, through its direct and indirect shareholdings, representing approximately 58.29% equity interest in PKHB. The Board does not anticipate any implication relating to the Code on PKHB and its Shareholders in the event the Proposed Share Buy-Back Authority of up to ten percent (10%) of the issued and paid-up capital of the Company is carried out in full.

8. DIRECTORS' RECOMMENDATION

The Board with the exception of Dato' Choon Yee Seiong, Mr. Cheong Teck Chong, Mr. Choon Yee Fook, Madam Choon Nee Siew, Madam Choon Yoke Ying and Madam Choon Wan Joo, is of the opinion that the Proposed Share Buy-Back Mandate is in the best interest of the Shareholders of the Group. Accordingly, the Directors (with the exception of the interested Directors) recommended that you vote in favour of the resolution pertaining to the Proposed Share Buy-Back Authority to be tabled at the forthcoming Sixth AGM.

The Board of Directors of PKHB is of the opinion that the Proposed Share Buy-Back Authority is in the best interest of the Company. Accordingly, the Directors recommend that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back Authority to be tabled at the forthcoming Sixth AGM.

9. DIRECTORS' STATEMENT

This Statement has been seen and approved by the Directors of the Company, who collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any information, data or Statement herein misleading.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

If a shareholder is unable to attend the Sixth AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of PKHB at Unit 07-02, Level 7, Menara Luxor, 6B Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan not later than 10.00 a.m. on 7 January 2009.

The resolution to consider the Proposed Share Buy-Back Mandate is outlined in the Notice of the Sixth AGM of the PKHB which is enclosed in the Annual Report 2008. The Sixth AGM of PKHB, will be held at Laksamana Ballroom, Level 3, Armada Hotel, Petaling Jaya, Selangor Darul Ehsan on Friday, 9 January 2008 at 10.00 a.m.

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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 Sixth Annual General Meeting of the Company to be held at Laksamana Ballroom, Level 3, Armada Hotel, Petaling Jaya, Selangor Darul Ehsan on Friday, 9 January 2009 at 10.00 a.m. and at any adjournment thereof for /against * the resolution(s) to be proposed thereat.

*My/*our Proxy(ies) is/are to vote as indicated below:-

No.	Resolutions	For	Against
1.	To declare a First and Final Single Tier Exempt Dividend of 1.4 sen per Ordinary Share of RM0.50 each in respect of the financial year ended 31 July 2008.		
2.	To approve the payment of Directors' fees for the year ended 31 July 2008.		
3.	To re-elect the following Directors retiring under Article 80 of the Articles of Association:- a) Cheong Teck Chong b) Fazrin Azwar bin Md Nor		
4.	To re-elect the following Directors retiring under Article 85 of the Articles of Association:- a) Choon Yee Fook b) Choon Wan Joo c) Choon Yoke Ying		
5.	To re-appoint Dr Choong Tuck Yew who retires in accordance with Section 129(2) of the Companies Act, 1965.		
6.	To re-appoint GEP Associates as Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration.		
7.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
8.	Proposed Renewal Of Authority To Purchase Its Own Shares By The Company		

[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 _____ 2008/2009

Number of shares held :

[Signature/Common Seal of Shareholder]

[* Delete if not applicable]

Notes:-

- A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote on his(her) behalf. A proxy may but need not be a Member of the Company and the provisions of Section 149 (1)(b) of the Companies Act, 1965 shall not apply to the Company.
- Where a Member appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportions of his(her) holdings to be represented by each proxy.
- The Proxy Form shall be signed by the appointor or his(her) attorney duly authorised in writing or, if the Member is a corporation, either under its common seal or under the hand of an officer or attorney so authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Unit 07-02, Level 7, Menara Luxor, 6B Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for the Meeting or any adjournment thereof.

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Stamp

The Company Secretary

Poh Kong Holdings Berhad (586139-K)
Unit 07-02, Level 7, Menara Luxor
6B Persiaran Tropicana
47410 Petaling Jaya, Selangor Darul Ehsan

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