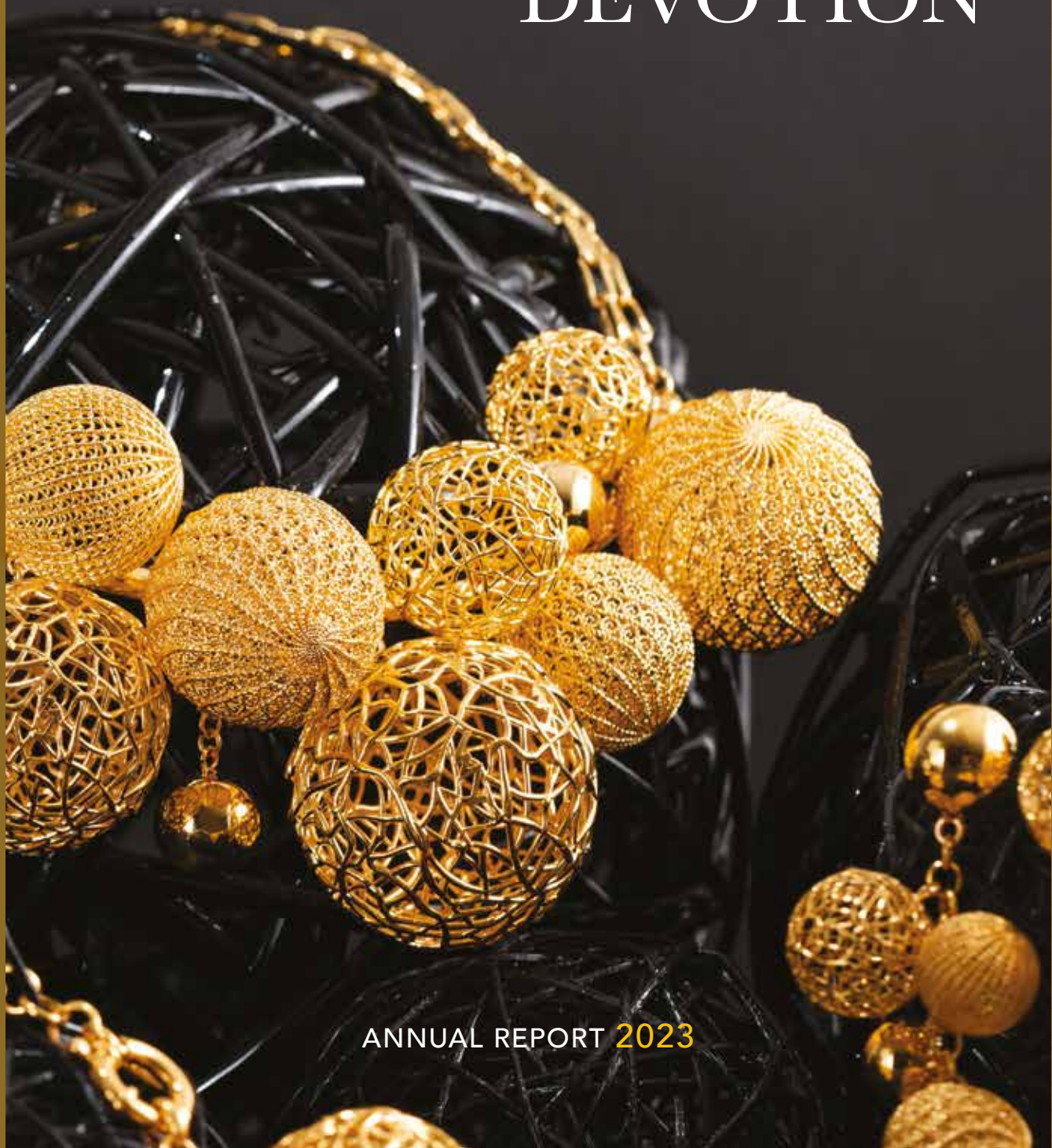


POH KONG®
POH KONG HOLDINGS BERHAD
200201018476 (586139-K)

WEALTH LOVE DEVOTION



ANNUAL REPORT 2023



WEALTH ♦ LOVE ♦ DEVOTION

Our Vision



To achieve product and service excellence.

VISION & MISSION

Our Mission



To continue leading the gold market with a strong in-house brand presence.



To be the largest jewellery retail chain with a range of concept outlets and a wide distribution network offering convenience and easy accessibility to our clients and customers.



To offer an extensive range of local and international renowned jewellery brands to cater to customers' diverse preferences and needs.



To be the jewellery brand of choice for all occasions as our designs meet customer needs for all the most significant and meaningful events in their lives.



To continuously improve our employees' performance and quality of service.



To improve production and operational efficiency.



To ensure effective and timely communication between management and employees.



To increasingly digitise our business for product and service efficiency and to achieve better end-to-end customer experience.

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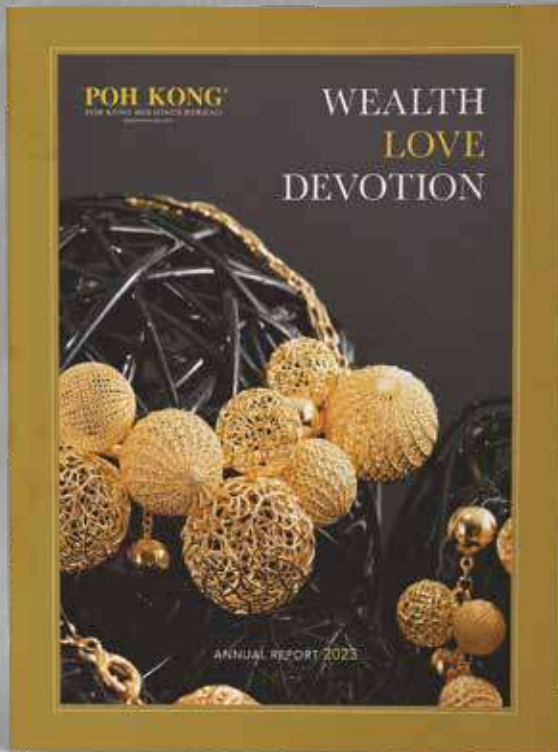
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COVER RATIONALE



WEALTH
LOVE
DEVOTION

**Contemporary in style;
celebratory in its design approach.**

Poh Kong is constantly evolving to deliver on its brand promise. We seek to transcend the mundane to create authentic jewellery that reflects wealth, love and devotion.

WHO WE ARE

POH KONG[®]

Like the fine jewellery that has become the hallmark of the company, Poh Kong has been carefully crafted through the **PASSIONATE** integrity of its founder Dato' Choon Yee Seiong. He has an intrinsic understanding that a jewellery business requires **ORIGINALITY** and **HONESTY**. These are the core values and ethos of Poh Kong and its legacy.

KINDNESS in the way we operate impacts positively on the community, our business partners, shareholders and most importantly the environment.

OUTSTANDING performance of our people, and a will to outshine comes from challenging ourselves to achieve the impossible. We are constantly scanning the marketplace for fresh opportunities that secure our market position as a leader in the gold jewellery business in Malaysia. **NURTURING** our people through a corporate commitment that encourages continuous learning, has contributed significantly to a strong team spirit and a culture of excellence in our people.

Glitter and gold describe the Company, its people and our 47-year track record. We aim to sustain this at all times and endeavour to enhance shareholder value that ensures us of a **GLOWING** and glorious future.

POH KONG OVERVIEW

SINCE 4000 BC ANCIENT CIVILIZATIONS HAVE USED GOLD. IN MUCH OF ASIA THIS PRECIOUS METAL HAS LONG BEEN ASSOCIATED WITH WEALTH AND STATUS. POH KONG IS PROUD TO BE A PART OF THIS LONG HISTORICAL NARRATIVE THAT TRANSCENDS GEOGRAPHIC BOUNDARIES, ETHNICITY AND CULTURE.

In 1976 when the first Poh Kong store opened we made a commitment to create gold products that would become family heirlooms and jewellery that reflected not just contemporary design trends but were fashioned with the same care and craftsmanship of yesteryear.

How has Poh Kong managed to survive and thrive over the last 47 years? We, like everyone else have been impacted by disruptions such as global recessions, economic slow-downs, supply chain challenges and of course the COVID-19 pandemic. What helped us stay on course was our prudence in establishing business protocols that we refined and if necessary reset annually. We have always been “Cautiously optimistic” and it is a business space we are happy to occupy.

We have seen sales sometimes crossing pre pandemic levels in what the industry calls ‘revenge purchases’. Benign gold prices have worked in our favour as well. However, Poh Kong as a corporation weighs carefully all its options for expansion of wealth. We are careful about building a ‘safety net’ that rewards loyalty of our customers and devotion of our staff. We pride ourselves on being responsible entrepreneurs that factor in the needs of our people, our shareholders and other stake holders, managing their expectations in the short, medium and long term.

Poh Kong more than any other jeweller in this country understands implicitly the needs, tastes and psyche of our multi ethnic, multicultural society. Our new 2023 collections speak to the heart and delight the senses. They deepen old family ties , ignite romance and young love and our designs reflect devotion. These collections reflect Poh Kong’s continued dedication to giving customers an exceptionally high standard of design and showcases the prowess of our select team of designers.

People often ask about the secret of our success. It lies in having jewellery products that are not only glamorous but also give customers an option or choice of investment. It is in building a platform based on a metal that is incorruptible. We transcend the mundane to create authentic, inwardly-inspired ornaments that denote beauty and enhances the personality.



Corporate Information

AUDIT COMMITTEE

Chairperson

Dato' Esther Tan Choon Hwa

Member

Datin Amy Ooi Swee Lian

Member

Rohaiza Binti Tan Sri Mohamed Basir

RISK MANAGEMENT COMMITTEE

Chairperson

Datin Amy Ooi Swee Lian

Member

Dato' Esther Tan Choon Hwa

Member

Rohaiza Binti Tan Sri Mohamed Basir

Member

Dato' Choon Yee Seiong

Member

Mr Cheong Teck Chong

NOMINATION COMMITTEE

Chairperson

Rohaiza Binti Tan Sri Mohamed Basir

Member

Dato' Esther Tan Choon Hwa

Member

Datin Amy Ooi Swee Lian

REMUNERATION COMMITTEE

Chairperson

Datin Amy Ooi Swee Lian

Member

Dato' Esther Tan Choon Hwa

Member

Rohaiza Binti Tan Sri Mohamed Basir

Member

Dato' Choon Yee Seiong

COMPANY SECRETARY

(MACS 00305)

(PC NO. 202008000309)

Ng Yim Kong



For more information please login to



www.pohkong.com.my



Pohkongmy



Pohkongjeweller



Poh Kong 宝光



Poh Kong



Poh Kong

Corporate Information (Cont'd)

REGISTERED OFFICE

**Strategy Corporate Secretariat
Sdn Bhd 200201001821 (569484-W)**

Unit 07-02 Level 7 Persoft Tower
6B Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya Selangor Darul Ehsan

Tel: 03-7804 5929 Fax: 03-7805 2559

AUDITORS

**Messrs Baker Tilly Monteiro Heng PLT
201906000600
(LLP0019411-LCA) & AF0117**

Baker Tilly Tower Level 10 Tower 1 Avenue 5
Bangsar South City 59200 Kuala Lumpur

Tel: 03-2297 1000 Fax: 03-2282 9980

PRINCIPAL BANKERS

CIMB Bank Berhad (13491-P)

17th Floor Menara CIMB
No.1 Jalan Stesen Sentral 2
Kuala Lumpur Sentral 50470 Kuala Lumpur

Tel: 03-2261 8888

RHB Bank Berhad (6171-M)

Level 7 Tower Three, RHB Centre
Jalan Tun Razak 50400 Kuala Lumpur

Tel: 03-9287 8888

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

UOB Plaza 1 KL,
Level 25, No.7, Jalan Raja Laut
50350 Kuala Lumpur

Tel: 03-2692 7722

Malayan Banking Berhad (3813-K)

37th Floor, Menara Maybank 100 Jalan Tun Perak
50050 Kuala Lumpur

Tel: 03-2070 8833

SHARE REGISTRAR

**Boardroom Share Registrars Sdn Bhd
199601006647 (378993-D)**

11th Floor Menara Symphony
No.5 Jalan Professor Khoo Kay Kim
Section 13 46200 Petaling Jaya
Selangor Darul Ehsan

Tel: 03-7890 4700 Fax: 03-7890 4670

CORPORATE OFFICE

No. 16-20 Jalan 52/4
46200 Petaling Jaya
Selangor Darul Ehsan

Tel: 03-7940 3333 Fax: 03-7958 8398

Website: www.pohkong.com.my

SOLICITORS

Soo Thien Ming & Nashrah

No. 3 1st Floor JalanSS23/15 Taman SEA
47400 Petaling Jaya Selangor Darul Ehsan

Tel: 03-7880 1212 Fax: 03-7880 9292

Aswandi Hashim & Co

No.77, Jalan Puyu 13
Taman Seri Belida
05150 Bandaraya Alor Star
Kedah Darul Aman

Tel: 04-7333 777 Fax: 04-7332 777

STOCK EXCHANGE LISTING

Main Market of Bursa

Malaysia Securities Berhad

(Bursa Securities)

Stock Code: 5080



Corporate Structure

POH KONG[®] POH KONG HOLDINGS BERHAD

100%



Poh Kong Jewellers
(SS2) S/B*



Poh Kong
International S/B



Poh Kong Jewellers
(Franchise) S/B



Poh Kong
Properties S/B



PK Jewellery
Export S/B



Poh Kong
Jewellers S/B



Poh Kong Jewellers
(Klang) S/B*



Poh Kong
Wholesale S/B



Poh Kong
Bullion S/B



Poh Kong Jewellery
Manufacturer S/B



Poh Kong Jewellers
(Shah Alam) S/B*



Poh Kong Properties
(PJ) S/B

* As a result of the restructuring exercise on internal reorganisation undertaken by the Group, the Subsidiaries are ceasing operations and under members' voluntary winding up

Significant Highlights

TWENTIETH (20TH) ANNUAL GENERAL MEETING



- **Twentieth Annual General Meeting of POH KONG HOLDINGS BERHAD**

Conducted entirely through live streaming from the Broadcast Venue at No. 16-20, Jalan 52/4, 46200 Petaling Jaya, Selangor.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

ENVIRONMENT



- **BEACH CLEAN UP AT PORT DICKSON**

Poh Kong's CSR program embraced eco-consciousness, as we spearheaded a beach cleanup drive at Port Dickson. The dedicated team successfully collected an impressive 500kg of rubbish, reinforcing our commitment to safeguarding our coastal environments and contributing to a greener and healthier planet.

- **KOSE SEKKISEI "SAVE THE BLUE" PROJECTS**

Joining forces with Kose Sekkisei, Poh Kong takes pride in sponsoring prizes for the impactful "Save the Blue Ocean" campaign. This initiative aims to protect coral for future generations by donating a portion of sales from Sekkisei themed products to Reef Check Malaysia, a local NGO dedicated to coral restoration and beach cleaning. Together, we strive to preserve the beauty and health of our oceans for a sustainable future.

Significant Highlights (Cont'd)

CORPORATE SOCIAL RESPONSIBILITY (CSR) (CONT'D)

EDUCATION



• SAITO SCHOLARSHIP

Poh Kong empowers education by investing in talent, offering 3 full & partial scholarships for Saito University, accompanied by an exceptional 30% fee waiver exclusively for the gifted children of our employees and our cherished customers.

WOMEN EMPOWERMENT



• SHIPBA AWARDS 2023

Poh Kong's director, Dato' Alice, secures the prestigious "Most Influential Women Entrepreneur" award at the highly acclaimed Shanghai International Prestige Business Awards 2023 (SHIPBA). This remarkable recognition symbolizes her impactful contributions and visionary leadership, resonating with Poh Kong's mission to support and empower women entrepreneurs.

• WEF

Poh Kong proudly stands as a sponsor for the inaugural Malaysia Edition of the Women Economic Forum 2023, marking a historic moment as Malaysia's first-ever Women Economic Forum. This sponsorship reflects Poh Kong's dedication to advancing women's empowerment and fostering gender-inclusive economic growth, paving the way for a prosperous and equitable society.



MARKETING HIGHLIGHTS

• NEW TRANZ LAUNCH

Poh Kong unveils the sensational new Tranz launch, showcasing a stunning array of bold, exclusive, and statement collections. As the pioneering gold jewellery brand in Malaysia, Tranz sets a momentous milestone in the industry, accompanied by a fresh new look that brings excitement and delight for the future.

Significant Highlights (Cont'd)

MARKETING HIGHLIGHTS (CONT'D)



● MAYBANK PREMIER GALA DINNER

Poh Kong makes a grand appearance at the Maybank Premier Gala Dinner, participating with a booth and an awe-inspiring fashion show. Captivating the audience, the fashion show highlights Poh Kong's exquisite Diamond and Gem Jewellery Collection, adding a touch of elegance and glamour to the prestigious event.



● AEON KEPONG FASHION SHOW

Poh Kong dazzled the audience at the AEON Kepong Fashion Show with a captivating showcase of wedding collections, featuring the housebrand Happy Love alongside Diamond and Gem Jewellery, seamlessly complement both traditional oriental and modern wedding gowns, weaving a captivating story of timeless elegance and allure.

● POH KONG X POKOKS

Pokoks and Poh Kong collaborate in a seamless brand cross-over. With sharing prizes in mutual contests, Pokoks adorns Poh Kong jewellery for their Raya New Collection shooting, Poh Kong showcases exquisite pieces styled with Pokoks' stunning new collection outfits, creating a harmonious celebration of fashion and jewellery.

Significant Highlights (Cont'd)

MARKETING HIGHLIGHTS (CONT'D)



● PARTNERSHIP WITH WATSON: WATSON MEGA RAYA

Poh Kong proudly partners with Watsons as the sponsor of their Member's Exclusive Contest, while also collaborating on the highly anticipated Watsons Raya video. The cast elegantly showcases Poh Kong's alluring Tranz Jewellery and our exquisite Pearl Collection, enriching the video with a touch of modern lifestyle and timeless charm.

● PARTNERSHIP WITH INSIDE SCOOP

Inside Scoop and Poh Kong join forces to craft an extraordinary Gold Bar ice cream cake, a delightful treat associated with Chinese New Year gifting, blending culinary delight and festive joy.



● CHAP GOH MEI

In celebration of Chap Goh Meh, a festive occasion where the tradition of tossing mandarin oranges is popular among singles, Poh Kong proudly sponsored engaging stage games by setting up fortune pools at Kwan Yin Tong in Ipoh and Padang Esplanade in Penang, offering attractive prizes to enthusiastic participants.

Significant Highlights (Cont'd)

DIGITAL MARKETING

● WEBSITE VISITORS

Poh Kong has yielded impressive results, with a substantial 55% increase in website visitors, showcasing the effectiveness of the optimization strategies implemented, enhancing Poh Kong's online presence and engaging a wider audience.



● SOCIAL MEDIA

Poh Kong rides the wave of TikTok's trendiness as the platform continues to soar in popularity. With an impressive surge of 112,400 new followers, and video views skyrocketing from less than 150,000 to an impressive 2 million or more, Poh Kong captures the attention of the ever-growing TikTok community, showcasing their ability to stay on-trend and engage with a diverse and dynamic audience. Furthermore, Poh Kong actively maintains a strong presence on popular social media platforms such as Facebook, Instagram, TikTok, and Xiao Hong Shu, effectively connecting with our followers through engaging and captivating content.

● ONLINE SHOP

Poh Kong's online shop experienced remarkable growth, with a sales increase of 35%. By offering a diverse range of exquisite jewellery and exceptional shopping experiences, Poh Kong has effectively met the demands of today's digital-savvy consumers, reinforcing Poh Kong's prominence in the online marketplace.





Board of DIRECTORS

Board of Directors

DATO' CHOON YEE SEIONG

Executive Chairman & Group Managing Director since 13 January 2004

Nationality:



Age:

69

Gender:

M

BOARD COMMITTEE

MEMBERSHIP

- Executive Committee (Chairman)
- Risk Management Committee
- Remuneration Committee

OTHER LISTED DIRECTORSHIPS

OTHER NON-LISTED DIRECTORSHIPS

- Choon Yee Seiong Sdn Bhd

MEMBERSHIPS

- Malaysia Retailer-Chain Association

AWARDS

- Retailer of the Year 2018 – JNA Awards
- Outstanding Enterprise of the Year 2018 – JNA Awards
- Special Recognition Award 2016 – AEON Group
- Visionary Retailer and Exemplary Top Retailer 2016 – MRCA
- Outstanding Entrepreneur 2015 – MRCA Crown Awards
- 19 Years at the Top Award 2008 – Malaysian Tatler
- Superstar of the Year 2008 – Malaysia Retailer-Chain Association (MRCA)

In 1976, the 22-year-old Dato' Choon Yee Seiong started a modest jewellery business in Petaling Jaya, Poh Kong Jewellers Sdn Bhd (PKJ). Over the last 47 years Dato Choon has been primarily responsible for transforming this small enterprise into the largest jewellery retail chain store in Malaysia. He has done this with scrupulous integrity and deep honesty, and in the process gained the respect of his long and loyal customers, his staff and the industry.

By fully deploying his entrepreneurial strength and experience he created a jewellery brand that is recognised for the broad span of its products and services and its ability to stay contemporary and relevant. Dato Choon has pursued with passion the evolution of Poh Kong from a SUCCESSFUL entity to a SIGNIFICANT corporation on the Malaysian business landscape.

His incisive strategies, broad scope marketing and management policies continue to keep Poh Kong in the corporate spotlight. Dato' Choon is primarily responsible for charting the Group's overall direction. He ensured that Poh Kong successfully secured sole distributorship for world-renowned international jewellery brands including the Disney Collection, Luca Carati and Moraglione diamonds and coloured gems jewellery from Italy, and the exclusive Hemera diamond brand. But this tells only part of the story of Dato Choon's ability to take a local operation and make it global in outlook and impact.

The many awards and accolades he has received over the years bear witness to his visionary leadership. Dato' Choon was Founder President of the Malaysian Retail Chain Association (MRCA) in 1992. He strongly believes that by building strength in numbers members could expand and enhance their business through networking, education, training and pooling of resources and expertise.

He is also past president of the Goldsmith and Jewellers Association in the country. His involvement in associations and industry organisations reflects his belief that in order for a business to succeed you must grow the community. Therefore, Dato Choon has continued to rally the jewellery business community to come together to provide opportunities to meet, engage with peers and share similar challenges and identify opportunities for growth and progress.

He is the spouse of Datin Hon Wee Fong who is also a PKHB Executive Director. His siblings Madam Choon Nee Siew, Dato' Choon Yoke Ying, Encik Mohd Annuar Choon Bin Abdullah, Madam Choon Wan Joo, Mr Choon Yee Bin and Madam Choon Ching Yih are shareholders of the Company. His brothers-in-law Mr Siow Der Ming and Mr Chang Kwong Him, and his son Mr Choon King Han and daughters, Ms Choon Ee Ling and Ms Choon Ee Teng are also shareholders.

He has not been convicted for any offences other than traffic offences (if any) within the past five (5) years nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

Board of Directors (Cont'd)

MR CHEONG TECK CHONG

Executive Director since 13 January 2004

Nationality:



Age:

74

Gender:

M

BOARD COMMITTEE MEMBERSHIP

- Executive Committee
- Risk Management Committee

OTHER LISTED DIRECTORSHIPS

OTHER NON-LISTED DIRECTORSHIPS

- Lian Sin Tang Sdn Bhd
- Heng Seng Sdn Bhd
- Pajak Gadai Rakyat Sdn Bhd

Mr Cheong Teck Chong is an industry veteran with more than 55 years in the gold jewellery business. He was a co-founder of PKJ in 1976.

He began his career at Lian Sin Pawnshop in 1967 and rose to the rank of General Manager. He was a Partner of Lian Yik Goldsmith from 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.

He is the spouse of Madam Pang Cheow Moi. His sibling Madam Cheong Siew Loi @ Chong Kim Looi is a shareholder of the Company, and his daughter Ms Cheong Poh See is also a shareholder.

He has not been convicted for any offences, other than traffic offences (if any) within the past five (5) years nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

MR CHOON YEE BIN

Executive Director since 15 March 2012

Nationality:



Age:

55

Gender:

M

BOARD COMMITTEE MEMBERSHIP

OTHER LISTED DIRECTORSHIPS

OTHER NON-LISTED DIRECTORSHIPS

Mr Choon Yee Bin brings in-depth knowledge and extensive gold industry experience to the Board. He started his career as a "Goldsmith" with Poh Kong Jewellery Manufacturer Sdn Bhd (formerly known as Precious Jewellery (PJ New Town) Sdn Bhd) in 1984. A year later he was promoted to Production Supervisor and then to Assistant Managing Director in 1991.

In 1994, he set up the entire wholesale department to provide a wide range of products to all retail outlets under the umbrella of the Poh Kong Group. He made significant improvements to the techniques used in the production of gold ornaments and the setting of precious/semi-precious stones. He was also responsible for the Production, Marketing and Human Resource Departments. He holds directorships in other companies within the Group.

His spouse Madam Wong Lai Meng is a shareholder of the Company. His siblings, Dato' Choon Yee Seiong, Madam Choon Nee Siew, Dato' Choon Yoke Ying, Encik Mohd Annuar Choon Bin Abdullah, Madam Choon Wan Joo and Madam Choon Ching Yih are shareholders. His brothers-in-law Mr Siow Der Ming, Mr Chang Kwong Him and sister-in-law Datin Hon Wee Fong are also shareholders.

He has not been convicted for any offences, other than traffic offences (if any) within the past five (5) years nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

Board of Directors (Cont'd)

DATIN HON WEE FONG

Executive Director since 11 April 2014

Nationality:



Age:

63

Gender:

F

BOARD COMMITTEE MEMBERSHIP

OTHER LISTED DIRECTORSHIPS

OTHER NON-LISTED DIRECTORSHIPS

- Choon Yee Seiong Sdn Bhd

During more than 40 years in the jewellery business, Datin Hon has built up deep industry understanding and proven financial management experience. She joined Poh Kong Jewellers in 1980 as a partner and was appointed Finance Director of Poh Kong Jewellers Sdn Bhd in 1993. She is known for her financial stewardship, being primarily responsible for treasury, finance and administrative matters of the Company.

Datin Hon is a Director of other companies within the Group. She is also a substantial shareholder and a Director of Choon Yee Seiong Sdn Bhd, an investment holding company.

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

She has not been convicted for any offences, other than traffic offences (if any) within the past five (5) years nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

MADAM CHOON NEE SIEW

Executive Director since 13 January 2004

Nationality:



Age:

68

Gender:

F

BOARD COMMITTEE MEMBERSHIP

- Executive Committee

OTHER LISTED DIRECTORSHIPS

OTHER NON-LISTED DIRECTORSHIPS

- Jungmax Property Sdn Bhd

Madam Choon Nee Siew brings more than 40 years of experience in the jewellery industry to the Board and has contributed extensively to the Group's growth and development.

She began her career in 1972 as a Sales Representative in Lian Yik Jewellery. In 1980, she joined PKJ as a Sales Manager. Two years later, she was appointed Director of PKJ (SS2) Sdn Bhd and in 1991 was promoted to Managing Director of PKJ (Subang Parade) Sdn Bhd.

She oversees the daily retail operations and development of the Group. She is a Member of Executive Committee of PKHB and holds directorships of several other companies within the Group.

Her siblings Dato' Choon Yee Seiong, Dato' Choon Yoke Ying, Encik Mohd Annuar Choon Bin Abdullah, Madam Choon Wan Joo, Mr Choon Yee Bin and Madam Choon Ching Yih are shareholders of the Company. Her brothers-in-law Mr Siow Der Ming and Mr Chang Kwong Him, and sister-in-law Datin Hon Wee Fong are also shareholders. Her daughter Ms Cheong Poh See is a shareholder.

She has not been convicted for any offences, other than traffic offences (if any) within the past five (5) years nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

Board of Directors (Cont'd)

DATO' ESTHER TAN CHOON HWA

Independent Non-Executive Director since 11 April 2014

Nationality:



Age:

73

Gender:

F

BOARD COMMITTEE MEMBERSHIP

- Audit Committee (Chairperson)
- Risk Management Committee
- Nomination Committee
- Remuneration Committee

Cyberjaya Education Group Berhad (formerly Minda Global Berhad)

- Member, Audit and Risk Management Committee
- Member, Nomination Committee
- Member, Remuneration Committee

OTHER LISTED DIRECTORSHIPS

M K Land Holdings Berhad

- Chairperson, Audit and Risk Management Committee
- Member, Nomination Committee
- Member, Remuneration Committee

OTHER NON-LISTED DIRECTORSHIPS

MEMBERSHIPS

- Fellow Member, Institute of Chartered Accountants in England and Wales
- Member, Malaysian Institute of Accountants
- Fellow Member, Chartered Tax Institute of Malaysia

Dato' Esther Tan Choon Hwa has more than 40 years of experience in audit. She began her career as an auditor in the UK, first with Grant Thornton and later with Kingston Smith before returning to Malaysia. She established her accounting and advisory practice in 1984. Following a merger in 1996, her practice became known as GEP Associates (GEP). GEP is a member firm of AGN International headquartered in the UK, with 465 offices worldwide. In 2021, she retired from the audit practice of GEP Associates.

In 2008 and 2009, Dato' Esther became AGN International's first lady Chairperson. She retired as a Board member of AGN International - Asia Pacific in 2022.

She was an auditor of several companies, multinationals and SMEs and was engaged in a wide range of industries including manufacturing, retailing, construction and property development. This has equipped her with an in-depth knowledge of the requirements of regulatory bodies, as well as compliance matters for Public Listed Companies. As Reporting Accountant, she has conducted due diligence and fund-raising exercises for several clients. She was previously the auditor of several Public Listed Companies.

She is also a Tax Director of GEP Tax Services Sdn Bhd, GEP Consulting Sdn Bhd and Perangsang Images Sdn Bhd.

In 2006, Dato' Esther Tan was named "The Woman Entrepreneur of the Year" (Finance) by the National Association of Women Entrepreneurs Malaysia.

Esther is also a Past Assistant Governor of Rotary District 3300 and has been a Past President twice, the latest being the Rotary Club of Pantai Valley. She has been a Rotarian for 33 years serving the non-government charity organisation.

She does not have any conflict of interest with the Company nor has she any family relationship with any of the Directors and/or major shareholders of the Company.

She has not been convicted for any offences, other than traffic offences (if any) within the past five (5) years nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

Board of Directors (Cont'd)

DATIN AMY OOI SWEE LIAN

Independent Non-Executive Director since 2 June 2023

Nationality:



Age:

63

Gender:

F

BOARD COMMITTEE MEMBERSHIP

- Risk Management Committee (Chairperson)
- Remuneration Committee (Chairperson)
- Audit Committee
- Nomination Committee

OTHER LISTED DIRECTORSHIPS

OTHER NON-LISTED DIRECTORSHIPS

- China Construction Bank (Malaysia) Berhad

MEMBERSHIPS

Datin Amy Ooi has over 40 years' experience in the banking industry. She began her career at Maybank, Kuala Lumpur, in 1983 as an Account Executive in the Lending Division. Three years later she was appointed Credit Manager, dealing with the full range of financial products. In 1986, she went overseas to work with Lloyds Bank as Credit Analyst for three months, following which she was appointed Credit Administrator at Indover Asia Ltd (a wholesale bank which is 50% owned by the Central Bank of Indonesia and PT Astra Indonesia) and later became Deputy Manager, responsible for relationship management to large corporates in Indonesia, Singapore and Vietnam.

In October 1994, Datin Amy joined RHB Bank as a Manager to assist in RHB (L) Liabilities management. She became Department Head in 1995, responsible for multinational and Taiwanese corporates. Subsequently, she was promoted to be the Deputy Corporate Banking Head. Thereafter, she was the Executive Vice President and Head of Group Business Banking and Transaction Banking, whereby her strategic leadership brought about high SME loan growth and vast improvements in trade finance and cash management.

She has sat on several of RHB Bank's committees such as Group Management, Asset & Liability, Group Credit, Group Credit Risk and Group Digital Technology. She was also Director of RHB Leasing Berhad and RHB Trade Services (HK) Ltd.

She was previously a Non-Executive Independent Director of Alliance Investment Berhad and is currently a Non-Executive Independent Director of China Construction Bank (Malaysia) Berhad.

She does not have any conflict of interest with the Company nor has she any family relationship with any of the Directors and/or major shareholders of the Company.

She has not been convicted for any offences other than traffic offences (if any) within the past five (5) years nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

Board of Directors (Cont'd)

ROHAIZA BINTI TAN SRI MOHAMED BASIR

Independent Non-Executive Director since 2 June 2023

Nationality:



Age:

57

Gender:

F

BOARD COMMITTEE MEMBERSHIP

- Nomination Committee (Chairperson)
- Audit Committee
- Risk Management Committee
- Remuneration Committee

OTHER NON-LISTED DIRECTORSHIPS

- Kuchinta Holdings Sdn Bhd
- Jerneh Rimbun Sdn Bhd

OTHER LISTED DIRECTORSHIPS

- Bahvest Resources Berhad
- Tong Herr Resources Berhad

MEMBERSHIPS

Puan Rohaiza binti Tan Sri Mohamed Basir was appointed to the Board of Poh Kong Holdings Berhad on 2 June 2023 as an Independent Non-Executive Director.

She was called to the Malaysian Bar in 1991 after graduating with a Bachelor of Laws (LLB) Honours degree from University of Malaya in 1990.

She served as a Legal Associate with Messrs Rashid & Lee (1990 – 1992) and Messrs Allen & Gledhill (1992 – 1994). She is currently the Senior Equity Partner of Messrs Azwar & Associates.

She does not have any conflict of interest with the Company nor has she any family relationship with any of the Directors and/or major shareholders of the Company.

She has not been convicted for any offences other than traffic offences (if any) within the past five (5) years nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.



Profile of Key Senior Management

ENCIK MOHD ANNUAR CHOON BIN ABDULLAH

Director of Subsidiaries

Nationality:



Age:

65

Gender:

M

BOARD COMMITTEE MEMBERSHIP

- Executive Committee

Encik Mohd Annuar Choon bin Abdullah last served as Executive Director of PKHB from 2004 to 2008.

He joined PKJ in 1977 and in 1984, he became a Sales Representative in the PKJ outlet in SS2 Sdn Bhd. In 1985, he was appointed Managing Director of PKJ (Great Wall) Sdn Bhd in Klang.

He manages the daily operations of several retail outlets including those in AEON Bukit Tinggi, AEON Shah Alam, AEON Anggun Rawang Shopping Centre, AEON Sri Manjung, Sungai Buloh Complex, Queensbay Mall Penang, and AEON Mall, Bukit Mertajam. He also holds directorships of several other companies within the Group.

His spouse, Madam Lee Ping Ping, siblings Dato' Choon Yee Seiong, Madam Choon Nee Siew, Dato' Choon Yoke Ying, Madam Choon Wan Joo, Mr Choon Yee Bin and Madam Choon Ching Yih are shareholders. His brothers-in-law Mr Siow Der Ming and Mr Chang Kwong Him, and sister-in-law Datin Hon Wee Fong, are also shareholders of the Company.

He has not been convicted for any offences, other than traffic offences (if any) within the past five (5) years nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

DATO' CHOON YOKE YING

Director of Subsidiaries

Nationality:



Age:

66

Gender:

F

BOARD COMMITTEE MEMBERSHIP

- Executive Committee

Dato' Choon Yoke Ying last served as Executive Director of PKHB from 2008 to 2011 and from 2016 to 2018. She is the Assistant Managing Director of Poh Kong Jewellers Sdn Bhd.

She 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 and was appointed a Director of PKJ in 1993.

She is currently responsible for marketing and merchandising for the Group as well as for research and development. She attends trade fairs regularly to remain current with the latest technology, developments and trends in the jewellery industry. She is also a Director of various companies within the Group.

On 6 June 2023, she secured the prestigious "Most Influential Women Entrepreneur" award at the highly acclaimed Shanghai International Prestige Business Awards 2023 (SHIPBA) for her impactful contributions and visionary leadership.

Dato' 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 Bin and Madam Choon Ching Yih are shareholders of the Company. Her brother-in-law Mr Siow Der Ming and sister-in-law Datin Hon Wee Fong are also shareholders.

She has not been convicted for any offences, other than traffic offences (if any) within the past five (5) years nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

Profile of Key Senior Management (Cont'd)

MR SIOW DER MING

Key Senior Management of Group (Director of Subsidiaries)

Nationality:



Age:

66

Gender:

M

BOARD COMMITTEE MEMBERSHIP

- Executive Committee

OTHER DIRECTORSHIPS

- Fedmas Assay, Board Chairman (2014 – 2018), Board Member

MEMBERSHIPS

- Federation of Goldsmiths and Jewellers' Associations of Malaysia (Advisor)
- Goldsmith and Jewellers' Association, Wilayah Persekutuan, Selangor, Negri Sembilan and Pahang

Mr Siow Der Ming last served as Executive Director on the PKHB Board from 15 March 2012 to 27 January 2016. Previous to this, he was Executive Director of PKHB from 2004 to 2007.

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

He is a veteran in the jewellery industry with over 30 years' experience. He joined Poh Kong in 1989 and was appointed Managing Director of Poh Kong Jewellers (Maluri) Sdn Bhd. In 2002, he was appointed Director of Poh Kong Jewellers (Franchise) Sdn Bhd in charge of the overall strategic management and operation of the Franchise Division. His main responsibility is managing daily operations at several retail outlets including AEON Maluri, Leisure Mall, Giant Kinrara and Sunway Velocity. He also holds directorships of other companies within the Poh Kong Group.

He was the President of the Federation of Goldsmith Association & Jewellers Association Malaysia (FGJAM) and Chairman of Fedmas Assay Office Sdn Bhd from 2014 to 2018. He is currently a Board member of Fedmas Assay Office. He was appointed as Vice Chairman of Asean Gems and Jewellery Association ("AGJA"), ASEAN Gems & Jewellery Trade Association in 2022.

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

He has not been convicted for any offences, other than traffic offences (if any) within the past five (5) years nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

Profile of Key Senior Management (Cont'd)

MADAM CHOON WAN JOO

Director of Subsidiaries

Nationality:



Age:

62

Gender:

F

BOARD COMMITTEE MEMBERSHIP

- Executive Committee

OTHER DIRECTORSHIPS

MEMBERSHIPS

Madam Choon Wan Joo previously served as Executive Director of PKHB from 2008 to 2011 and from 2016 to 2018.

She has been the Managing Director of Poh Kong Jewellery Manufacturer Sdn Bhd (PKJM) since 1991, overseeing the company's daily operations and decision making policies.

Madam Choon Wan Joo began her career in the gold jewellery industry in 1980 when she joined Precious Jewellery Sdn Bhd (Precious) as a retail Sales Representative. In 1981, she was promoted to Production Supervisor cum Designer and remained with the company until 1990. She set up the manufacturing plant and successfully steered its growth into a fully operational facility with a workforce strength of about 140.

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

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

She is the spouse of Mr Siow Der Ming and her siblings Dato' Choon Yee Seiong, Madam Choon Nee Siew, Dato' Choon Yoke Ying, Encik Mohd Annuar Choon Bin Abdullah, Mr Choon Yee Bin and Madam Choon Ching Yih are shareholders of the Company. Her brother-in-law Mr Chang Kwong Him and sister-in-law Datin Hon Wee Fong are also shareholders.

She has not been convicted for any offences, other than traffic offences (if any) within the past five (5) years nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

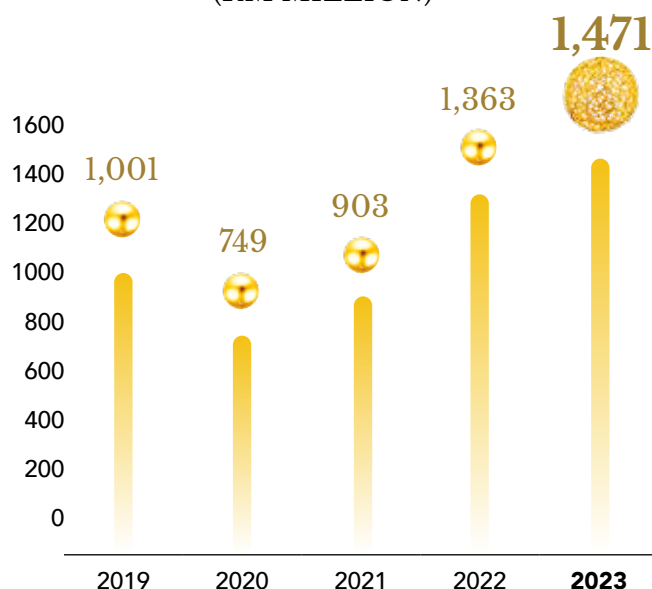


5-YEAR Group Financial Highlights

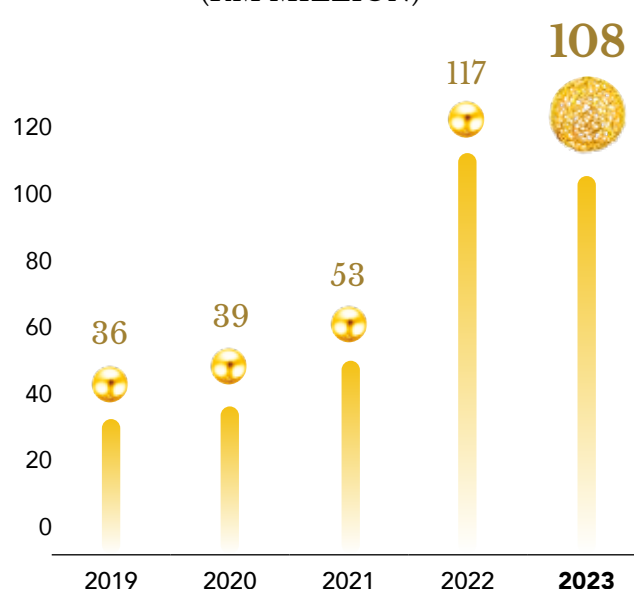
5- Year Group Financial Highlights

FYE 31 JULY (RM'000)	2019	2020	2021	2022	2023
Revenue	1,000,514	748,802	903,100	1,362,609	1,470,569
Profit before tax	36,450	38,976	52,817	116,609	108,214
Income tax expense	(11,176)	(14,542)	(16,056)	(24,418)	(29,773)
Profit for the financial year	25,274	24,434	36,761	92,191	78,441
Profit after tax attributable to owners of the Company (RM'000)	25,274	24,434	36,761	92,191	78,441
Total equity (RM'000)	550,716	570,225	602,174	686,550	761,932
Basic earnings per share (sen)	6.16	5.95	8.96	22.47	19.12
Net dividend per share (sen)	1.20	1.20	1.20	2.30	2.00
Gearing ratio	0.28	0.25	0.23	0.15	0.19

Revenue
(RM'MILLION)

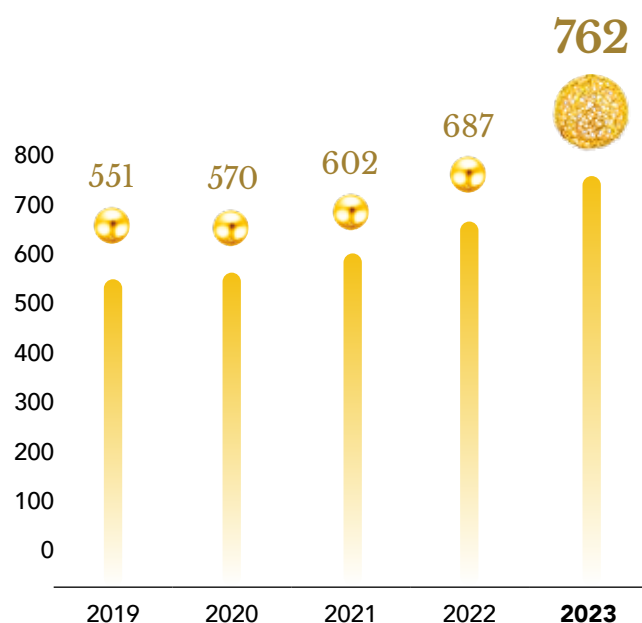


Profit Before Tax
(RM'MILLION)

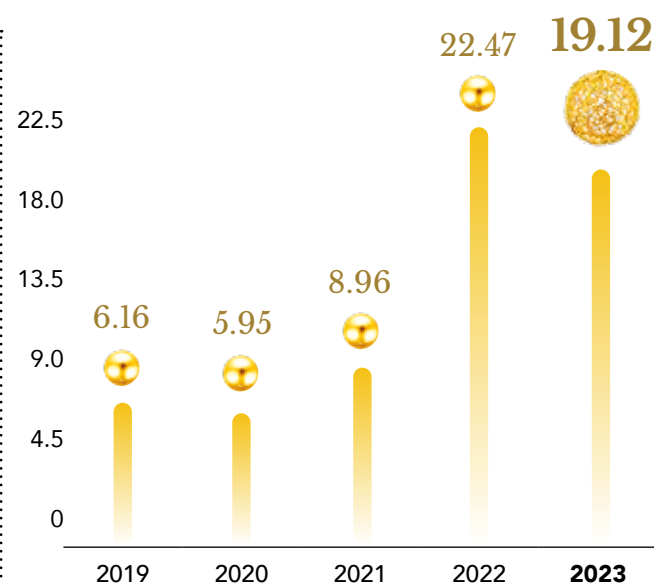


5- Year Group Financial Highlights (Cont'd)

Total Equity
(RM'MILLION)



Basic Earnings per Share
(SEN)





CHAIRMAN'S Statements

Annual Report 2023

DEAR VALUED
SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS ("BOARD") OF POH KONG HOLDINGS BERHAD ("PKHB" OR "THE COMPANY" OR "POH KONG"), I AM PLEASED TO PRESENT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES ("THE GROUP") FOR THE FINANCIAL YEAR ENDED 31 JULY 2023 (FYE 2023).

Chairman's Statements

Annual Report 2023

The Year in Review

I would like to begin assessing our performance by taking a long view of the prospects of gold jewellery and other gold products. This is our core business, which has progressed from strength to strength and has earned us a place as Malaysia's premier gold and jewellery company.

However, one of the key lessons learned from the COVID19 pandemic is to always be prepared for the unexpected. Take the price of gold for instance. It had a firm start this year by gaining 13 percent in the first five -month period. Since then it consolidated on a tight range and actually fell. However market sentiment remains optimistic. Gold can still act as a "longer-term portfolio hedge especially in the context of an uncertain global growth outlook, volatile equity market dynamics, and unsettled geopolitics."

We know that gold and the U.S. dollar often have an inverse relationship. When the dollar strengthens, the price of gold in dollars typically falls, and vice versa because gold is priced in U.S. dollars worldwide. When the dollar rises in value, it takes fewer dollars to buy the same amount of gold, leading to a decrease in the gold price.



The Group registered a revenue of RM 315.661 million compared to the revenue in the corresponding quarter last year of RM 414.657 million, a decrease of RM 98.996 million in the fourth quarter. However, overall, the Group realised improved revenue in FYE 2023 to RM1.47 billion from RM1.36 billion in the previous year. PKHB's profit slipped slightly due in part to weak market sentiments and a decrease in the demand for gold jewellery products in the fourth quarter. The decrease in profit was also due to a rise in operating expenses in the same period. PKHB recorded a profit before tax of RM108.21 million in FYE 2023 compared to RM116.61 million in the preceding year. This reflected a slight drop of 7.20%.

Despite lower profits the Group remains optimistic in the long term as gold prices are set to rebound. According to the latest long-term forecast, Gold price will hit \$1,900 by the end of 2023 and then \$2000 by the middle of 2024. Gold will rise to \$2,200 within the year of 2025, \$2,700 in 2026, \$3,000 in 2028, \$3,500 in 2031 and \$4,000 in 2033 (Capex.com).

The higher gold price will enhance our profit margin. We do not see a direct impact of inflation on our performance. Based on our understanding, Budget 2024 has introduced key measures to build a sustainable foundation to drive future growth of the country and at the same time targets a lower budget deficit of 4.3 percent. (source: PWC budget overview). Reforming of our tax incentives is viewed as raising Malaysia's regional competitiveness. All this bodes well for PKHB. We are therefore poised to register higher revenues from growing domestic demand for gold and jewellery stemming from a brighter economic outlook.

Chairman's Statements

Annual Report 2023 (Cont'd)

"
BUDGET 2024 HAS INTRODUCED KEY MEASURES TO BUILD A SUSTAINABLE FOUNDATION TO DRIVE FUTURE GROWTH OF THE COUNTRY AND AT THE SAME TIME TARGETS A LOWER BUDGET DEFICIT OF 4.3 PERCENT. "

Financial Performance

Poh Kong Holdings Bhd's net profit for financial year ended July 31, 2023 (FYE2023) was RM78.44 million from RM92.19 million a year prior. Earnings per share was 19.12 sen from 22.47 sen in FYE2022.

With the opening of borders and travel restrictions, it may be said that a drop in consumer spending on gold jewellery was a short term 'anomaly' which saw consumers spending money on travel experiences as opposed to material possessions. This is expected to normalise in the near term. The group's revenue is largely derived from the retail segment, PKHB continues to make sure that we create lasting customer experiences and we honour each and every retail encounter by ensuring every piece of our jewellery is a treasured legacy item.

As a Group we continuously monitor the impact of current uncertainties of our operations, uphold and honour our financial obligations and evaluate our performance. However, external factors are largely beyond our control. Barring unforeseen circumstances, the Board of Directors is confident that the Group has put in place adequate measures to ensure that PKHB remains financial strong and resilient.

As 22 November 2023, PKHB's share price closed at 86 sen, valuing the group at RM352.90 million.

Chairman's Statements

Annual Report 2023 (Cont'd)

Dividend

The Board of Directors recommend a final single tier dividend of 2 sen per ordinary share in respect of FYE 2023 for shareholders' approval at the forthcoming Annual General Meeting.

Sustainability Statement

The Group's economic, environmental and social performance during the reporting period is reported in accordance with the Global Reporting Initiative ("GRI") Standards set out on pages 55 to 62. An easy to execute Sustainability Management System puts a strong focus on ESG (Environmental, Social and Governance) initiatives which we see as critical to the health of our business.

Business Prospects

PKHB's strategy is one that is performance driven based on five pillars- good governance, safety and sustainability, people and culture, operational excellence, and maximising value. I aim to inspire excellence in every aspect of the corporation's operations.

The Malaysian economy is expected to strengthen in 2024, growing in the range of 4% to 5% amid expansion in all sectors and better prospects in global trade. In its Economic Outlook 2024 report, the Finance Ministry said that world trade is likely to improve next year in tandem with stronger trade activities. Stronger and more dynamic trade activities will certainly translate into a greater demand of gold and gold products. An optimistic outlook must at the same time take cognisance of market corrections and global uncertainties.

I have through my interface with my Board of Directors and my senior management established informal mentor/mentee relationships. This calls for keeping open active lines of communication and remaining flexible in the way we approach our business. At PKHB we believe in being respectful and transparent with each other. This has enabled us to bring out the best in all our people from senior management to our front liners.

We continue to expand our business by increasing the efficacy of marketing strategies. We have already had early success with social media. We are now looking at Influencer marketing to garner attention for the Poh Kong brand and gain new followers, younger customers and a high online visibility.

At Poh Kong we have always been able to customise our jewellery. By recognising each and every customer as unique individuals and tweaking our products to suit individual taste and needs is an area of business that is set to grow.

We have already seen our online presence grow and make significant contributions to Poh Kong's sales and bottom line. We are creating an even bigger online presence on social media and expanding exponentially the Poh Kong reach.

Networking and collaborating within our industry I believe will help us grow both in strength and profitability. And finally Poh Kong as always will continue to enhance customer experience, thereby creating loyal and lasting relationships.

Chairman's Statements

Annual Report 2023 (Cont'd)

Acknowledgements

A huge 'Thank You' to our shareholders, customers, strategic partners, financiers and suppliers. To all of you I owe a debt of gratitude. You have helped steer PKHB through challenging times and we have emerged triumphant. To Government and regulatory authorities I thank you for providing a strong dynamic framework and clear lines within which we operate. To my fellow Board members my grateful thanks. You so willingly and generously shared of your knowledge, experience and wisdom. You provided me good counsel and advice and I could always count on you in good times as well as challenging moments. My Management Team, is the backbone of PKHB. So to you I say, keep up the good work and continue to strive for excellence. To all the staff of PKHB, your daily contributions, loyalty and honesty are valued and appreciated. I conclude by congratulating all of you for helping us remain a strong and viable corporation these 47 years!

Dato' Choon Yee Seiong

Executive Chairman and Group Managing Director

Date : 29 November 2023



Penyata Pengerusi Laporan Tahunan 2023

PARA PEMEGANG SAHAM DIHARGAI SEKALIAN

Saya bagi pihak Lembaga Pengarah ("Lembaga") Poh Kong Holdings Berhad ("PKHB" atau "Syarikat" atau "Poh Kong") dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Syarikat dan Syarikat-syarikat Subsidiarinya yang telah Diaudit bagi tahun kewangan berakhir 31 Julai 2023 (TK2023).

Tahun Ditinjau

Saya ingin memulakan penilaian terhadap prestasi kita dengan meninjau secara menyeluruh prospek barang kemas emas dan produk-produk emas yang lain. Ia merupakan perniagaan teras kita yang telah berkembang dengan teguh dari satu peringkat ke satu peringkat dan seterusnya membolehkan kita mencapai kedudukan sebagai syarikat emas dan barang kemas bertaraf perdana di Malaysia.

Walau bagaimanapun, pandemik COVID-19 merupakan salah satu pengajaran penting yang telah mengingatkan kita supaya sentiasa bersedia menghadapi perkara di luar dugaan. Sebagai contoh, harga emas. Ia bermula di kedudukan yang teguh pada tahun ditinjau dengan mencatatkan kenaikan sebanyak 13 peratus sepanjang tempoh lima bulan pertama. Selepas itu julat keteguhan yang dicapai semakin ketat dan sebenarnya mengalami kejatuhan. Walau bagaimanapun, sentimen pasaran kekal optimistik. Emas masih boleh berfungsi sebagai lindung nilai portfolio

jangka panjang terutamanya dalam konteks suasana pertumbuhan global yang tidak menentu, dinamik turun naik pasaran ekuiti dan ketidakstabilan politik di peringkat serantau yang masih belum selesai."

Seperti yang kita sedia maklum, emas dan dolar Amerika Syarikat sering mempunyai hubungan songsang. Apabila nilai dolar mengukuh, harga emas dalam nilai dolar biasanya akan jatuh dan begitu juga sebaliknya kerana harga emas di seluruh dunia ditetapkan dalam nilai dolar Amerika Syarikat. Apabila nilai dolar naik, ia hanya memerlukan nilai dolar yang sedikit sahaja bagi membeli jumlah emas yang sama banyak, menyebabkan harga emas jatuh.



Penyata Pengerusi Laporan Tahunan 2023 (Cont'd)

Kumpulan mencatatkan hasil sebanyak RM315.661 juta berbanding hasil yang dicapai pada tempoh suku tahun yang sama sebelumnya sebanyak RM414.657 juta, pengurangan sebanyak RM98.996 juta pada suku tahun keempat. Walau bagaimanapun, Kumpulan mencapai hasil yang bertambah baik pada TK2023 kepada RM1.47 bilion berbanding RM1.36 bilion pada tahun sebelumnya. Keuntungan PKHB susut sedikit sebahagiannya disebabkan oleh sentimen pasaran yang lemah dan pengurangan permintaan produk barang kemas pada suku keempat. Pengurangan keuntungan juga disebabkan oleh kenaikan perbelanjaan operasi pada tempoh yang sama. PKHB mencatatkan keuntungan sebelum cukai sebanyak RM108.21 juta pada TK2023 berbanding sebanyak RM116.61 juta pada tahun sebelumnya. Ini menggambarkan penyusutan kecil sebanyak 7.20%.

"
**BAJET 2024 TELAH
MEMPERKENALKAN BEBERAPA
LANGKAH UTAMA UNTUK
MEMBINA ASAS MAMPAN BAGI
MENDORONG PERTUMBUHAN
MASA DEPAN NEGARA DAN
PADA MASA YANG SAMA
MENYASARKAN DEFISIT BAJET
YANG LEBIH RENDAH IAITU
SEBANYAK 4.3% "**

Walaupun keuntungan berkurangan, namun Kumpulan kekal optimistik harga emas akan melonjak semula dalam jangka masa panjang. Menurut ramalan jangka panjang terkini, harga emas akan mencapai paras tertinggi sebanyak \$1,900 menjelang akhir tahun 2023 dan kemudian kepada \$2,000 pada pertengahan tahun 2024. Harga emas akan meningkat lagi kepada \$2,200 menjelang tahun 2025, \$2,700 pada tahun 2026, \$3,000 pada tahun 2028, \$3,500 pada tahun 2031 dan \$4,000 pada tahun 2033 (Capex.com).

Peningkatan harga emas akan meningkatkan margin keuntungan kita. Kita tidak menjangka inflasi memberi impak secara langsung kepada prestasi kita. Berasaskan kepada penelitian kami, Bajet 2024 telah memperkenalkan beberapa langkah utama untuk membina asas mampan bagi mendorong pertumbuhan masa depan negara dan pada masa yang sama menyasarkan defisit bajet yang lebih rendah iaitu sebanyak 4.3%. (sumber: Tinjauan bajet PWC). Reformasi insentif cukai kita dilihat sebagai satu usaha mempertingkatkan daya saing Malaysia di peringkat serantau. Semua langkah ini membawa manfaat kepada PKHB. Justeru, kita bakal berupaya mencatatkan hasil yang lebih tinggi melalui pertambahan permintaan domestik untuk emas dan barangan kemas yang timbul daripada suasana ekonomi yang lebih mantap.



Penyata Pengerusi Laporan Tahunan 2023 (Cont'd)

Prestasi Kewangan

Poh Kong Holdings Bhd mencatatkan keuntungan bersih sebanyak RM78.44 juta pada TK2023 berbanding RM92.19 juta pada tahun sebelumnya. Pendapatan sesaham berjumlah 19.12 sen berbanding 22.47 sen pada TK2022.

Pengurangan perbelanjaan pengguna terhadap barang kemas emas adalah satu keresahan jangka pendek apabila sempadan negara dibuka dan larangan perjalanan ditarik balik menyebabkan pengguna membelanjakan wang mereka untuk berjalan berbanding berbelanja untuk membeli barangan berharga. Ia akan kembali normal dalam tempoh yang singkat. Hasil Kumpulan sebahagian besarnya diperoleh daripada segmen runcit. PKHB berusaha secara berterusan untuk meningkatkan kemampuan kita mencetuskan pengalaman pelanggan yang berpanjangan. Kita juga menghargai setiap kunjungan di saluran runcit dengan berusaha memastikan setiap barang kemas yang dibeli menjadi satu legasi yang sangat dihargai oleh mereka.

Kumpulan sentiasa memantau impak keadaan semasa yang tidak menentu terhadap operasi kita, mendukung serta komited terhadap obligasi kewangan kita dan menilai prestasi kita. Walau bagaimanapun, faktor luaran di luar kawalan kita. Jika tidak berlaku keadaan di luar jangkaan, Lembaga Pengarah yakin bahawa Kumpulan telah meletakkan langkah yang secukupnya bagi memastikan kewangan PKHB kekal teguh dan mantap.

Setakat 22 November 2023, saham PKHB ditutup pada harga 86 sen, menjadikan nilai Kumpulan berjumlah RM352.90 juta.



Dividen

Lembaga Pengarah mencadangkan dividen peringkat satu akhir sebanyak 2 sen sesaham biasa berhubung TK2023 untuk diluluskan oleh pemegang saham di Mesyuarat Agung Tahunan akan datang.

Kenyataan Kemampanan

Prestasi ekonomi, alam sekitar dan sosial Kumpulan sepanjang tempoh laporan telah dibentangkan menurut Standard Inisiatif Laporan Global ("GRI") seperti dinyatakan di muka surat 55 hingga 62. Kita telah mengatur sebuah Sistem Pengurusan Kemampanan yang memfokus kepada inisiatif ESG (Alam Sekitar, Sosial dan Tadbir Urus) yang dilihat sebagai faktor kritikal kepada keteguhan perniagaan kita. Tahunan akan datang.

Penyata Pengerusi Laporan Tahunan 2023 (Cont'd)

Prospek Perniagaan

Strategi PKHB berteraskan prestasi yang berasaskan kepada lima tonggak utama – tadbir urus yang baik, keselamatan dan kemampunan, manusia dan budaya, kecemerlangan operasi dan nilai yang maksimum. Saya bertekad untuk menggalakkan kecemerlangan dalam setiap aspek operasi Syarikat.

Ekonomi Malaysia dijangka akan bertambah kukuh pada tahun 2024, dengan kadar pertumbuhan antara 4% hingga 5% kerana semua sektor ekonomi dan perdagangan dunia dijangka akan mencatatkan prospek pertumbuhan yang lebih baik. Dalam laporan Suasana Ekonomi tahun 2024, Kementerian Kewangan memaklumkan bahawa perdagangan dunia berkemungkinan akan bertambah baik lagi pada tahun depan sejajar dengan aktiviti perdagangan yang lebih teguh. Ini sudah pasti akan mendorong kepada peningkatan permintaan untuk emas dan produk emas. Suasana optimistik pada masa yang sama perlu mempertimbangkan pembetulan pasaran dan keadaan global yang tidak menentu.

Saya telah memupuk perhubungan mentor-mentee secara tidak rasmi melalui hubungan antara saya dengan Lembaga Pengarah serta pengurusan kanan saya. Ia melibatkan komunikasi secara aktif dan bersifat fleksibel dalam pendekatan perniagaan kita. Di PKHB, kami percaya terhadap kepentingan mewujudkan semangat saling menghormati dan bersikap telus antara satu sama lain. Pendekatan ini telah membolehkan pengurusan kanan dan kakitangan barisan depan menampilkan keupayaan terbaik masing-masing.

Kita meneruskan usaha mengembangkan perniagaan kita dengan mempertingkatkan tahap kecekapan strategi pemasaran kita. Penggunaan media sosial telah menunjukkan kejayaan awalnya. Kini, kita sedang memanfaatkan penglibatan pempengaruh bagi menarik perhatian pengguna terhadap jenama Poh Kong dan mendapatkan pengikut baharu dalam kalangan pelanggan muda serta melipat gandakan kehadiran kita di atas talian.

Di Poh Kong, kita sentiasa berusaha memenuhi kehendak pelanggan secara khusus. Keupayaan kita mengenal pasti kehendak setiap pelanggan sebagai individu unik dan kemampuan kita menyesuaikan produk yang ditawarkan mengikut kehendak dan keperluan mereka membolehkan perniagaan kita mencatatkan pertumbuhan.

Kita telah mendapat hasil daripada pertambahan kehadiran kita di atas talian yang telah menyumbang kepada pertumbuhan jualan dan kekuatan asas Poh Kong. Kita juga sedang memperhebatkan lagi kehadiran kita di atas talian melalui media sosial serta meluaskan liputan Poh Kong dengan lebih pesat.

Saya percaya usaha kita mewujudkan rangkaian dan permuafakatan dalam industri akan membantu kita membina kekuatan dan meningkatkan keuntungan. Akhir sekali, Poh Kong akan terus berusaha mempertingkatkan pengalaman pelanggan dan ini sebaliknya akan mewujudkan kesetiaan dan hubungan yang berpanjangan.



Penyata Pengerusi Laporan Tahunan 2023 (Cont'd)

Penghargaan

Saya dengan sukacitanya mengucapkan setinggi-tinggi penghargaan kepada para pemegang saham, pelanggan, rakan strategik, pembiaya serta pembekal sekalian. Saya amat berhutang budi kepada anda semua. Semasa PKHB mengharungi detik sukar, anda sekalianlah yang telah membantu kami mengatasi cabaran tersebut sehingga kami mampu mencapai kejayaan. Penghargaan ini juga ditujukan kepada Kerajaan dan pelbagai pihak berkuasa peraturan kerana telah memudahkan operasi kami melalui penyediaan ruang rangka kerja yang dinamik, kukuh dan jelas. Saya juga ingin mengucapkan terima kasih kepada rakan-rakan ahli Lembaga kerana sentiasa bersedia dan bermurah hati berkongsi pengetahuan, pengalaman dan kebijaksanaan anda sekalian. Saya menghargai nasihat dan panduan yang anda berikan selama ini; baik ketika menghadapi saat susah

maupun senang. Pasukan Pengurusan saya adalah tulang belakang PKHB yang sangat penting. Kekalkan khidmat cemerlang anda sekalian dan teruskan usaha mencapai kecemerlangan. Kepada semua kakitangan PKHB pula, sumbangan yang anda curahkan setiap hari, kesetiaan dan kejujuran yang anda tampilkan sungguh bernilai dan amat dihargai. Saya akhiri lafaz penghargaan saya dengan ucapan tahniah kepada anda sekalian kerana telah membantu mengekalkan keteguhan dan daya maju Syarikat sepanjang 47 tahun!

Dato' Choon Yee Seiong

Pengerusi Eksekutif dan Pengarah Urusan Kumpulan

Tarikh : 29 November 2023



主席报告

2023年度报告



致尊敬的股东，

我谨代表宝光控股有限公司 ("PKHB" 或 "本公司" 或 "宝光") 董事会 ("董事会") 欣然提呈本公司及各子公司 ("本集团") 截至 2023 年 7 月 31 日之财政年 ("2023 财政年") 的年度报告和已审计财务报告。

受检讨的年度

我想从长远来看黄金珠宝和其他黄金产品的展望以开始评估本公司的表现。这是我们的核心业务，它不断做强做大和为我们赢得马来西亚首要黄金和珠宝公司的地位。

然而，新冠肺炎(COVID-19)大流行的重要教训之一就是时时刻刻为意想不到的事做好准备。以黄金价格作为例子，金价在今年开局稳健，在前5个月取得13巴仙的涨幅。之后进入窄幅盘整，实际上是下调。不过，市场购兴依然乐观。黄金依然可充当“长期投资组合对冲工具，尤其是在全球增长前景不确定，股市动态波动和地缘政治不稳定的背景下。”

我们晓得黄金和美元往往是背道而驰的。当美元走强时，以美元计价的金价通常会走低，反之亦然，这是因为黄金在全世界都是以美元计价的。当美元增值时，购入相同数量的黄金就可少付一些美元，这导致金价下跌。

相较于本集团去年第四季度的RM4亿1千4百65万7千营业额，今年相同季度的营业额为RM3亿1千5百66万1千，降低了RM9千8百99万6千。然而，整体上，本集团在2023财政年取得更高的营业额，即从前一年的RM13亿6千万增至RM14亿7千万。宝光控股有限公司的盈利则稍微降低，一部份原因乃是第四季度的市场购兴减弱及黄金珠宝产品的需求减少。盈利走低亦可归咎于同一季度的运营开销增加。宝光控股有限公司在2023财政年取得RM1亿零8百21万的税前盈利，相较于前一年的RM1亿1千6百61万。相等于是稍微降低7.20巴仙。

主席报告

2023年度报告

尽管盈利走低，本集团依然对长期展望感到乐观，这是因为金价有望回弹。根据最新的长期预测，金价可在2023年底涨至\$1,900，接着在2024年中旬达到\$2000。黄金价格可在2025年内涨至\$2,200，2026达\$2,700，2028年达\$3,000，2031年达\$3,500，以及2033年达到\$4,000(Capex.com)

金价上扬将可推高本公司的利润。我们并不认为通货膨胀对本公司的表现有直接影响。根据我们的了解，2024年财政预算案已推行一些重要措施，以打造一个永续性基础来推动国家的未来成长，与此同时也设定了较低的4.3巴仙的财政赤字。（资料来源：PWC预算案概述）。改革我们的税务优惠措施被视为提升马来西亚的区域竞争力。这一切都对宝光控股有限公司有利。因此，我们势必因为经济前景更加光明使到国内黄金和珠宝需求不断增长而有望取得更高的营业额。

"2024年财政预算案已推行一些重要措施，以打造一个永续性基础来推动国家的未来成长，与此同时也设定了较低的4.3巴仙的财政赤字。"



财务表现

宝光控股有限公司在截至 2023 年 7 月 31 日之财政年(2023财政年)取得RM7千8百44万的净盈利，前一年为RM9千2百19万。每股收益则由2022财政年的22.47分降至19.12分。

随着国界和旅行限制的开放，消费者在黄金珠宝的开销降低或许可说是一种短期的“异常”，即消费者把钱用在旅行体验上，而不是物质财富上。预料这种情况会在短期内恢复正常。本集团的营业额主要是来自零售业务，宝光控股有限公司将继续确保本公司创造持久的顾客体验，并通过确保我们的每一件珠宝皆为珍贵的相传以看重每一次的零售接触。

作为一家集团，我们持续关注当前运营不确定性的影响，维护和履行我们的财务义务并评估我们的表现。然而，外在因素在很大程度上是我们无法控制的。除非出现不可预见的情况，董事会相信本集团已采取足够的措施来确保宝光控股有限公司保持财务上的稳健和具有弹性。

截至2023年11月22日，闭市时，宝光控股有限公司的股份是86分，本集团的市值则为RM3亿5千2百90万。

主席报告

2023年度报告

股息

董事会建议在2023财政年派发每一普通股2分的终期单层次股息，并须在来临的股东年度大会上获得股东通过。

永续性声明

在报告时期，本集团的经济、环境和社会表现乃是依照第55至62页所列的全球报告倡议(“GRI”)标准而呈报。一个容易执行的永续性管理系统把重点关注放在ESG (环境、社会和管制)倡议上，我们认为这些倡议对本公司业务的健康发展至关重要。

业务展望

宝光控股有限公司的策略乃是由五个支柱的表现所推动：良好管制，安全和永续性，员工和文化，卓越运营和价值最大化。我的目标是激发企业运营各个方面的卓越表现。

随着各行各业进行扩展及全球贸易前景的改善，预料马来西亚的经济可在2024年走强，成长率介于4至5巴仙。财政部在其2024年经济展望报告中指出，与贸易活动走强一致，世界贸易明年可能会有所改善。更强劲和更有活力的贸易活动肯定会转化为对黄金和黄金产品的更高需求。乐观的展望必须同时考量到市场调整和全球不确定性。

我已通过与董事会成员和高级管理层的互动而建立了非正式的导师/学员关系。即是有必要在业务经营上维持开放活跃的沟通 and 保持灵活性。我们宝光控股有限公司同仁相信互相尊重和具有透明度。这使到本公司员工从高级管理层到一线人员皆能充分发挥所长。

我们通过提高营销策略的有效性以继续扩展本公司的业务。我们已在社交媒体方面取得初期的成功。现在我们正考虑通过影响者营销来吸引对宝光品牌的关注，并吸引新的追随者，年轻的顾客和更高的在线知名度。

在宝光一直能够定制我们的珠宝。通过把每一位顾客视为独特的个体和调整我们的产品以满足个人品味和需求，这是一个势必取得成长的营业领域。

我们已经见证本公司之在线业务不断成长，并对宝光的销售和利润作出了重大的贡献。我们正在社交媒体上建立更大的在线影响力和以幂数级方式扩大宝光的影响力。

我相信，我们所从事之行业内的网络与合作将可协助本公司增强实力和盈利能力。最后，宝光将一如既往地继续强化其顾客体验，进而建立忠诚度和历久不衰的关系。



主席报告

2023年度报告

鸣谢

衷心感谢本公司所有股东，顾客，策略伙伴，融资机构和供应商们。我对你们所有人满怀感激。在你们的协助下，宝光控股有限公司安然度过充满挑战的时期，并高奏凯歌。对于各政府和监管当局，我感谢你们为本集团的运营建立了强大具有活力的框架和清晰的界限。我也由衷感谢各位董事，你们很乐意且不吝分享你们的知识，经验和智慧。你们也给予宝贵的咨询和意见，确实是我在好景和具挑战性时刻的重要依靠。我的管理层团队乃是宝光控股有限公司的脊梁骨。因此，我要向诸位寄语再接再厉和继续追求卓越。对于宝光控股有限公司的全体员工，你们日复一日的贡献，忠诚度和真心付出是备受重视和激赏的。最后，我要恭贺各位协助我们在屹立47年后依然是一家强大且有活力的企业。

拿督鍾义翔

执行主席兼集团董事经理

日期：2023年11月29日





MANAGEMENT Discussion & Analysis

Management Discussion & Analysis

CORPORATE OVERVIEW

POH KONG HOLDINGS BERHAD ("PKHB," OR "THE COMPANY," OR "POH KONG") IS AN INVESTMENT HOLDING COMPANY. THE COMPANY AND ITS SUBSIDIARIES ("THE GROUP") ARE ORGANISED INTO AN INTEGRATED ONE-STOP JEWELLERY BUSINESS WITH OPERATIONS IN RETAILING AND MANUFACTURING OF GOLD JEWELLERY AND RELATED GOLD INVESTMENT PRODUCTS. THE RETAIL AND MANUFACTURING OPERATIONS ARE CARRIED OUT THROUGH POH KONG JEWELLERS SDN BHD, POH KONG BULLION SDN BHD, POH KONG JEWELLERY MANUFACTURER SDN BHD AND POH KONG WHOLESALE SDN BHD.

BUSINESS OVERVIEW

Financial discipline and a clear strategic vision have consistently ensured sustainable profitability for Poh Kong. In FYE 2023, Poh Kong continued to drive sustainable growth by leveraging on its strong brand awareness, outstanding customer experience, distribution network and exceptional designs and craftsmanship.

Given a challenging market environment, the Group actively sought to maximise opportunities to increase market share by being the dominant and most exciting jewellery business in the country. It sharpened its focus on growing its customer base through the launch of new collections and expanding its retail outlets and online sales channels. It ramped up its loyalty programme and social media initiatives, and looked at creating more effective customer touchpoints.

Our emphasis on design and craftsmanship will continue to be a key differentiator. Poh Kong's expert team conducts market studies, analyses trends and customer preferences and revamps product designs accordingly. An attractive retail incentive and reward scheme is in place to motivate frontliners to achieve strong sales.

Our strategies and plans for continued growth and progress include the expansion of our marketing capabilities in order to maintain a strong competitive advantage and strengthen customer experience and satisfaction.

Exclusive and Comprehensive Product Range

Poh Kong is renowned for its wide range of jewellery products across various price points. These include gold, diamonds, jade, pearls and coloured gemstones catering to diverse customer styles and preferences in Malaysia's unique multi-ethnic and multi-generational market. In-house designers and craftsmen produce jewellery that is a perfect combination of creativity, precision and functionality. These, including many exquisite timeless pieces, are made available exclusively at Poh Kong's retail outlets. Some are manufactured at our Shah Alam plant while the rest are sourced from approved external suppliers.

The Company's well established and popular brands include Anggun, Happy Love, Tranz and the Art of Auspicious. The Bunga Raya gold bars and wafers carry a strong Malaysian endorsement. Its in-house diamond collections are retailed under the Hemera and D'First brand names.

Poh Kong is a licensee of Disney, the renowned global brand, and fine jewellery brands Luca Carati and Moraglione 1922 from Italy.

Management Discussion & Analysis (Cont'd)

Reputation and Market Leadership

The importance of reputation is a key parameter for success in Malaysia's highly competitive jewellery industry. Over its 47 years, Poh Kong has built an enviable track record and established a nationwide retail footprint. The Group, and the Executive Chairman have won numerous awards for outstanding and visionary leadership and the development of the retail chain industry

Manufacturing



The Group established its manufacturing facility in 2001. This RM30 million plant brings to the Group a strong competitive advantage in respect of quality control, design excellence, cost control and sustainable production. Its precision technology equipment is capable of mass produced designs as well as bespoke jewellery.

Ongoing measures to upgrade technology, machinery and IT systems are seen as strategic investments to maintain product excellence.

A dedicated floor for training purposes within this 4,000 sq ft facility, ensures that all employees have easy and convenient access to training and development that upgrades skills, builds knowledge and creates a highly productive and efficient workforce. The cessation of sales activities meant more time for training, skills upgrading and knowledge enhancement. During the year the Company ran 69 training courses, interactive sessions and webinars and incurred training costs of more than RM486,200 for FYE 2023.



"
**THE COMPANY RAN 69
TRAINING COURSES,
INTERACTIVE SESSIONS AND
WEBINARS AND INCURRED
TRAINING COSTS OF MORE
THAN RM486,200 FOR FYE
2023. "**

Management Discussion & Analysis (Cont'd)

Retail

An incisive retail strategy underpins the Group's success in building enduring relationships with its customers and other stakeholders. Considerable attention and resources are invested into creating lasting impressions in an effort to make Poh Kong Malaysia's most loved and visited jewellery store.

Staff are trained to remain responsive to customer needs and develop an unique sensitivity to customers' tastes and preferences. By building on their knowledge and skills, staff are able to communicate effectively about our products and services. Feedback from point of sale staff provides valuable inputs on which we can base our continuous improvement initiatives. We have also put in place convenient operating hours, payment options and loyalty programmes.

RETAIL STORES

Poh Kong's outlets by locations as at 31 July 2023



Poh Kong's retail concept stores nationwide occupy a total retail space of approximately 116,000 square feet. Retail outlets located within Kuala Lumpur and Selangor accounted for 55% of the total outlets and contributed 72% of the total revenue for FYE 2023.

Poh Kong's policy of investing in store locations that are most accessible to our customers, consistently helps to ensure higher productivity and better sales performance. Efforts are perpetually ongoing to upgrade and renovate our retail space to create a conducive environment for our customers.

Management Discussion & Analysis (Cont'd)

Marketing and Branding

Poh Kong has consistently focused on promoting its in-house brands of gold and diamond jewellery through highly targeted advertising campaigns and marketing events. In FYE2023, we intensified efforts to increase brand and product awareness and forge lasting connections with our customers via a series of high profile events and strategic collaborations.

We launched the stunning new Tranz collection revealing an impressive selection of bold, unique and expressive designs. It marked a significant breakthrough in the industry with a captivating fresh new look.

We also partnered with Watsons as sponsors of their Members' Exclusive Contest, while the cast for the company's Raya video showcased our alluring Tranz jewellery pieces and exquisite Pearl Collection.

Chap Goh Meh, a festive occasion where the tossing of mandarin oranges is popular among singles, provided Poh Kong with the opportunity to interact with customers through 'fortune pools' at Kwan Yin Tong in Ipoh and Padang Esplanade in Penang which offered attractive prizes to enthusiastic participants.

The Poh Kong Ladies Golf Series made an impressive debut, blending the worlds of golf and jewellery to champion women's empowerment. It celebrated women overcoming golf's barriers, underlining the importance of authenticity and commitment to empowering women in sports. In line with these values, our partnership with the Women in Golf Charter (WIGC) consistently nurtured women's involvement in all aspects of golf.

In FYE2023 we strengthened our use of digital marketing to increase brand and product awareness and engage with our customers in a more personal and meaningful way. This yielded impressive results with a substantial 55% increase in website visitors. We maintained a strong presence on social media platforms such as Facebook, Tik Tok, Instagram and Xiao Hong Shu, connecting with our followers through engaging and captivating content. Tik Tok particularly, has shaken up social media in recent years. We took advantage of its surging popularity and managed to ramp up video views from a mere 150,000 to over 2 million during the year, and attracted 112,400 new followers.

"
WE LAUNCHED THE STUNNING NEW TRANZ COLLECTION REVEALING AN IMPRESSIVE SELECTION OF BOLD, UNIQUE AND EXPRESSIVE DESIGNS."



"
WE TOOK ADVANTAGE OF ITS SURGING POPULARITY AND MANAGED TO RAMP UP VIDEO VIEWS FROM A MERE 150,000 TO OVER 2 MILLION DURING THE YEAR, AND ATTRACTED 112,400 NEW FOLLOWERS."



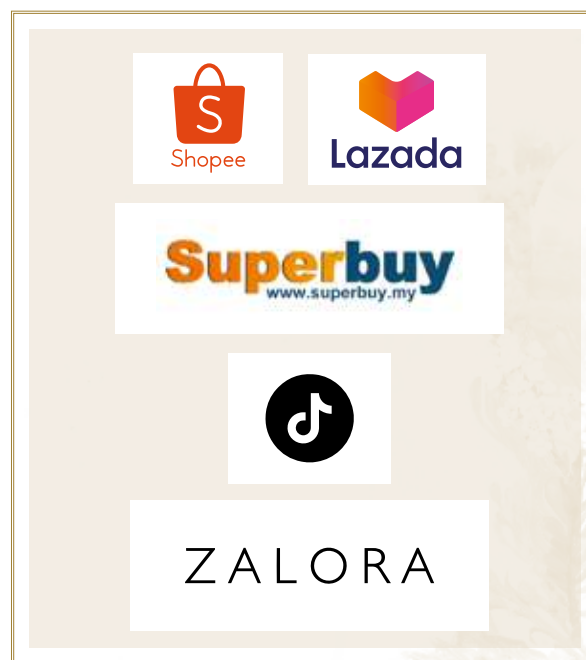
Management Discussion & Analysis (Cont'd)

Marketing and Branding (Cont'd)

Online shopping saw remarkable growth with a sales increase of 35%. Poh Kong's collections have been made easily accessible through the dedicated Poh Kong e-commerce site as well as major e-commerce platforms like Shopee, Lazada, Superbuy, TikTok Shop, Zalora and the digital platforms of shopping malls.

FINANCIAL REVIEW

In FYE2023, Group revenue improved marginally to RM1.47 billion from RM1.36 billion in the previous year. However the profit dipped due mainly to a rise in operating expenses in FY2023. PKHB recorded a profit before tax of RM108.21 million in FYE 2023 compared to RM116.61 million in the preceding year. This reflected a drop of 7.20%.



The Group expects a strong rebound in consumption to drive further expansion in the Malaysian economy in the current year. To sustain recovery, the Government is gradually rebuilding fiscal buffers through increased revenue collection and greater spending efficiency.

Given the economic environment and global uncertainties, we have exercised caution during the year and anticipated the adverse impact on Malaysian households and businesses. We will continue to closely monitor the implications of the current uncertainties of our operations, uphold and honour our financial obligations and evaluate our performance on an ongoing basis.

Barring unforeseen circumstances, the Board of Directors is confident that the Group has put adequate measures in place and is well positioned to meet the challenges in the year ahead.

FINANCIAL SUMMARY

5-Year Group Financial Highlights (2019 – 2023)

FYE 31 JULY (RM'000)	2019	2020	2021	2022	2023
Revenue	1,000,514	748,802	903,100	1,362,609	1,470,569
Profit before tax	36,450	38,976	52,817	116,609	108,214
Income tax expense	(11,176)	(14,542)	(16,056)	(24,418)	(29,773)
Profit for the financial year	25,274	24,434	36,761	92,191	78,441
Basic earnings per share (sen)	6.16	5.95	8.96	22.47	19.12

Management Discussion & Analysis (Cont'd)

FINANCIAL REVIEW (CONT'D)

The Group's financial profile is summarised below:

Profit Attributable to Owners of the Company/ Earnings Per Share

	2023	2022
Average number of ordinary shares in issue (million)	410.35	410.35
Profit attributable to owners of the Company (RM'million)	78.44	92.19
Basic earnings per share (sen)	19.12	22.47

The profit attributable to owners of the Company decreased by RM13.75 million or 14.91%.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

	2023	2022
EBITDA (RM' million)	147.82	153.14

The Group's EBITDA decreased by RM5.32 million or 3.47% as compared to the previous financial year. This was mainly due to the decrease in profit during the financial year.

Financial Position

Property, plant and equipment (PPE)

	2023	2022
PPE (net carrying amount) (RM' million)	89.80	87.17

The Group's PPE increased by RM2.63 million or 3% as compared to the previous financial year.

Cash and cash equivalents

	2023	2022
Cash and cash equivalents (RM' million)	26.84	33.11

The Group is in a healthy financial position with a cash reserve of RM26.84 million

Management Discussion & Analysis (Cont'd)

FINANCIAL REVIEW (CONT'D)

Gearing

	2023	2022
Total net debts (RM' million)	147.43	101.47
Total equity (RM' million)	761.93	686.55
Gearing ratio (times)	0.19	0.15

The net debts level increased to RM147.43 million, resulted in the increase in gearing ratio to 0.19.

Consolidated Net Assets Per Share

	2023	2022
Share capital (RM' million)	205.18	205.18
Retained earnings (RM' million)	511.52	438.41
Revaluation reserve (RM' million)	45.23	42.96
Total Equity attributable to owners of the Company (RM' million)	761.93	686.55
Number of outstanding ordinary shares in issue (million)	410.35	410.35
Consolidated net assets per share attributable to owners of the Company (RM)	1.86	1.67

The increase in the equity attributable to owners of the Company was mainly due to the increase in retained earnings as compared to the previous financial year.

RISKS MANAGEMENT AND MITIGATION

The Board is fully committed to a strong risk management framework. It faces numerous key risks that are generally related to business, financial, security and operational, as well as political, economic and regulatory issues. The management has developed plans and strategies to mitigate such risks

Today's fast changing world is creating uncertainties, complexities and unprecedented stresses, and making it difficult to decide how to manage and control the emerging risks. Poh Kong's top management team is constantly mapping out the current risk landscape to collect risk data in order to fully understand the issues they face and determine ways to address and mitigate business disruptions.

The Group maintains a sharp focus on effective growth strategies and is proactively looking at new priorities and opportunities in the jewellery industry.

Management Discussion & Analysis (Cont'd)

RISKS MANAGEMENT AND MITIGATION (CONT'D)

BUSINESS & FINANCIAL RISKS

Competition Risk

The jewellery industry in Malaysia faces intense competition with approximately 3,500 jewellery retailers. The Group mitigates the competitive pressure through enforcing the following measures:



strengthening and reinforcing its reputation and market position



offering a comprehensive product range



creating an exclusive in-house product range



maintaining an extensive distribution network



operating a dedicated manufacturing plant to respond to changing market demands

Fluctuations in Gold Price 2022-2023

MYR/oz

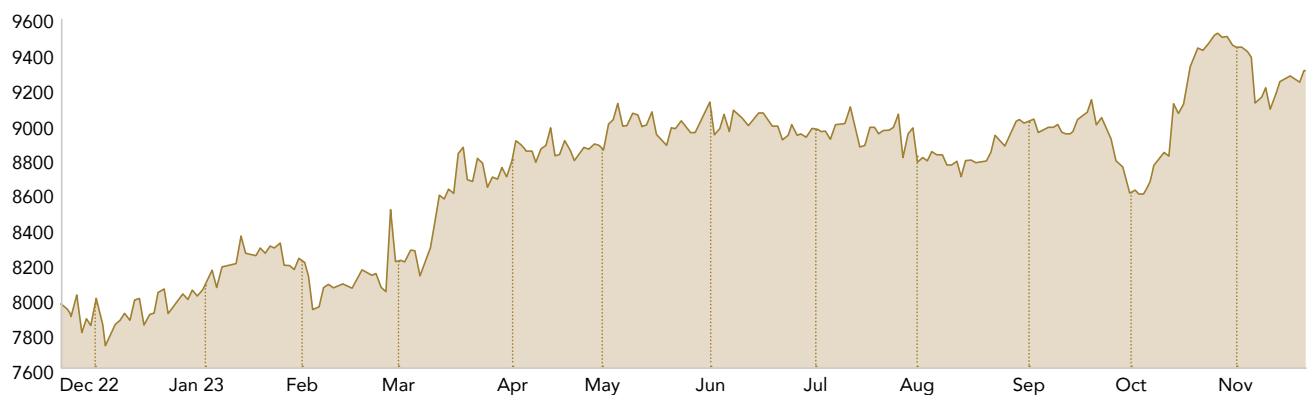


Chart shows the 1 year gold prices.

Source: goldprice.org

Management Discussion & Analysis (Cont'd)

RISKS MANAGEMENT AND MITIGATION (CONT'D)

BUSINESS & FINANCIAL RISKS (CONT'D)

Competition Risk (Cont'd)

Fluctuations in Gold Price 2019-2023

USD/oz

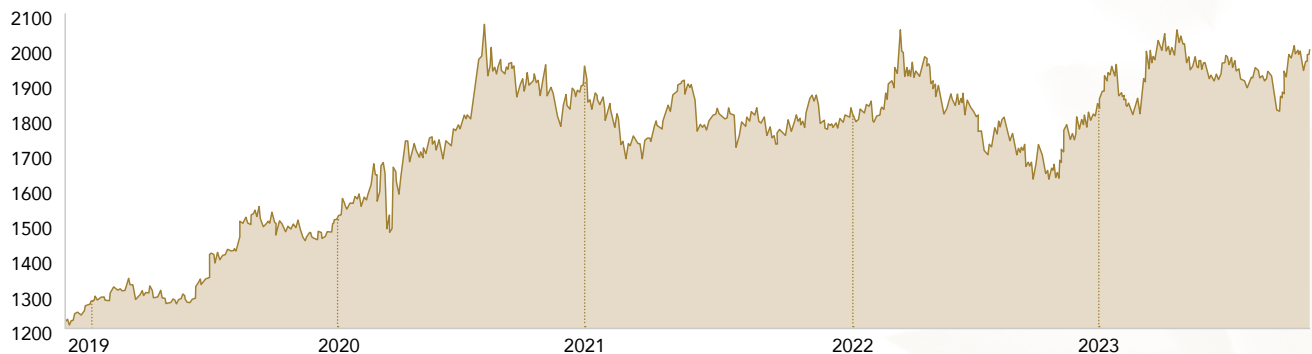


Chart shows the 5 year gold prices.

Source: [goldprice.org](https://www.goldprice.org)

As gold is a major raw material for the manufacturing of gold jewellery, the Group is exposed to volatility in global gold prices. Gold prices are affected by many factors and the precious metal is regarded as a safe haven to hedge against global uncertainties.

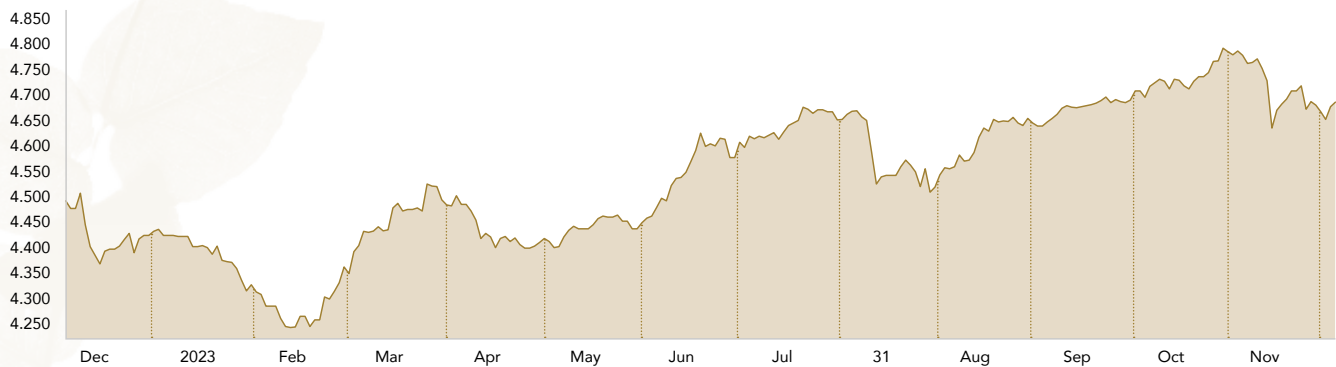
The changes in gold prices are passed on to the consumer at the point of purchase. In order to reduce the impact of gold price fluctuation on the margins, the Group exercises a natural hedge and employs an inventory replenishment system where products are stocked as soon as they are sold.

Management Discussion & Analysis (Cont'd)

RISKS MANAGEMENT AND MITIGATION (CONT'D)

BUSINESS & FINANCIAL RISKS (CONT'D)

Competition Risk (Cont'd)



Forex Chart 1 year (USD vs RM)

Chart shows foreign exchange for 1 year.

Source: tradingeconomics.com



Forex Chart 5 year (USD vs RM)

Chart shows foreign exchange for 5 years.

Source: tradingeconomics.com

The Ringgit depreciation against USD in the past year had a significant impact on the gold price in Ringgit terms. This is because purchases of raw materials such as gold bars, diamonds and loose stones are transacted in USD.

The Group has mitigated this with financial instruments in place to reduce the impact of foreign exchange fluctuations on its margins.

Management Discussion & Analysis (Cont'd)

RISKS MANAGEMENT AND MITIGATION (CONT'D)

BUSINESS & FINANCIAL RISKS (CONT'D)

Security Risk

Security and operational risks involve the identification and assessment of risks to protect the Group's business' assets and inventories, mainly consisting of gold and gemstones from loss due to theft or robbery and other potential disasters.

The Group has taken preventive and precautionary steps to implement security and surveillance measures, such as closed circuit television, grills on jewellery counters, security guard services, central monitoring system, strong rooms and safes, and insurance coverage of its assets.

The Company has invested in strengthening its IT infrastructure to strictly manage data processing. Employees undergo training on data privacy and protection of personal data which can be considered as sensitive information under the Personal Data Protection Act 2010 (PDPA). During the year, the Group began implementing Data Leak Preventive measures in phases to further tighten data protection.

Economic and Regulatory Considerations

Poh Kong is also broadly exposed to adverse developments in the economic, business and consumer markets in a variety of risks. These range from economic cycles, consumer sentiments, rising cost-of-living, competition, proprietary rights against unauthorised third party copying, regulatory changes, such as compliance, labour shortage and approvals for financing of new ventures.

This is mitigated by the Group's constant surveillance and re-evaluation of its operations.

We have engaged legal consultants to guide us in formulating our human resource policy. Staff are continuously familiarised with requirements outlined in the Employment Handbook to protect the interests of both the Company and its employees.

The AMLA (Anti-Money Laundering Act 2001) compliance, MACC (S17A Corporate Liability) compliance and other statutory compliances are regulatory changes that have been widely discussed in the public domain. The Group's Certified Integrity Officer ensures that the Integrity Policy is enforced, employees are properly trained and there is strict adherence to zero tolerance of corruption throughout the Group. Ongoing training and information updates ensure that employees keep abreast of the latest developments in compliance matters at all times. The Group strongly believes that ethical leadership plays a critical role in preventing fraud, corruption and unethical practices. It has zero tolerance for fraud, bribery, corruption and violation of laws and regulations.

The Group is therefore diligent in working to enhance statutory and non-statutory compliance by implementing internal programmes, putting in place policies, procedures and controls to guard against any offence under AMLA. Programmes include employee training to enhance awareness and adopt digitalisation in its operations to improve compliance and internal controls.



Management Discussion & Analysis (Cont'd)

RISKS MANAGEMENT AND MITIGATION (CONT'D)

BUSINESS & FINANCIAL RISKS (CONT'D)

IT Risk

The Group is committed to investing in IT infrastructure to meet operational and developmental challenges. It has developed policies, procedures and acquired technology to mitigate malicious threats and reduce information technology vulnerabilities. IT capacity and capability are continuously enhanced to prevent breaches in data confidentiality. The Group is in the process of developing and implementing IA digitalisation to improve branch compliance cost effectively.

PKHB's Disaster Recovery Centre is able to respond quickly to mitigate loss of data and ensure uninterrupted flow of business. A system of continuous monitoring to assess the efficacy of its IT security systems enables the Company to revise and review its course of action if needed. A sharp escalation in the use of social and digital media as well as online retail has increased the need for cybersecurity. During the year, the Group has beefed up its cybersecurity protection and initiated an insurance cover against this risk. Mitigation measures have been put in place to address online fraud, malware and viruses.

Reputation Risk

Reputation risk is a threat or danger to the good name or standing of any business as a result of publicity that affects its image and reputation. The Group sees reputational risk as a key priority and has taken preventive action to guard against adverse effects or damage, data loss or failure, product recall or boycott, social media backlash, including crisis and issues management.

It has engaged professionals for consultation and hired reputation management training experts including public relations, legal, personal data protection and safety risk specialists to ensure all customer information is managed on a strictly confidential basis.

Our ability to meet customers' needs and demand can be attributed to the review and audit of our standard operating procedures, personal and skills development, training, the upgrading of IT systems and infrastructure, all of which ensure consistent and excellent customer service standards.



Management Discussion & Analysis (Cont'd)

DIVIDEND POLICY

The Group's dividend payout policy is to distribute a minimum of 10% of its annual net profit after income tax expense as dividends to shareholders, provided it would not be detrimental to its cash flow and business expansion.

The Board of Directors recommended a final single-tier dividend of 2.00 sen per ordinary share (FYE2022: 1.30 sen) in respect of FYE 2023 for shareholders' approval at the upcoming Annual General Meeting.

If approved, the payout for the total dividends is RM8.21 million (FYE 2022 : RM5.33 million) that will allow shareholders to participate in the profits or approximately 10% from the profit attributable to the owners of the Company.

Dividend Track Record

Financial Year	Profit After Tax (PAT) (RM'million)	Category Dividend	Dividend Distribution (RM'million)	% Dividend on Profit After Tax (PAT)
2019	25.27	1.20 sen single-tier	4.92	19%
2020	24.43	1.20 sen single-tier	4.92	20%
2021	36.76	1.20 sen single-tier	4.92	13%
2022	92.19	1.00 sen single-tier interim; and 1.30 sen single-tier final	9.44	10%
2023	78.44	2.00 sen single-tier	8.21	10%

Outlook and Prospects in 2024

In the year ahead, we anticipate a growth in consumer confidence and spending as a result of the government's policies and initiatives. At the same time, the Group needs to adopt a flexible approach to address the challenges arising from market conditions and uncertainties in the business environment. Poh Kong has consistently demonstrated resilience and steady progress. We will continue to keep an unwavering focus on leveraging our strengths and capabilities, mitigating business risks and exercising cost discipline.

We are very cognisant of the fact that our people are critical to our success and progress. We will intensify efforts to maintain a high-performance team that is competent, skilled, professional and focused on building long-term customer relationships.

Gold will continue to play a key role as a strategic long-term investment. This, together with the measures being put in place to drive business performance and shareholder returns, will strengthen Poh Kong's market position. We will continue to push boundaries and foster innovation in our efforts to deliver sustainable growth as we move forward.



SUSTAINABILITY at Poh Kong

Sustainability at Poh Kong

THIS REPORT COVERS THE COMPANY'S SUSTAINABILITY EFFORTS AND INITIATIVES BETWEEN AUGUST 2022 AND JULY 2023 (FYE 2023) UNLESS OTHERWISE SPECIFIED. THE GROUP'S ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE DURING THE REPORTING PERIOD IS REPORTED IN ACCORDANCE WITH THE GLOBAL REPORTING INITIATIVE ("GRI") STANDARDS.

To ensure consistency in the implementation of sustainability measures, the Group's Environmental, Social and Governance (ESG) strategies rest at the highest level with the Board of Directors. Poh Kong's Sustainability Management System is kept clear, simple and easy to execute.



Poh Kong takes a holistic approach to operating a sustainable business. Our emphasis is on building sustainability-focused business practices that will benefit all our stakeholders, the community, the nation and the planet. We are committed to maintaining a strong focus on ESG initiatives which we see as critical to the health of our business.

Our sustainability goals are aligned with UN Sustainable Development Goals, particularly in regard to areas that are of the greatest importance to our business and its major stakeholder groups – employees, customers, suppliers - and where we believe we can make the greatest impact. Poh Kong's materiality matrix and key priorities are based on inputs from stakeholders. Poh Kong regularly reviews these issues to keep abreast of changes in the business environment and stakeholder opinions.

Poh Kong intends to future-proof its sustainability strategies and measures to stay relevant to its customers, investors and stakeholders.



Sustainability at Poh Kong (Cont'd)

We have been thoughtful about our sustainability agenda and based on a materiality assessment, we have prioritised five key areas: Governance, People, Quality & Service, Supply Chain and Environment.



ESG PERFORMANCE IN 2023

Poh Kong is committed to becoming a leader in sustainable practices within Malaysia's jewellery industry. Our vision is to create jewellery that is not only beautiful, but also ethically and environmentally responsible. Our efforts to date have led to reductions in our environmental footprint, improvements in employee well-being, minimising waste generation and ethical sourcing of materials.

In FYE2023, Poh Kong made substantial progress in achieving key milestones and contributing to a more sustainable and responsible jewellery industry. Our emphasis was on continuously improving our practices, working closely with all our stakeholders and embracing innovation to improve our environmental footprint and promote social responsibility.

In the past year, we intensified our commitment to transitioning from a disposable economy to one that prioritises waste reduction, resource circulation the rejuvenation of nature. The emphasis continued to be on actively repurposing, repairing or recycling existing items and materials.

Our corporate social responsibility (CSR) initiatives are aimed at safeguarding and preserving our coastal resources. We spearheaded a beach clean-up drive at Port Dickson, collecting over 500kg of rubbish. Poh Kong also joined forces with Kose Sekkisei to support efforts by a local NGO, Reef Check Malaysia, to restore and protect our nation's corals and beaches for future generations.

We firmly believe women's empowerment and gender-inclusive economic growth will pave the way for prosperity and progress. In FYE2023 Poh Kong sponsored the inaugural Malaysian Chapter of the Women's Economic Forum (WEF). WEF is a compelling platform that enables networking and collaboration and encourages enlightened exchange and partnerships for women worldwide.

The year also saw recognition of the visionary leadership and contributions of Dato' Alice Choon, Poh Kong's Director of Poh Kong Jewellers Sdn Bhd. She was named the "Most Influential Entrepreneur" in the Shanghai International Prestige Business Awards 2023.

We recognise that sustainability is not a destination but an ongoing journey. We are reviewing and re-evaluating our goals and strategies in response to the fast changing business and social environment. The emerging opportunities and challenges ahead will shape our future sustainability efforts. Together with our stakeholders, we will continue to make a positive impact while crafting beautiful jewellery for generations to come.

Sustainability at Poh Kong (Cont'd)

GOVERNANCE

A clear and effective corporate governance system is in place throughout the Group to ensure that our business complies with all relevant laws and regulations. The focus is on accountability, honesty and integrity across all the Poh Kong's activities and communications programmes. The Board of Directors and top leadership regularly evaluates compliance measures and assesses and improves risk management action plans.



Ethics & Compliance



During the year, the Board of Directors ensured the Group maintained a sound and transparent governance framework. The Audit and Risk Management Committee supported the Board and undertook oversight of regulatory compliance. At the operational level, the various business divisions and departments remained responsible for evaluating the adequacy and effectiveness of their risk management and mitigating measures on an on-going basis. Top management continued to urge all its stakeholders to uphold the highest ethical and professional standards.

Information Security



The trust of customers, employees and business partners is very important to Poh Kong. All data provided is protected by an efficient and continually strengthened information security system. An annual budget approved by the Board to specifically enhanced and upgrade the software and hardware pertaining to the information security system. In accordance with the Personal Data Protection Act 2010 to safeguard the privacy of customers, PKHB collects and maintains a minimal amount of their personal details. Even within Poh Kong, customer data is released on strictly a need-to-know basis, and never without their prior consent. During the year, Poh Kong continued to monitor and implement Data Leak Preventive measures in phases to further tighten data protection. Relevant details of PKHB's privacy policy are available on our website.

Anti-Bribery and Corruption



Poh Kong strongly believes that ethical leadership plays a critical role in preventing fraud, corruption and unethical practices. It has zero tolerance for fraud, bribery, corruption and violation of laws and regulations. This commitment is central to the Group's approach to corporate responsibility. Our values and Code of Conduct and Ethics are clearly communicated and implemented to ensure clear understanding throughout Poh Kong.

Sustainability at Poh Kong (Cont'd)

PEOPLE

People are Poh Kong's most valuable resource and drive the Group's success. Poh Kong is fully committed to providing our people with a supportive and dynamic work environment, and offering a strong sense of belonging to the Group. Poh Kong adopts a strong learning culture and channels significant resources towards developing and improving the abilities and leadership qualities of our employees. We have continuously invested in their well-being and performance through extensive training programmes including product knowledge, leadership skills and grooming to motivate them to achieve their highest aspirations. As a results, approximately 75% of our staff have been with Poh Kong for over 5 years and above.

Poh Kong is adopting strength-based management to nurture and develop its people by leveraging on their unique abilities. By giving employees a greater sense of purpose and motivation through this approach, Poh Kong will be in a strong position to attract more young people and add diversity to its workforce.



People Practices

Poh Kong prioritises employment practices that are fair, non-discriminatory and merit-based. It upholds human rights, offers competitive remuneration and develops its employees, based on performance, ability and skills. As of 31 July 2023, Poh Kong's 1,072 employees and staff turnover stood at 13.5%.



Poh Kong believes strongly that a diverse workforce with varying strengths, skills and experiences creates long term value for the business. Across Poh Kong, an equal opportunity policy offers the same possibilities for growth and development to all staff regardless of ethnicity, gender, nationality, age or disability. This has helped motivate employees, strengthened staff retention and boosted creativity.

Poh Kong maintains a zero tolerance for unethical human resource practices. Its Code of Business Conduct and Ethics provides the framework to guide the actions and behaviour of all employees. The Group's Human Resources team is expertly guided by an experienced legal team. Managers and heads of departments are regularly updated on employment and industrial issues.

Sustainability at Poh Kong (Cont'd)

PEOPLE



Health & Safety

Poh Kong is fully committed to providing a safe and healthy workplace environment. This is seen as fundamental to the future of its business. Its Health & Safety Environment Management System (HSEMS) provides an effective framework to foster a strong HSE culture throughout the Group. Processes and systems are in place to identify, mitigate and report risks and communicate best practices. A strong emphasis on engagement and collaborative working ensures that employees, contractors and subcontractors understand compliance with the Occupational Safety and Health Act, 1994. Our managers, employees and OSHA consultants continued to meet monthly to address occupational safety matters. During the year a Housing Amenities Committee was set up to look into safety conditions at hostels accommodating our employees. The Group is in the midst of submitting our application to the relevant authority for approval.

There were no Lost Time Injuries and Accidents recorded during FYE 2023.



Learning & Development

Poh Kong respects and supports each and every employee's ambitions and enables them to make the most of their individual strengths and capabilities. It believes it is crucial to ensure that they are equipped with future-proof skills and capabilities to help them meet the challenges of an evolving and changing business landscape. The Learning & Development Department evaluates training needs and recommends relevant programmes.

In FYE 2023, the Group had dedicated approximately 599 hrs on training for all its employees.

During FYE2023, Poh Kong continued with efforts to ensure that Poh Kong has staff with the mix of relevant knowledge and skills for business sustainability and future growth, while at the same time, taking into account their own career aspirations. Poh Kong has embarked on Group Career Development Programme – to screen and identify potential candidates for both classroom training and on-the-job training for 6 months. Qualified candidates will be placed in the appropriate job position within Poh Kong.

Last year, an investment of RM 486,200 gave employees at all levels the opportunities to upgrade their skills and craftsmanship.



Sustainability at Poh Kong (Cont'd)



QUALITY & SERVICE

Poh Kong is committed to excellence across its operations in the effort to build enduring relationships with its customers and other key stakeholders. It places top priority on customer satisfaction, and invests considerable resources, time and effort to improve product quality, designs, production techniques and service quality.

Poh Kong's range of products reflects creativity and experienced craftsmanship and has reinforced Poh Kong's reputation as a premier jewellery manufacturer in Malaysia. During the financial year, the Marketing team organised a series of design forums aimed at a cohesive effort to uphold the highest standards in producing exquisite, timeless pieces of jewellery to meet the wide-ranging expectations of Poh Kong's wide cross-section of customers. Front-liners, marketing, merchandising and production personnel came together to discuss customer preferences and fashion trends.

Poh Kong's emphasis during the financial year 2023 was to uphold its reputation for quality products and service excellence. It maintains its customer-centric approach, building on existing customer relationships and making every customer contact memorable. Our customer base stood at Poh Kong initiated a CSR project for employees' children as well as children of its cherished customers, providing full and partial merit-based scholarships to Saito University as well as a 30% fee waiver. Our customer base stood at more than 284,500 members during the year under review.

SUPPLY CHAIN

Poh Kong's emphasis is on optimising supply chain management to increase competitiveness and customer satisfaction. A stringent process of selection of suppliers is based on a solid reputation and track record of quality, reliability and competitive pricing. All suppliers are scrutinised for financial sustainability and strong principles of responsible corporate governance practices.



Poh Kong has a clear and transparent procurement policy that ensures business is conducted in an ethical, legal and socially responsible way. The Company believes that a strong local supply chain is vital to the long-term development of business and creates sustainable economic value for the nation as a whole. In cases where there is no alternative but to source internationally, Poh Kong selects partners with high standards in areas such as ethical behaviour, environmental stewardship and workplace practices.



Quality



Reliability



**Competitive
Pricing**



**Financial
Sustainability**



**Strong
Principles**

Sustainability at Poh Kong (Cont'd)

ENVIRONMENT

Poh Kong looks at all possible mitigating measures to minimise the environmental impact of its operations. During the year it integrated the best sustainability practices and compliance across all its operations.



Waste Management at PKHB's Jewellery Manufacturing Facilities, Shah Alam



There is in place a stringent water management system to prevent the contamination of local water supplies. Wastewater may contain acids, alkali, various chemicals and heavy metals. Poh Kong's onsite facility is responsible for the neutralisation, deionisation and sedimentation of wastewater from the plants.

Treated water is certified safe before discharge in accordance with Peraturan-Peraturan Kualiti Alam Sekeliling (Efluen Perindustrian) 2009, and the slag is properly handled by licensed operators – Midas Utara Engineering Sdn Bhd. At the smaller plant, wastewater is safely stored for removal by Midas Utara Engineering at regular intervals.

Poh Kong has taken significant steps to reduce and recycle waste. Packaging and paper are re-used wherever possible and we are moving steadily towards a paperless work environment.



Energy Efficiency

Mindful of the need to boost the Poh Kong's energy efficiency, measures have been put in place to conserve energy that include the use of LED lightings in all our showrooms. Plans are underway to kick off further initiatives to reduce the use of energy across our operations.



Compliance

Poh Kong mandates compliance with all applicable local environmental laws and regulations. All our employees, contractors and consultants are encouraged to be proactive in managing and reporting environment related issues and complaints. During the year under review, there were no cases of non-compliance.

Overview Statement on Corporate Governance

THE BOARD OF DIRECTORS ("THE BOARD") OF POH KONG HOLDINGS BERHAD ("THE COMPANY") RECOGNISES THE IMPORTANCE OF MAINTAINING THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE TO SUSTAIN LONG-TERM BUSINESS OBJECTIVES AND SUCCESS AND PROTECT SHAREHOLDER VALUE AND THE INTERESTS OF OTHER STAKEHOLDERS. THE BOARD IS COMMITTED TO APPLY THE RECOMMENDATIONS OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 ("MCCG 2021" OR "THE CODE") THROUGHOUT THE COMPANY AND ITS SUBSIDIARIES ("THE GROUP").

This statement provides an overview of the Company's application of the 3 key principles of good corporate governance set out in the Code that have been in place during the financial year ended 31 July 2023 ("FYE 2023"), except as disclosed otherwise. Details of the Company's application and the explanation for departures, alternative practices and timeframe for measures to be taken, where applicable, are set out in the Corporate Governance Report 2023 ("CG Report") which is available on the Company's website at www.pohkong.com.my.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

CLEAR FUNCTION OF THE BOARD AND MANAGEMENT

The Board is the ultimate decision-making body of the Company and is responsible for the strategic direction and oversight of the Group.

It enforces standards of accountability, with a view to enabling Management to execute its responsibilities effectively and efficiently to meet the long-term business goals. The Board has overall responsibility for putting in place a framework of good corporate governance within the Group, including the processes for financial reporting, risk management, internal control and compliance integrating sustainability considerations in corporate strategy, governance and decision-making.

Board Committees

The following diagram shows an overview of the four (4) main Board Committees of the Group, each of which is listed with its major responsibilities:



Overview Statement on Corporate Governance (Cont'd)

CLEAR FUNCTION OF THE BOARD AND MANAGEMENT (CONT'D)

Board Committees (Cont'd)

The Board has established four Board Committees: Audit, Risk Management, Nomination and Remuneration Committees to support it in discharging its responsibilities.

Each of these committees has specific terms of reference and operating procedures that are approved by the Board and reviewed periodically. The Board is informed of the Committees' deliberations and recommendations through reports by the Chairs of the respective Committees. The minutes of the various Board Committee meetings are circulated to all the Board members.

The Board retains full responsibility for guiding, monitoring and directing the Company's affairs, whilst meeting the appropriate interests of its shareholders and other stakeholders. Key areas of focus include:

1. Determining and establishing the vision, mission and values of the Company
2. Determining and setting the Company's structure, business and corporate strategy, goals and policies
3. Delegating authority to management, monitoring and evaluating the implementation of policies, strategies and business plans
4. Exercising accountability to shareholders and stakeholders

Board meetings are held at least 5 times a year to ensure directors can discharge their responsibility to manage and review the Company's overall performance, strategy and policy, and to monitor closely the exercise of any delegated authority, and for individual directors to report on their areas of responsibilities and duties. In addition to operational and financial issues, the Board also deals with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.

For day-to-day operations, the Board has delegated authority and power to Senior Management including the Group Managing Director ("GMD") and Executive Directors ("EDs").

Role of Chairman and Group Managing Director

The Chairman's role is to facilitate the effective conduct of the business of the Board and ensure its smooth functioning. This includes:

 Determining Board composition	 Clarifying Board and management responsibilities	 Planning and managing Board and Board Committee meetings	 Developing and evaluating the effectiveness of the Board	 Instilling good corporate governance practices and effectiveness of the Board
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The Chairman has to ensure that the Agenda covers all matters required to be discussed, considered and resolved and that the meetings convened are properly attended by all Directors who are given the opportunity to express their views and that decisions made during all meetings adequately reflect the views of the meeting as a whole.

Overview Statement on Corporate Governance (Cont'd)

CLEAR FUNCTION OF THE BOARD AND MANAGEMENT (CONT'D)

Role of Chairman and Group Managing Director (Cont'd)

The GMD ensures the smooth running of the Company's day-to-day operations, monitors and evaluates the implementation of policies, strategies and business plans, to guide and set the pace for its current operations and future development including the continuous review of the Company's goals. The GMD is assisted by a group of experienced Executive Directors and Senior Management.

Role of Executive Committee ("EC")

The role of the EC is to act as a steering committee and to collaborate with the Management in articulating the Group's vision, mission, values and strategies. It develops the Group's strategy, direction and business plans together with the GMD for the Board's approval, to manage and drive the daily operational activities, important critical matters and set priorities to achieve the business objectives, including looking into manpower requirements, compliance with and amendments of the Standard Operating Procedures ("SOP") and succession planning. The EC comprises Executive Directors and is led by the GMD. Executive Directors take on the primary responsibility for implementing the Group's business plans and managing its business activities.

Role of Independent Directors

The role of the Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advice and judgment, and play a pivotal role in decision making and corporate accountability. Independent Non-Executive Directors ensure that the business plans proposed by the Management are fully deliberated and examined objectively, taking into perspective the long-term interests of the Company, its shareholders, other stakeholders and the community at large.

Role of Senior Independent Non-Executive Director

Encik Fazrin Azwar Bin Md Nor was the SID until his resignation on 29 May 2023. Dato Esther Tan was appointed as the Company's SID on 31 October 2023. The SID is the main channel between the Directors and the Chairman on matters that may be deemed sensitive. It provides an alternative avenue for shareholders and stakeholders to convey their concerns and raise issues pertaining to the Company.

All queries relating to the Group can be addressed at the Company's corporate website www.pohkong.com.my.

For the financial period under review, no shareholder has asked or communicated with the SID.



Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES

In fulfilling its fiduciary, stewardship and leadership responsibilities, the Board meets regularly to:

Review and Adopt the Company's Strategy and Business Plan

The Board approves the strategy and business plan presented by the Management, which incorporates a realistic view of the expectations and the objectives of the Company and outlines key operational elements.

Upon adopting the business plans approved by the Board, the Management monitors and reviews them on a regular basis and aligns timelines as outlined in the original business plans to conduct a comparative analysis.

A fully integrated set of projections incorporating monthly profit and loss accounts, cash flows and balance sheets is set up to efficiently update and reflect changes of these projections on a monthly or quarterly basis against actual performance. The Group Accountant is responsible to present such updates and comparative analysis for consideration by the Executive Committee, the Audit Committee and the Board of Directors.

The Management will evaluate these reports against its annual operational plans to review progress towards meeting the strategic aims and objectives by ensuring:



activities are in line with the Company's strategic aims and objectives and remain flexible to withstand unforeseen internal and external challenges



activities are consistent with the organisation's vision, mission and values.

Overseeing the Conduct of the Company's Business

To ensure the effective discharge of its functions and responsibilities, the Board delegates the day-to-day management of the Group's business to the Management. The GMD, who is also Chairman of the EC, is responsible for the implementation of the Board's decisions and drives operational efficiency and the day-to-day operations of the Group.

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

The Risk Management Committee ("RMC") headed by an Independent Non-Executive Director, reviews the risks identified by the Management and advises the Board on the principal risks that could have a significant impact on the Group's business and the adequacy of compliance and control throughout the Group. The Risk Management Working Group ("RMWG") comprising senior managers and heads of departments, was formed to actively review and identify business and other risks and recommend control measures to mitigate these risks.

The Group has established an Enterprise Risk Management ("ERM") framework to identify, evaluate and manage the risks. Details of the RMC and the Company's ERM are set out in the Statement on Risk Management and Internal Control in this Annual Report on pages 96 to 103.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Identifying Principal Risks and Ensuring the Implementation of Appropriate Systems to Manage them (Cont'd)

The members of the RMC are:

Name	Position
Datin Amy Ooi Swee Lian (Appointed on 2 June 2023)	Chairperson, Independent Non- Executive Director
Dato' Esther Tan Choon Hwa	Senior Independent Non-Executive Director
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2 June 2023)	Independent Non-Executive Director
Dato' Choon Yee Seiong	Executive Chairman & Group Managing Director
Mr Cheong Teck Chong	Executive Director
Encik Fazrin Azwar Bin Md Nor (Resigned on 29 May 2023)	Independent Non-Executive Director
Datin Shirley Yue Shou How (Resigned on 29 May 2023)	Independent Non-Executive Director

The Terms of Reference of the RMC are available at www.pohkong.com.my.

Succession Planning

The Board has established a Succession Planning Framework for key management positions which have been approved by the Board, to ensure continuity and sustainable growth in meeting the Group's long-term business objectives.

Succession planning for Senior Management staff includes various programs, such as Senior Management development and individual development plans. This ensures a steady pool of experienced and Senior Management staff to fill vacancies for Executive Directorship appointments.

Succession planning for the Board comes under the purview of the NC and RMC, while the Senior Management staff is managed by the Group Human Resource function.



Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Communicating with Shareholders and Investors

The Board recognises the importance of effective engagement and communication with shareholders and investors and maintains high standards of disclosure.

The Company arranges informal meetings and dialogues with fund managers, analysts, potential shareholders and research houses periodically. While it endeavours to provide as much information as possible, the Company is aware of the legal and regulatory framework governing the timely release of material and price sensitive information.

Corporate information, financial data, stock exchange announcements, annual reports and quarterly results are disseminated via Bursa Link. Poh Kong's Investor Relations ("IR") ensures this information is uploaded on the website at www.pohkong.com.my in a timely manner for access by shareholders and the public.

During the financial period under review, the Company was involved in IR activities, such as dialogues with analysts and fund managers.

Matters Reserved for the Board's Decisions

The responsibility for matters material to the Group rests in the hands of the Board, with no individual Director having unfettered powers to make decisions. Matters reserved for the Board include discussions on matters of significance, such as change of direction in strategy, changes related to structure and capital, changes in Board members, disposal and procurement of assets, Executive and Independent Non-Executive Directors' remuneration packages, approval of announcement of quarterly and final results and declaration of dividends.

Code of Conduct and Ethics/ Whistle-Blowing Policy/ Anti-Corruption

The Board has adopted a Code of Conduct and Ethics for Directors and employees towards their customers, business partners, communities and shareholders. It sets out the standards and underlying core values to guide the actions and behavior of all Directors and employees in conducting their day-to-day duties and operations of the Group.

Management and employees are expected to observe high standards of integrity and fair dealing in relation to customers, business partners, staff and regulators wherever the Company operates.

To strengthen corporate governance practices across the Group, a Whistle-Blowing Policy is provided to employees, together with an easily accessible platform to report fraud, corruption, dishonest practices or other similar matters.

The aim of this policy is to encourage employees to disclose such matters in good faith and the confidence that the staff making such reports will be protected from any retaliation in the form of dismissal, harassment or discrimination at work, or any action in court, in respect of disclosure made by the whistle blower to the regulators.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Anti-Bribery and Corruption Policy

The Code of Conduct and Ethics, Whistle-Blowing Policy and Anti-Bribery and Corruption policy are published on the Company's website at www.pohkong.com.my. The Board will review the Code of Conduct and Ethics when necessary to ensure it remains relevant and appropriate.

Sustainability Management

The Board adopted its first Sustainability Statement for the Group in FY2019. The main purpose of the statement is to disclose the Group's current management approach and strategies for creating a positive economic, environmental and social impact, as well as enhancing business sustainability. Management regularly reviews the material matters across the business and ensures implementation of initiatives and achievement of targets.

Further details are set out in the Sustainability Statement of the Company on pages 55 to 62 of this Annual Report and at the Company's website.

Supply and Access to Information

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



Members of Senior Management attend Board and Board Committee meetings by invitation to report on areas of their responsibility including financial, marketing, operational, corporate, regulatory, business development, audit matters and information technology updates, for the Board's decision making and effective discharge of its responsibilities. Meetings with the External Auditors are also held without the presence of Management and Executive Directors. There were two (2) meetings held on 26 September 2022 and 21 June 2023 for this purpose in the financial year under review.



The Board and Board Committee papers are prepared and circulated to the Directors or Board Committee members at least seven (7) days before the Board and Board Committee meetings.



The Audit Committee meets with the Management, Internal Auditors and External Auditors regularly to review their audit plans and reports, and obtain updates and observations on internal control system and financial reporting matters.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Qualified and Competent Company Secretary

The Board is regularly updated and advised by the Company Secretary who is qualified, experienced and knowledgeable on statutory and regulatory requirements relating to the Companies Act 2016, the Main Market Listing Requirements of Bursa Securities ("MMLR") and Corporate Governance practices and guidelines ("MCCG 2021") and the implications to the Company and the Directors in relation to their duties and responsibilities. The Company Secretary facilitates the flow of information to the Board and its committees especially regarding statutory updates and training, briefings, and talks organised by the authorities.

The Directors have ready and unrestricted access to the advice and services of the Company Secretary in respect of Board policies, procedures, the Companies Act 2016, the MMLR, the MCCG 2021 and timing of material announcements, to enable them to discharge their duties effectively. The Company Secretary also keeps the Directors and Principal Officers informed of the closed period for trading in the Company's shares and of briefings, talks and updates received via Bursa Malaysia's administrators. The Company Secretary assists the Chairman of the Board and committees in the preparation of the agenda for their meetings.

Besides direct access to the Management, Directors may obtain independent professional advice at the Company's expense, if deemed necessary.

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

Throughout the year under review, the Directors were furnished with reports and updates.

Board Charter

The Directors are expected to maintain the highest levels of integrity, honesty and accountability and a strong commitment to sound corporate governance practices. The Board Charter was formalised and adopted in 2014 by the Board. It outlines the roles, responsibilities, authorities and operation of the Board and Board Committees. All Board members are aware of their duties and responsibilities.

The Board Charter also outlines:



The division of responsibilities and powers between the Board and Management, the different committees established by the Board, and position of the Chairman and the Group Managing Director



The processes and procedures for convening Board meetings



The Board's commitment in upholding integrity in financial reporting, conflict of interest situations and related party transactions



The list of matters reserved for decision by the Board



The Board's access to information and independent advice



The role of the Company Secretary



Zero tolerance to corrupt practices by employees and/or associates



Conflict of interest including interest in any competing business

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Board Charter (Cont'd)

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

Poh Kong's Board Charter is available on the Company's website and is reviewed annually to ensure the Board Charter remains consistent with the Board's objectives, current law and practices.

Board Composition and Management

The Board sets the tone for the Group and the control environment is driven by an effective Board consisting of competent individuals with appropriate specialised skills, knowledge, experience and competency to ensure capable Management of the Group. The appointment of Independent and Non-Independent Directors is carefully considered to ensure that the Board is well balanced on views, advice, judgement and decision making.

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

The Board has met the MMLR's requirement that at least one third of the number of Directors shall be Independent Non-Executive Directors; but the Board has achieved 37.5% Board Mix. The Board is cognizant of Practice 5.2 which recommends that at least half of the Board shall comprise Independent Directors. The Board will review the size of the Board in relation to the proportion of the Executive Directors to Independent Non-Executive Directors from time to time. It has also exceeded the MCCG 2021's gender recommendation that one-third (1/3 or 33.33%) of its Board members should be women, as it has five women Board Directors. Its gender diversity is 62.5%. The Board has also met the diversity in age and ethnicity in varying degrees.

The Board delegates the implementation of its strategy to the Company's Management. However, the Board remains ultimately responsible for corporate governance and the performance of the Group.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Nomination Committee

The Nomination Committee ("NC") comprises three (3) Independent Non-Executive Directors and is chaired by Senior Independent Non-Executive Director. The members of NC are as follows:

Name	Position
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2 June 2023)	Chairperson, Independent Non- Executive Director
Dato' Esther Tan Choon Hwa	Senior Independent Non-Executive Director
Datin Amy Ooi Swee Lian (Appointed on 2 June 2023)	Independent Non-Executive Director
Encik Fazrin Azwar Bin Md Nor (Resigned on 29 May 2023)	Independent Non-Executive Director
Datin Shirley Yue Shou How (Resigned on 29 May 2023)	Independent Non-Executive Director

The Terms of Reference of the NC can be found in the Company's Corporate Governance in the investors' section of the website at www.pohkong.com.my. The NC reviews training needs for incoming Directors with respect to their roles and responsibilities, as well as to the expectations of the stakeholders with regard to their contributions to the Board and the Group.

The NC also assists the Board in its annual review of the required mix of skills and experience and other qualities including core competencies which Directors should bring to the Board to assess the effectiveness of the Board as a whole.

The NC also looks into succession planning, board diversity and the training needs of Directors and Senior Management.



Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Nomination Committee (Cont'd)

The NC met two (2) times during the financial year.

Nomination Committee	Dates of Meetings		Total
	No. 1/2021/2022 NCM 1/12/2022	No.2/2021/2022 NCM 25/5/2023	
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2 June 2023)	-	-	-
Dato' Esther Tan Choon Hwa	✓	✓	2/2
Datin Amy Ooi Swee Lian (Appointed on 2 June 2023)	-	-	-
Encik Fazrin Azwar Bin Md Nor (Resigned on 29 May 2023)	✓	✓	2/2
Datin Shirley Yue Shou How (Resigned on 29 May 2023)	✓	✓	2/2

Appointment, Selection and Assessment of Directors

The NC is responsible for reviewing recommendations of any new appointments to the Board. In reviewing these recommendations, the NC considers the composition of the Board and its diversity, the required mix of skills and experience which the Directors would bring to the Board and his or her time commitment. Any new nomination received, shall be reviewed by the NC and subsequently submitted to the Board for consideration and approval.

The key task of the NC is to ensure that the Company recruits and retains the best available Executive and Independent Non-Executive Directors who are competent and able to guide the Company towards meeting its strategy and business plan. The NC is responsible for making recommendations to the Board on the most appropriate board size and composition. In discharging its responsibilities, the NC has developed a set of criteria used in the recruitment process and annual assessment of Directors. In evaluating the suitability of candidates, the NC considers the following factors, as detailed in the Terms of Reference of the NC which is available for reference at the Company's website, www.pohkong.com.my.

Specific qualities of new nominations to the Board sought after by the NC include:

 <p>skills, knowledge, expertise and experience</p>	 <p>professionalism and integrity</p>	 <p>commitment (including time commitment) and contribution</p>	 <p>background, character and competence</p>	 <p>boardroom diversity</p>	 <p>in the case of candidates for the position of Independent Non-Executive</p>
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Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Appointment, Selection and Assessment of Directors (Cont'd)

Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors without fear or favour.

The responsibility of the NC includes making recommendations on the desirable competencies, experience and attributes of Board members and on strategies to address the Board's diversity. The NC may recommend that the Board appoints an individual to be Director by following a set of criteria for the new appointee who will stand for re-election at the next Annual General Meeting ("AGM") in accordance with the Constitution of the Company.

The Committee will seek nomination of suitable candidates from the Directors, Management and shareholders of the Company and also from third parties for their assessment before recommending to the Board based on the criteria set.

Re-election of Directors

The Constitution of the Company provides that one-third (1/3) of the Directors are required by rotation to submit themselves for re-election by Shareholders at every AGM at least once in every three (3) years.

The NC has noted the contribution based on the performance evaluation of each of the following Retiring Directors who, where eligible, have consented to be re-elected. The NC has recommended to the Board for their re-election at the forthcoming AGM of the Company in accordance with the following applicable clauses in the Company's Constitution.

Retiring Directors:

	Cheong Teck Chong	Clause 100
	Datin Hon Wee Fong	Clause 100
	Datin Amy Ooi Swee Lian	Clause 106
	Rohaiza Binti Tan Sri Mohamed Basir	Clause 106

Diversity Policy

The Group is an equal opportunity employer and does not practise discrimination of any form, regardless of age, gender or ethnicity throughout the organisation.

The Board recognises the value of a broad range of skills, experience, background and expertise. Although there is no formalised policy on women directors, out of a total of eight (8) Directors, five are women.

The Group will continue to identify suitable candidates, whenever a vacancy arises, for appointment to the Board based on merit, competence and the contribution that each potential candidate can bring to the Board.

Annual Assessment

Annually, the NC conducts the following assessment:

- Board and Board Committees' Evaluation
- Internal Audit Function Evaluation
- External Auditor Performance and Independence Evaluation
- Independent Directors' Self- Assessment
- Directors and Key Officers' Evaluation
- The Audit Committee's Evaluation
- The Internal Audit Function Evaluation

All assessments and evaluations carried out by the NC are properly documented. The Company Secretary summarises and compiles the assessments with comments by the Directors. The summaries are tabled at an NC meeting for the NC's assessment and evaluation. The NC Chairman will then report to the Board on the results of the Directors' assessment and evaluation.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Remuneration Committee

In compliance with the MCCG 2000 the Remuneration Committee ("RC") was established on 8 March 2004.

With the authority delegated to it by the Board to assist and advise its members, the RC has instituted its own terms of reference and guidelines structured to align and complement the strategic direction and objectives of the Company. This is to ensure its long-term success through the recruitment and retention of Directors and Key Management staff.

The RC is responsible for setting up a remuneration policy for the Chairman and Executive Directors.

Also stipulated within this policy are guidelines on compensation payments, rewards and retirement benefits based on several criteria, such as seniority, competencies, experience, responsibilities, business acumen and performance. In determining the balance between fixed and performance related packages, the RC further plays a crucial role in ensuring these packages are compatible and reasonable with HR policies within Poh Kong, at the same time striking an appropriate balance between the interests of shareholders, the Board, senior executives, employees and Poh Kong's culture and values.

In discharging its duties, the RC ensures that all recommendations and decisions made regarding remuneration and incentive packages are conducted in a transparent, fair and responsible manner and in accordance with the guidelines as stipulated in the remuneration policy.

The RC also makes certain that no Directors, both executive and non-executive, take part in the discussion and decision making of his or her own remuneration or salary to avoid potential conflict of interest and biasness.

Independent Non-Executive Directors receive fees that are not linked to profits and performance of the Company but in consideration of their crucial roles in corporate governance, fiduciary duties, responsibilities and time commitments.

Independent Non-Executive Directors' fees and benefits are subjected to the approval of shareholders at the AGM.

In Poh Kong, it is imperative that the RC must continuously review the appropriateness and relevance of its Remuneration Policies and Guidelines to meet challenges both within the organisation and the external environment.

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

Name	Position
Datin Amy Ooi Swee Lian (Appointed on 2 June 2023)	Chairperson, Independent Non- Executive Director
Dato' Esther Tan Choon Hwa	Senior Independent Non-Executive Director
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2 June 2023)	Independent Non-Executive Director
Dato' Choon Yee Seiong	Executive Chairman & Group Managing Director
Encik Fazrin Azwar Bin Md Nor (Resigned on 29 May 2023)	Independent Non-Executive Director
Datin Shirley Yue Shou How (Resigned on 29 May 2023)	Independent Non-Executive Director

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Remuneration Committee (Cont'd)

The remuneration for Directors of the Company for FYE 2023 is as follows:

The Company

	Fees (RM'000)	Salaries & Bonuses (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
<u>Executive Directors</u>				
Dato' Choon Yee Seiong	-	1,778	2,979	4,757
Mr Cheong Teck Chong	-	-	-	-
Choon Nee Siew	-	-	-	-
Choon Yee Bin	-	-	-	-
Datin Hon Wee Fong	-	969	25	994
Total	-	2,747	3,004	5,751
<u>Independent Directors</u>				
Fazrin Azwar Bin Md. Nor (Resigned on 29 May 2023)	58		34	92
Datin Shirley Yue Shou How (Resigned on 29 May 2023)	58		23	81
Datin Amy Ooi Swee Lian (Appointed on 2 June 2023)	10	-	2	12
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2 June 2023)	10	-	2	12
Dato' Esther Tan Choon Hwa	70	-	41	111
Total	206	-	102	308
Grand Total	206	2,747	3,106	6,059

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Remuneration Committee (Cont'd)

The Subsidiaries of the Company

	Fees (RM'000)	Salaries & Bonuses (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Directors				
Dato' Choon Yee Seiong	6	1,344	44	1,394
Mr Cheong Teck Chong	6	600	534	1,140
Choon Nee Siew	-	1,029	589	1,618
Choon Yee Bin	3	827	969	1,799
Datin Hon Wee Fong	3	-	-	3
Total	18	3,800	2,136	5,954
Independent Directors				
Fazrin Azwar Bin Md. Nor (Resigned on 29 May 2023)	-	-	-	-
Datin Shirley Yue Shou How (Resigned on 29 May 2023)	-	-	-	-
Datin Amy Ooi Swee Lian (Appointed on 2 June 2023)	-	-	-	-
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2 June 2023)	-	-	-	-
Dato' Esther Tan Choon Hwa	-	-	-	-
Total	-	-	-	-
Grand Total	18	3,800	2,136	5,954

The RC met once (1) during the financial year on 25 May 2023 to deliberate on remuneration matters of the Group.

The disclosure of the remuneration for the top management of the Group for FYE2023 on a named basis in bands of RM50,000 is as follows:

Name	Range of Remuneration
Siow Der Ming	RM850,001 to RM900,000
Choon Wan Joo	RM1,700,001 to RM1,750,000
Dato' Choon Yoke Ying	RM1,850,001 to RM1,900,000
Mohd Annuar Choon Bin Abdullah	RM3,500,001 to RM3,550,000

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Assessment of Independence

The Board recognises the importance of independence and objectivity in the decision-making process as advocated in the MCCG 2021. It is committed to ensure that the Independent Directors can exercise impartial judgment and are not involved in any other relationship with the Group, acting always in the best interests of the Company.

The Independent Directors of the Company fulfilled the criteria of "Independence" as prescribed under the MMLR. The Board, via the NC, has developed the criteria to assess independence and formalised the current independence assessment practice. In addition, the Independent Directors signed a confirmation of independence annually.

Tenure of Independent Directors (CoSec to update and comment)

The Board is aware that the recommended tenure of an Independent Director should not exceed a cumulative or consecutive term of a total of nine (9) years as recommended by MCCG 2021 and that such a Director may continue to serve on the Board if the Independent Director is re-designated as a Non-Independent Non-Executive Director upon completion of the nine (9) years tenure.

If the Board intends to retain the Director as Independent after the Independent Director has served a cumulative or consecutive term of nine (9) years, the Board must justify the decision and seek shareholders' approval at a general meeting via two-tier voting process.

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

At the forthcoming Annual General Meeting ("AGM"), the tenure of Dato' Esther Tan Choon Hwa ("Dato' Esther Tan") as Independent Director would have exceeded nine years. She was appointed on 11 April 2014. While the long serving Independent Directors namely Encik Fazrin Azwar Bin Md Nor and Datin Shirley Yue Shou How have resigned on 29 May 2023, Dato' Esther Tan is the only remaining Independent Director, has detailed knowledge of the Group's business, standard operating procedures, internal controls, information technology matters and risk profile, proven commitment, integrity, experience, competence and wisdom to effectively advise the Board.

Based on the annual performance concluded, NC has found Dato' Esther Tan to be independent in character and judgment, independent of management and free from any relationship or circumstances which are likely to affect or could affect his judgment or decision making in the best interest of the Company. In addition, Dato' Esther Tan has proven business acumen, academic qualifications, professional and entrepreneurial experience and she has been vocal and constructive in providing feedback to the Board in their decision making and deliberation.

Dato' Esther Tan has fulfilled the criteria under the definition of Independent Directors as stated in the MMLR. She has provided a check and balance, and brought an element of objectivity to the Board. She has consented to be retained as Independent Director.



Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Separation of positions of the Chairman and the Group Managing Director

We recognise that the roles of the Chairman and the Group Managing Director are distinct and separate with a clear division of responsibilities to ensure a balance of authority, increased accountability and a greater capacity for independent decision-making.

However, it has been the practice of the Group to combine the responsibility of the Chairman and the GMD due to his vast expertise experience and the in-depth industry knowledge that Dato' Choon Yee Seiong ("Dato' Choon") has of the business. The combination of Dato' Choon's role as Executive Chairman and GMD has over the years proven beneficial and appropriate for the Group. The Board has therefore agreed that the two roles of the Chairman and the GMD shall remain vested in Dato' Choon for business efficiency and effectiveness.

As the Chairman, Dato' Choon is pivotal in creating the conditions for overall Board and individual Director's effectiveness. His responsibility is to run the Board and set its agenda taking into account the issues and concerns of all Board members. He ensures Board Members receive accurate, timely and clear information about the Company's performance to enable the Board to make sound decisions, and encourages active engagement of all Board Members. He is responsible for the approval of all Group policies, ensuring they adhere to and conform to the highest standards. He also ensures the orderly conduct and management of the Board and Board Committees' performance. Dato' Choon is an effective Chairman who upholds the highest standards of integrity and provides coherent leadership that reflects the Company's vision and mission and a keen understanding of the needs of various stakeholders.

As the GMD, he is responsible for developing the Group's objectives and strategies for approval by the Board having regard to the Group's responsibilities to its various stakeholders. He recommends to the Board an annual budget and ensures its achievements following the Board's approval. Dato' Choon also implements the Board's directions, manages the day-to-day business operations, including chairing the Executive Committee and communicating its decisions and recommendations to the Board. His duties include driving the Group's performance and reviewing its operational results and strategic directions. He has the responsibility of identifying and executing new business opportunities. In summary, Dato' Choon has upheld his duties as the Chairman and the GMD respectively as separate and distinct roles with clear division of responsibilities.

Although the Executive Chairman is also the GMD, all decisions of the Board are based on the decision of the majority of the Board Members and matters are deliberated with active participation of the three (3) Independent Non-Executive Directors. Therefore, no individual Director dominates the decision-making process.

Nevertheless, functionally and for all intent and purpose, the responsibilities of the GMD are executed by delegating authority to designated Senior Management to ensure that division of responsibility and accountability in essence are separated. Further, all decisions on matters reserved for the Board are made after due deliberation by the Board and the Board Committees, where required.

The MCGG 2021 recommends that the majority of the Board members must comprise Independent Non-Executive Directors in the event that the Board Chairman is not an Independent Non-Executive Director. In spite of this, the Board is of the view that this recommendation is currently satisfied by the strong proactive participation of the Independent Non-Executive Directors expressing their impartial, independent opinions, without fear or favour on important issues that affect the Company and/or the interest of the various stakeholders.

Overview Statement on Corporate Governance (Cont'd)



CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Composition of the Board

Presently, the Board comprises three (3) Independent Non-Executive Directors and five (5) Executive Directors. This composition complies with Paragraph 15.02 of the MMLR of Bursa Securities which requires at least two (2) directors or one-third (1/3) of the Board, whichever is the higher, to be independent. However, this is a departure from Practice 5.2 of the Code which recommends that the Board of a listed Company should comprise 50% of Independent Non-Executive Directors. The higher number of Executive Directors to Independent Non-Executive Directors was reflective of the various stakeholders' interest which the Board will be looking into, going forward in relation to the needs of an efficient and effective Board. The profiles of the Directors are set out on pages 14 to 20 of this Annual Report.

3 Independent Non-Executive Directors

5 Executive Directors

The Executive Directors are primarily responsible for the day-to-day running of the Group's business, as well as implementing the policies and decisions of the Board. Cumulatively, the Executive Directors have a wealth of industry knowledge, expertise and experience, insights from different fields and expertise that includes retailing, merchandising, manufacturing, research and development. They each uphold different functions of the Company and contribute cohesively to the success and well-being of the Group.

The Independent Non-Executive Directors act independently of management, do not participate in any business dealings and are not involved in any other relationship with the Group that may impair their independent judgment and decision making. They provide a broader view and independent assessment to the Board's decision making process by acting as an effective check and balance.

Together, the five (5) Executive Directors and three (3) Independent Non-Executive Directors constitute a balanced Board and comprise professionals from various backgrounds with depth and breadth of experience, expertise and perspectives which add value to the Group. Given the diverse backgrounds, professional experience and wide mix of skills and gender of its members, the Board oversees the Group's operations effectively and efficiently.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Board Meetings and Time Commitments

The Board met six (6) times during the financial year ended 31 July 2023. Details of Directors' attendance are set out as follows:

Board of Directors	Date of Meetings						Total
	No. 1/2022/	No. 2/2022/	No. 3/2022/	No. 4/2022/	No. 5/2022/	No. 6/2022/	
	2023	2023	2023	2023	2023	2023	
	BODM	BODM	BODM	BODM	BODM	BODM	
	27/09/2022	27/10/2022	20/12/2022	21/03/2023	29/05/2023	30/06/2023	
Dato' Choon Yee Seiong (Executive Chairman & Group Managing Director)	✓	✓	✓	✓	✓	✓	6/6
Executive Directors:							
Cheong Teck Chong	✓	✓	✓	✓	✓	✓	6/6
Choon Nee Siew	✓	✓	✓	✓	✓	✓	6/6
Datin Hon Wee Fong	✓	✓	✓	✓	✓	✓	6/6
Choon Yee Bin	✓	✓	✓	✓	✓	✓	6/6
Independent Non-Executive Directors:							
Dato' Esther Tan Choon Hwa	✓	✓	✓	✓	✓	✓	6/6
Datin Ooi Swee Lian (Appointed on 2/6/23)	-	-	-	-	-	✓	1/1
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2/6/23)	-	-	-	-	-	✓	1/1
Fazrin Azwar Bin Md Nor (Resigned on 29/5/23)	✓	✓	✓	✓	✓	-	5/5
Datin Shirley Yue Shou How (Resigned on 29/5/23)	✓	✓	✓	✓	✓	-	5/5

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

The Board, via the NC, reviews the time commitment of the Directors annually and ensures that they can fulfill their responsibilities and contributions to the Board.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Board Meetings and Time Commitments (Cont'd)

The Directors also make familiarisation visits to existing stores and/or new locations from time to time and meet with senior management periodically to actively discuss the Group's financial and operational matters.

Continuing education programmes and training are provided to equip them with the relevant knowledge and skills to meet the prevailing business challenges. The Directors have devoted sufficient time to training courses.

Directors' Training

During the year, the Directors attended the following training programmes:

Directors	Date	Training	Organisor
Dato' Esther Tan Choon Hwa	17th Nov 2022	Zoom Conversation with AC with Bursa	Bursa
	30th Nov 2022	The Board Agende	Bursa
	14th Dec 2022	Malaysian Property Tax, Estates	CTIM
	25th May 2023	Advancing Cyber Resilience	ICDM
	6th June 2023	Advocacy dialogue "A serious allegation is reported, what should Board do"	ICDM
	15th June 2023	2023 Budget briefing	Deloitte
	25th July 2023 26th July 2023	SSM National Conference 2023	SSM
	17th Nov 2022	Zoom Conervation with AC with Bursa	Bursa
Puan Rohaiza Binti Mohamed Basir	11 May 2023 12 May 2023	MAP1	Bursa

Besides their individual training as listed above, the Board members are also briefed and updated by both the Company Secretary and External Auditors, whenever there are changes and developments relating to their respective scope and areas of specialisation. These briefings include subject matters in relation to Company law and regulations, corporate procedures, SSM requirements, BURSA's advisory on rules and regulations, BURSA listing requirements, Corporate Governance and new auditing standards under MFRS.

The Directors have been notified by the Company Secretary to attend Mandatory Accreditation Programme II before 1 August 2025.

Overview Statement on Corporate Governance (Cont'd)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is committed to provide a balanced, clear and comprehensive assessment of the Group's financial position and prospects by making sure that the financial statements and quarterly result announcements are prepared in accordance with the provisions of the Companies Act 2016, Malaysian Financial Reporting Standards (MFRS) and International Financial Reporting Standards.

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

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

The activities of the AC in terms of financial reporting and how the AC discharged its oversight role are cross-referenced to the AC Report on pages 88 and 92 of the Annual Report.

Statement on Directors' Responsibility

In reviewing all the published annual and quarterly financial statements during the financial year ended 31 July 2023, the Directors took due care and reasonable steps to ensure compliance with the applicable accounting standards in all material aspects. For this purpose, the Directors are updated and briefed by the external auditors on the current accounting practices, new MFRS and amendments/improvements to MFRS that have been issued but are yet to be effective.

A statement made by the Directors on their responsibilities for preparing the financial statements is set out under the Statement on Directors' Responsibility on page 105 of this Annual Report.

Relationship with External Auditors

The Board maintains a transparent and professional relationship with the Group's external auditors through the AC.

The criteria for the external auditors' assessment include quality of services, sufficiency of resources, communication and interaction, audit planning, independence, objectivity and professional skepticism. In determining the independence of the external auditors, the AC reviewed and assessed all aspects of their relationships with them including the processes, policies and safeguards adopted by the Group and the external auditors relating to audit independence. The AC also reviewed and assessed the external auditor's performance and independence.

Overview Statement on Corporate Governance (Cont'd)

ACCOUNTABILITY AND AUDIT (CONT'D)

Statement on Directors' Responsibility

The Group's external auditors are invited to attend the AC meetings on a quarterly basis. Copies of the internal audit report are given to the external auditors at the meeting for their comments and notation. The AC meets the external auditors to review the scope and adequacy of the audit process, updates on the financial reporting standards, the financial statements and their audit findings.

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

The AC also met with the external auditors without the presence of the EDs two (2) times on 26 September 2022 and 21 June 2023.

The Audit Oversight Board requires that the engagement partner involved in the external audit should not remain in a key audit role beyond five (5) years and cannot be re-engaged to play a significant role in the audit of the Company for at least another two (2) successive years. The external auditors have declared their independence to the Group and their compliance with current By-Laws (on professional ethics, conduct and practice) of the Malaysian Institute of Accountants – Section 290.

Risk Management and Internal Control

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

The risk management and internal control covers the financial and non-financial aspects including risks assessment. It also encompasses compliance and operational controls, as well as risks management matters. The Group has formalised Standard Operating Procedures which take into consideration the adequacy and integrity of the system of internal control. It is subject to audit by the Internal Auditors and review by the Executive Committee and endorsed by the AC and subsequently approved by the Board.

Dato' Choon and the Group Accountant, Mr. Koh Sze Haw, assure the Board that appropriate risks and internal controls are in place.

In addition to Standard Operating Procedures, the Group has a formalised Whistle Blowing Policy and established a risk management framework to identify, evaluate and manage key risks that may affect the achievement of the business objectives of the Group.

Internal Audit Function

The Group's internal audit function is carried out by the Company's in-house internal audit department using a risk-based approach to assist the AC and Board in providing independent assessment and assurance on the adequacy, efficiency and effectiveness of the Group's internal control system.

Details of the Company's internal control processes are set out in the Statement on Risk Management and Internal Control in this Annual Report. The total cost of the internal audit function for the financial year ended 31 July 2023 amounted to RM861,382.

Overview Statement on Corporate Governance (Cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS



Corporate Disclosure Policy

The Board has ensured a timely disclosure of material information pertaining to the Company's performance and operations to the public, in accordance with the disclosure requirements under the MMLR and other applicable laws. It has formalised a written Corporate Disclosure Policy for the Group, a copy of which is available on the Company's website at www.pohkong.com.my.

Leveraging on Information Technology for Effective Dissemination of Information

The Board has established a dedicated section on the Company's website for corporate information on the Company's announcements, financial information, annual reports, quarterly reports, dividend paid, share prices and analysts' reports which can be accessed. The website is the key communication channel for the Company to reach its shareholders and the general public.

The interactive IR section on the website at www.pohkong.com.my enhances the IR function and includes a corporate newsroom investment calculator of stocks, and a mechanism for enquiries. Shareholders and the general public may direct their enquiries via "Information Request" and the Company's IR contact will endeavor to reply to their queries. Shareholders can also access historical data and stocks chart information by clicking on the subject matter on the website.

There is also a section focusing on corporate governance that includes the Company's Statement on Corporate Governance, Terms of Reference of the Board Committees, Board Charter that contains the Whistle Blowing Policy, Code of Conduct and Ethics, Sustainability Statement, Anti-Bribery and Corruption Policy and various corporate governance initiatives.

Encourage Shareholder Participation at General Meeting

The Code recommends at least 28 days' notice be given to shareholders. The Company has complied with the Code by despatching its notice of 20th AGM and Annual Report and related papers to shareholders on 22 November 2022, a total of 48 days before the date of the AGM on 9 January 2023 to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed.

During the AGM, the Executive Chairman, through his welcoming speech, provided shareholders with a brief overview of the financial year's performance and operations of the Company.

The Board of Directors' reply to the Minority Shareholders Watch Group ("MSWG") is read out during the AGM.

Overview Statement on Corporate Governance (Cont'd)

Encourage Shareholder Participation at General Meeting (Cont'd)

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

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

The 21st AGM of the Company which will be conducted virtually with the Broadcast Venue at No 16-20, Jalan 52/4, 46200 Petaling Jaya, Selangor on 30 January 2024.

21st Annual General Meeting
No 16-20, Jalan 52/4, 46200 Petaling Jaya, Selangor.



As part of safety and precautionary measures, the Board has, even though the Covid-19 is endemic, decided to convene the 21st AGM entirely through live streaming and online participation and voting via Remote Participation and Voting Facilities ("RRV")

Shareholder, proxies, attorneys or authorised representatives will not be allowed to attend the 21st AGM in person at the Broadcast Venue which is at No 16-20, Jalan 52/4, 46200 Petaling Jaya, Selangor on the day of the meeting, but eligible shareholders, proxies, attorneys and authorised representatives ("collectively referred to as shareholders hereafter") will be able to attend via Remote Participation and Voting Facilities ("RPV") at the Boardroom Share Registrars online website, including exercising their rights to speak and vote. Shareholders will be provided with a dedicated contact number and/or email to submit queries or request for technical assistance to participate in the fully virtual 21st AGM. Questions or remarks posted by shareholders during the 21st AGM will be meaningfully responded to by the Board, and such questions and remarks will be made visible to all the participants. All the resolutions will be tabled at the 21st AGM.

The meeting proceedings and resolutions passed at the 21st AGM will be properly recorded and minuted. A summary of the key matters discussed will be posted on the Company's website at www.pohkong.com.my. All the resolutions tabled at the AGM will be voted on by poll. Voting will commence as soon as the 21st AGM starts and will end with the Chairman's announcement that the voting is closed. The Scrutineer will verify the poll results before handing them to the Chairman to declare whether the resolutions have been passed and carried.

Poll Voting

The MMLR requires any resolution set out in the notice of any general meeting (including any addendum, errata or amendment to the earlier notice of general meeting) or notice of resolution be voted by poll. Hence, all the resolutions as set out in the notice of the Company's forthcoming 21st AGM will be voted by poll.

Overview Statement on Corporate Governance (Cont'd)

Effective Communication and Proactive Engagement

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

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

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

COMPLIANCE STATEMENT

The Board is of the view that the Group is generally in compliance with the Principles and Recommendations of the MCCG 2021. Where a specific Recommendation of the MCCG 2021 has not been observed during the financial period under review, the non-observance has been explained and the reasons thereof have been included in this Statement.

This Statement was made in accordance with a resolution of the Board dated 31 October 2023.



Audit Committee Report

1. COMPOSITION

The Audit Committee ("AC") comprises three (3) members, all of whom are Independent Directors appointed by the Board of Directors. All members of the AC have extensive experience and a wide range of the knowledge and skills necessary in discharging their roles and responsibilities. The AC Chairperson is a member of the Malaysian Institute of Accountants ("MIA").

The AC comprises the following:-

Name	Position
Dato' Esther Tan Choon Hwa	Chairperson, Senior Independent Non-Executive Director
Datin Amy Ooi Swee Lian (Appointed on 2 June 2023)	Independent Non-Executive Director
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2 June 2023)	Independent Non-Executive Director
Encik Fazrin Azwar Bin Md Nor (Resigned on 29 May 2023)	Independent Non-Executive Director
Datin Shirley Yue Shou How (Resigned on 29 May 2023)	Independent Non-Executive Director

2. TERMS OF REFERENCE

The AC's key function is to review the adequacy and effectiveness of internal control and governance systems of the Group and present its findings to the Board. The Board-approved Terms of Reference, including the roles and responsibilities of the AC are available in the investors' section of the Company's website at www.pohkong.com.my.

3. INTERNAL AUDIT FUNCTION

The Internal Audit ("IA") Function is performed in-house by the Group Internal Audit Function which is independent of the Group's business operation. In order to maintain its independence and objectivity, the Internal Audit Function has no operational responsibility and authority over the activities it audits. The IA function is performed impartially, effectively and professionally and is carried out in accordance with the International Professional Practices Framework ("IPPF").

The Head of the IA Function is Ms. Chua Hooi Beng, the IA Manager who is a Fellow member of Malaysian Institute of Accountants ("MIA"), Association of Chartered Certified Accountant ("ACCA"), Institute of Internal Auditors ("IIA") and Certified Internal Auditors ("CIA"). She is assisted by 10 Senior Internal Auditors and Executives.

The total cost incurred for the Internal Audit function in respect of the FYE 2023 amounted to RM861,382 (FYE 2022: RM1,007,220) which covered the running cost of an in-house Internal Audit Department.

Audit Committee Report (Cont'd)

3. INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Audit Function has a functional reporting line to the AC Chairperson and reports directly to the AC Chairperson. The Audit Committee regularly reviews and appraises the Group's key operations to ensure that key risks and control concerns are effectively managed and addressed.

The Internal Audit Function provides independent and reasonable assurance to improve the operations of the Company. Its primary role is to examine and evaluate the adequacy, integrity and effectiveness of the Company's overall system of internal control, risk management and governance. It also assists the Board of Directors and Management amongst others, to review the Group's compliance with the best practices recommended by the Malaysian Code on Corporate Governance 2021 and with the Group's standard of operations ("SOP").

Internal Audit assignments are carried out based on the annual Audit Plan which is approved by the AC based on the prevailing business and environmental risks.

The Internal Audit function carries out internal audits on the outlets' compliance with the Group's SOP and IT related SOP issues.

During the year, Internal Audit function also conducted AMLA (Anti-Money Laundering and Anti-Terrorism Financing) SOP audit.

In addition, the Internal Audit Function reviews related party transactions to ensure that the compliance procedures established to monitor the related party transactions have complied with the Main Market Listing Requirements of Bursa Securities ("MMLR") in relation to disclosure, announcement and shareholders' approval, where applicable.

For each audit, a systematic methodology is adopted, which primarily includes performing risk assessment, developing audit planning memorandum, conducting audit, convening exit meeting and finalising the audit reports. The internal audit reports detail the objectives, scope of audit work, findings, management responses and auditors recommendations and ensure that these are distributed to the responsible parties in a timely manner.

During the year, a summary of the internal audit reports incorporating findings, recommendation and Management's remedial actions, was issued to the AC on a quarterly basis.

All audit findings were highlighted to the relevant Management team members responsible for ensuring that corrective actions according to the recommendations of the Internal Auditors on reported weaknesses had been implemented within the required timeframe.



Audit Committee Report (Cont'd)

4. ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR

During the financial year, the activities of the AC included the following:-

Financial Reporting

Reviewed and discussed the quarterly and year-end financial results of the Group particularly before the approval of the Board of Directors, focusing on:

- Compliance with accounting standards and other legal requirements;
- Changes in or implementation of major accounting policy changes;
- Significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions and how these matters are addressed prior to recommending of them to the Board of Directors for approval and subsequent release to the Bursa Securities.

Internal Audit

- Reviewed the Quarterly Internal Audit Reports, the Internal Auditors' findings and recommendations, the responses from Management and the reports of the follow-up audit in respect of compliance and actions taken to implement the recommendations.
- Reviewed and approved the Internal Audit Plan for the year 2023/2024 taking into account the number of outlets, the nature of the Group's business and the Group's budget, the processes to be audited ("Standard of Operation ("SOP") Audit, AMLA (Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2016), SOP Audit and SOP Non-Compliance Audit).
- Reviewed the results of the internal audit assessments, investigation of the audit of SOP non-compliant outlets and determined whether or not appropriate action has been taken based on the recommendations.
- Reviewed the adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.
- Reviewed the status of the on-going modular digitalisation of the internal audit function and the timeline to achieve this.
- Reviewed any related party transactions and conflict of interest situation that may arise within the Company and the Group including any transaction or procedure or course of conduct that raises questions of management integrity including ascertaining that the compliance and disclosure procedures established by the Group to monitor whether the related party transactions have complied with the MMLR and that all the Directors and related parties are aware and are in accordance with the related party transactions policies and procedures of the Group.

The internal audits conducted during the FYE 2023 did not reveal any material weaknesses which would result in material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

Audit Committee Report (Cont'd)

4. ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR (CONT'D)

External Audit

- Reviewed the External Auditors' Audit Plan in relation to:
 - Audit strategy
 - Scope of work
 - Plan of the External Auditors
 - Independence of the External Auditors
 - Consideration of fraud in audited financial statements
 - Related party disclosures procedure
 - Audit process
 - Risk assessment and audit approach
 - Engagement team
 - Proposed audit fee
- Reviewed the External Auditors' Audit Committee Memorandum in relation to their ongoing status of the statements of the Company, their findings thereto, confirmation of their independence as External Auditors, fraud related matters and laws and regulations, related party transactions, , Significant Audit Findings, Potential Key Audit Matters, Matters for Control Improvement, Significant Outstanding Matters, Uncorrected Misstatements, Accounting Developments and Other Information included in the Annual Report.
- Reviewed the assistance given by the employees of the Group to the External Auditors
- Met with the External Auditors two (2) times during the Financial Year without the presence of the Executive Directors and the Management



Related Party Transactions

Reviewed the related party transactions with the Internal Auditors on a quarterly basis and also the internal audit reports to ensure that the disclosure procedures established to monitor the related party transactions had been complied with.

Audit Committee Report (Cont'd)

5. ATTENDANCE

The AC convened five (5) meetings during the financial year ended 31 July 2023. The details of meeting attendance are set out below:

Audit Committees	Date of Meetings					Total
	No.1/2022	No.2/2022	No.3/2022	No.4/2022	No.5/2022	
	/2023 ACM	/2023 ACM	/2023 ACM	/2023 ACM	/2023 ACM	
	26/9/2022	26/10/2022	19/12/2022	15/3/2023	21/6/2023	
Dato' Esther Tan Choon Hwa	✓	✓	✓	✓	✓	5/5
Datin Amy Ooi Swee Lian (Appointed on 2 June 23)	-	-	-	-	✓	1/1
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2 June 23)	-	-	-	-	✓	1/1
Datin Shirley Yue Shou How (Resigned on 29 May 2023)	✓	✓	✓	✓	-	4/4
Fazrin Azwar Bin Md Nor (Resigned on 29 May 2023)	✓	✓	✓	✓	-	4/4

This Report was made in accordance with a resolution of the Board dated 31 October 2023.



Nomination Committee Statement

1. COMPOSITION

The Nomination Committee ("NC") comprises three (3) Independent Directors and is chaired by an Independent Director. Practice 5.8 of the Code applied.

The members of NC are as follows:-

Name	Position
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2 June 2023)	Chairperson, Independent Non-Executive Director
Dato' Esther Tan Choon Hwa	Senior Independent Non-Executive Director
Datin Amy Ooi Swee Lian (Appointed on 2 June 2023)	Independent Non-Executive Director
Encik Fazrin Azwar Bin Md Nor (Resigned on 29 May 2023)	Independent Non-Executive Director
Datin Shirley Yue Shou How (Resigned on 29 May 2023)	Independent Non-Executive Director

2. TERMS OF REFERENCE

The Terms of Reference of the NC can be found in the investors' section of the Company's website at www.pohkong.com.my.

3. ATTENDANCE AT NC MEETINGS

The NC met two (2) times during the financial year.

Audit Committees	Date of Meetings		Total
	No. 1/2022 /2023 NCM 1/12/2022	No. 2/2022 /2023 NCM 29/5/2023	
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2/6/23)	-	-	-
Dato' Esther Tan Choon Hwa	✓	✓	2/2
Datin Amy Ooi Swee Lian (Appointed on 2/6/23)	-	-	-
Encik Fazrin Azwar Bin Md Nor (Resigend on 29/5/23)	✓	✓	2/2
Datin Shirley Yue Shou How (Resigend on 29/5/23)	✓	✓	2/2

Nomination Committee Statement (Cont'd)

4. ACTIVITIES OF THE NC FOR THE FINANCIAL YEAR

The NC carried out the following activities during the FYE 2023:

- Conducted via questionnaires the evaluation of performance of Directors and Key Officers, Board and Board Committees, Audit Committee as a whole and the Audit Committee Members, Internal Audit Function, External Audit Function and External Auditors' performance and independence, and subsequently reviewed the summary of the aforesaid evaluation of performance and reported to the Board the outcome and recommended actions to be approved by the Board, where appropriate. The evaluation of performance also confirmed that each of the Directors has the character, experience, integrity competence and time to effectively discharge its role as a director of the Company.
- Considered and recommended the re-election of the following Directors in accordance with Clause 92 of the Company's Constitution.

	Mr Cheong Teck Chong	Clause 100
	Datin Jennifer Hon Wee Fong	Clause 100
	Datin Amy Ooi Swee Lian	Clause 106
	Rohaiza Binti Tan Sri Mohamed Basir	Clause 106

Datin Amy Ooi Swee Lian ("Datin Amy") and Puan Rohaiza Binti Tan Sri Mohamed Basir ("Puan Rohaiza") had abstained from the deliberation and decision made regarding their re-election as Directors of the Company.

On the grounds that they are fit and proper to be re-elected as Directors of the Company. Datin Amy and Puan Rohaiza had also met with the Independence criteria as set out in the Main Market Listing Requirements ("MMLR").

- Considered and recommended the re-appointment of Dato' Esher Tan Choon Hwa whose tenure as Independent Director has exceeded nine (9) years Dato' Esher Tan Choon Hwa had abstained from the deliberation and decision made regarding her re-appoint as Independent Director.
- Reviewed and assessed the character, experience, integrity, competence and time commitment of the Group Accountant and found that he had effectively discharged his role pursuant to Paragraph 2.20A of the MMLR.
- Carried out an annual review of the Terms of Reference of the NC and recommended it to remain unchanged.
- Reviewed the Succession Plan of the Directors and noted that it is in place with the second liners already attending many Board meetings by invitation and ensuring that they are exposed to various job scopes and experiences.
- Reviewed the training needs and the training budgets for Directors and recommended more in-house training for the Directors' continuous education in order to enhance their financial knowledge and skills, and to enable them to keep abreast with the relevant developments in Malaysian Business Reporting Standards and to maintain a sound understanding of the Company's business.

Nomination Committee Statement (Cont'd)

4. ACTIVITIES OF THE NC FOR THE FINANCIAL YEAR

- Reviewed the selection process of the Board to ensure that the Board recruits and retains the best available talents as Executive Directors and Independent Directors.
- Reviewed the Diversity Policy and confirmed that the Company has a gender policy which requires at least 30% of the board of directors to be women directors. For the FYE 2023, 62.50% of the Board of Directors of the Company comprise women directors. This board composition even exceeded Practice 4.5 recommendation for Large Companies to have at least 30% women directors.
- Reviewed the extension of employment contract of an Executive Director of the Company and recommended the subject matter for the Board's consideration.
- Reviewed the Board size and composition of the Board, and found them to be appropriate.

This report was made in accordance with a resolution of the Board dated 31 October 2023.



Statement On Risk Management And Internal Control

INTRODUCTION

IN ACCORDANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 ("MCCG"), THE BOARD OF DIRECTORS ("THE BOARD") OF POH KONG HOLDINGS BERHAD ("PKHB") IS PLEASED TO PRESENT THE NATURE AND SCOPE OF RISK MANAGEMENT AND INTERNAL CONTROL OF THE GROUP'S OPERATIONS FOR FYE 2023.

BOARD RESPONSIBILITY

The Board recognises its responsibilities over the Group's system of internal controls, covering all its financial and operating activities to safeguard shareholders' investments and the Group's assets. The Board has a comprehensive internal control system which identifies, evaluates and manages significant risks encountered by the Group.

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

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

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

RISK MANAGEMENT FRAMEWORK

The Board has established the Enterprise Risk Management ("ERM") framework to identify, measure and manage the principal risks that may impede the achievement of the Group's business objectives.

The key features of the ERM framework are as follows:-



It outlines the ERM methodology on the identification of key business risks through a structured approach and to determine if controls are in place in mitigating the risks identified.



It establishes guidelines to enable the Management to prioritise the risks and allocation of resources to manage the risks.

The Board is supported by the RMC, headed by an Independent Director as the Chairman, in reviewing the risk management efforts within the Group. The RMC comprises the Group Managing Director, one Executive Director and three Independent Directors to ensure that the risk management and control framework is embedded into the culture, processes and structure of the Group.

Statement On Risk Management And Internal Control (Cont'd)

RISK MANAGEMENT FRAMEWORK

The key aspects of the risk management process:-



Business/Operations/Departmental Heads are accountable for all risks assumed under their respective areas of responsibility. They undertake to update their risk profiles on a regular basis and incorporate any new risk factor, review the risk profiles, ratings and update the management action plans.



The RMC shall review the updated Risk Register and evaluate the effectiveness of action plans in mitigating the risks identified.



The RMC meets periodically to discuss principal business risks in critical areas, assess the likelihood and impact of material exposures and determine its corresponding risk mitigation measures.



The RMC Chairman shall update the Board on the key risk related issues and shall report on the status of the risk management and measures taken to mitigate all the risks.

The Board is ultimately fully responsible for the risk management of the Group and holds regular meetings to review and approve business strategies, risk management policies and business performance.

The RMC's key function is to review the adequacy and effectiveness of risk management of the Group. It is responsible for identifying the key potential risks of all operating units within the Group. Identified risks and the management action plans to mitigate these risks are reported to the Board to ensure that the risk policies and procedures are aligned to the Group's business strategies. It also reviews the framework for risk identification, measurement, monitoring and control on a regular basis to ensure it remains effective and relevant.

Statement On Risk Management And Internal Control (Cont'd)

RISK MANAGEMENT FRAMEWORK (CONT'D)

Risk Management And Internal Control System

The Board is responsible for managing the key business risks of the Group and implementing an appropriate internal control system to manage those risks. The Board reviewed the adequacy and effectiveness of the system of internal control during the year under review.

Key elements of the Group's Risk Management and System of Internal Control are as follows:-

- The organisational structure of the Group formally defines lines of responsibility and delegation of authority for all aspects of the Group's affairs. Senior management and business unit managers review operational performance, as well as business plans and strategic measures in Divisional Heads and Branch Managers meetings.
- The Board approves the annual budget, reviews key business indicators and monitors the achievements of the Group's performance on a quarterly basis.
- The authorisation limits and approvals authority threshold of the Group encompasses internal control procedures. These procedures are subject to review by the Management to incorporate changing business risks and operational efficiency.
- The AC is responsible for reviewing the statutory annual financial statements and the quarterly report announcements, and recommending them to the Board for approval prior to submission to Bursa Malaysia Securities Berhad.
- The Internal Audit Department periodically audits the effectiveness and evaluates the proper functioning of the Internal Control System to ascertain compliance with the control procedures and policies of the Group. The Head of Internal Audit reports to the AC on a quarterly basis.
- Project teams are set up from time to time to address business and operational issues to meet the business objectives and operational requirements of the Group.
- The Risk Management Working Group Committee has been established to review the risk management processes with the business operating units, including risk identification, assessment, mitigation and monitoring.

All the above-mentioned processes have been in place and provide reasonable assurance on the effectiveness of the Risk Management and Internal Control Systems.

Statement On Risk Management And Internal Control (Cont'd)

RISK MANAGEMENT FRAMEWORK (CONT'D)

Composition Of RMC

The RMC comprises the following members:-

Name	Position
Datin Amy Ooi Swee Lian (Appointed on 2 June 2023)	Chairperson, Independent Non- Executive Director
Dato' Esther Tan Choon Hwa	Senior Independent Non-Executive Director
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2 June 2023)	Independent Non-Executive Director
Dato' Choon Yee Seiong	Executive Chairman & Group Managing Director
Mr Cheong Teck Chong	Executive Director
Encik Fazrin Azwar Bin Md Nor (Resigned on 29 May 2023)	Independent Non-Executive Director
Datin Shirley Yue Shou How (Resigned on 29 May 2023)	Independent Non-Executive Director

During the financial year ended 31 July 2023, a total of two (2) meetings were held. Details of the attendance were as follows:-

Risk Management Committee	Dates of Meetings		Total
	No. 1/2022/2023 RMCM 1/12/2022	No. 2/2021/2023 RMCM 17/5/2023	
Datin Amy Ooi Swee Lian (Appointed on 2 June 2023)	-	-	-
Dato' Esther Tan Choon Hwa	✓	✓	2/2
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2 June 2023)	-	-	-
Dato' Choon Yee Seiong	✓	✓	2/2
Mr Cheong Teck Chong	✓	✓	2/2
Encik Fazrin Azwar Bin Md Nor (Resigned on 29 May 2023)	✓	✓	2/2
Datin Shirley Yue Shou How (Resigned on 29 May 2023)	✓	✓	2/2

Statement On Risk Management And Internal Control (Cont'd)

KEY INTERNAL CONTROL PROCESSES

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

Control Environment



Organisation Structure and Authorisation Procedures

The Group maintains formal and structured lines of reporting that include a clear definition of responsibilities and delegation of authority. It sets out the roles and responsibilities, reviews and approves procedures to enhance the Internal Control system of the Group's various operations. Limits of authority are imposed for capital expenditure for all operating units to keep potential exposure under control. Capital expenditure, acquisition and disposal of investments are duly approved by the Board before they are carried out.



Annual Budget

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



Active Involvement by Executive Directors

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



Policies and Procedures

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

Statement On Risk Management And Internal Control (Cont'd)

KEY INTERNAL CONTROL PROCESSES (CONT'D)

Control Environment (Cont'd)



Trained Personnel

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



Board Committees

The Board is supported by several Committees, namely the Audit Committee, Nomination Committee, Risk Management Committee and Remuneration Committee. Each Committee has clearly defined terms of reference, outlining their functions and duties as delegated by the Board. The Board Committees assist the Board to review the effectiveness of the on-going monitoring processes on risk and control matters for areas within their scope of work.



Code of Conduct

A Code of Conduct has been established for all employees, outlining the acceptable business behaviour and conduct, and provides guidance on how to demonstrate a culture of excellence while performing their duties. The Code of Conduct is available on the Company's website at www.pohkong.com.my.



Insurance

Sufficient insurance coverage on major assets classes is in place to ensure the Group's assets are adequately covered against risks that can result in material losses. The assets are insured at "replacement cost" and reviewed regularly to ensure adequate insurance coverage to protect the Group from potential claims and loss.



Whistle Blowing Policy

The Whistle Blowing Policy was established to provide employees with an accessible avenue to report fraud, corruption, dishonest practices or other similar matters.

The aim of this policy is to promote and encourage the reporting of such matters in good faith with the confidence that the staff making such reports will be protected from any retaliation in the form of dismissal, harassment or discrimination at work, or any action in court, in respect of disclosure made by the whistle blower to the regulators.

Statement On Risk Management And Internal Control (Cont'd)

KEY INTERNAL CONTROL PROCESSES (CONT'D)

Internal Audit Function

The Internal Audit Department independently reviews the risk identification procedures and control processes implemented by the Management, conducts audits to review critical areas of the Group's operations, and reports to the AC on a quarterly basis.

The Internal Audit Department also conducts internal control reviews on key activities of the Group's business on the basis of an annual internal audit plan that is presented and approved by the AC.

The Group internal audit function is carried out by the in-house internal audit department to assist the AC and the Board in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system.

During FYE 2023, the majority of branches were audited and observed the interim and annual stock-take process by the Internal Audit Function in accordance with the internal audit plans approved by the AC. The internal audit reviews and recommendations for improvement were presented to the AC at their quarterly meetings.

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

Information and Communication

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

Monitoring and Review

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

WEAKNESSES IN INTERNAL CONTROLS

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

Statement On Risk Management And Internal Control (Cont'd)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 July 2023. Their engagement was performed in accordance with the Audit and Assurance Practice Guide 3 issued by the Malaysian Institute of Accountants which does not require the auditors to form an opinion on the adequacy and effectiveness of the Group's Risk Management and Internal Control System. Based on the procedures performed, the external auditor has reported to the Board that nothing has come to their attention that causes them to believe this Statement is not prepared in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the "Statement on Risk Management and Internal Control : Guideline for Directors of Listed Issuers" nor is the same factually inaccurate.

CONCLUSION

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

The Board is aware of the need to have in place a formalised risk management and internal control framework to safeguard shareholders' investments, interest of the customers, regulators, employees and the Groups assets. The processes as outlined in the Statement on Risk Management and Internal Control for identifying, evaluating and managing risks have been in place for the year under review.

This Statement was made in accordance with a resolution of the Board dated 31 October 2023.



Other Compliance Information

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad:

1) Utilisation of Proceeds

No proceeds were raised by the Company during the financial year ended 31 July 2023 ("financial year").

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, warrants or convertible securities issued to any parties during the financial year.

4) Depository Receipt Programme

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

5) Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory authorities during the financial year.

6) Non-Audit Fees

Non-audit fees amounting to RM87,400 were paid to the External Auditors for tax advisory services in respect of transfer pricing assignment, agreed-upon procedures on the examination of the annual audit sales report, and agreed-upon procedures on examination of renovation and refurbishment costs in relation to Income Tax (Costs of Renovation and Refurbishment of Business Premise) Rules 2020 during the financial year.

7) Variation in Results

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

8) Profit Guarantee

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

9) Material Contracts

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

10) Recurrent Related-Party Transactions

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 36 to the Financial Statements.

Statement on Directors' Responsibility

The Companies Act 2016 ("the Act") 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 Group and of the Company 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 Group and of the Company for the period then ended. As required by the Act and the Listing Requirements of Bursa Securities, the financial statements have been prepared in accordance with the applicable Financial Reporting Standards in Malaysia and the provisions of the Act.

In preparing the financial statements for the year ended 31 July 2023, the Directors have:



adopted suitable accounting policies and applied them consistently



made judgments and estimates that are reasonable and prudent



ensured applicable Financial Reporting Standards have been followed



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 of the Company and, hence, for taking reasonable steps in the prevention and detection of fraud and other irregularities.

This Statement was made in accordance with a resolution of the Board dated 31 October 2023.

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Directors' Report

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of management services, distributor and supplier of jewellery, precious stones, semi-precious stones and gold ornaments. The principal activities of the subsidiaries are disclosed 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 financial year, net of tax	78,440,793	40,014,346
Attributable to:		
Owners of the Company	78,440,793	40,014,346

DIVIDENDS

The amount of dividends declared and paid by the Company since the end of the previous financial year was as follows:

	RM
Single tier final dividend of 1.30 sen on 410,351,752 ordinary shares in respect of the financial year ended 31 July 2022, paid on 10 March 2023	5,334,573

At the forthcoming Annual General Meeting, a single tier final dividend of 2.00 sen on 410,351,752 ordinary shares amounting to RM8,207,035 in respect of the current financial year, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 July 2024.

Directors' Report (Cont'd)

RESERVES OR PROVISIONS

There were no material transfer to or from reserves or provisions during the financial year, other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that no allowance need to be made for doubtful debts.

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

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

Directors' Report (Cont'd)

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) 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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the financial year are RM369,300 and RM71,900 respectively.

The Company has agreed to indemnify the auditors of the Company up to RM369,300 as permitted under Section 289 of the Companies Act 2016 in Malaysia.

DIRECTORS OF THE COMPANY

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Choon Yee Seiong*

Cheong Teck Chong*

Choon Nee Siew*

Datin Hon Wee Fong*

Choon Yee Bin*

Dato' Esther Tan Choon Hwa

Datin Ooi Swee Lian

Rohaiza Binti Mohamed Basir

Fazrin Azwar Bin Md. Nor

Datin Shirley Yue Shou How

(Appointed on 2 June 2023)

(Appointed on 2 June 2023)

(Resigned on 29 May 2023)

(Resigned on 29 May 2023)

* Directors of the Company and certain subsidiaries

Directors' Report (Cont'd)

DIRECTORS OF THE SUBSIDIARIES OF THE COMPANY

Other than as stated above, the names of the directors of the subsidiaries of the Company during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Choon Yoke Ying
Choon Wan Joo
Mohd Annuar Choon Bin Abdullah
Siow Der Ming
Chang Kwong Him
Ong Han Woon

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

		Number of ordinary shares			
		At 1 August 2022	Bought	Sold	At 31 July 2023
The Company					
Poh Kong Holdings Berhad					
Direct interests:					
Dato' Choon Yee Seiong		11,600,246	-	-	11,600,246
Cheong Teck Chong		2,328	-	-	2,328
Choon Nee Siew		1,362,242	-	(100,000)	1,262,242
Choon Yee Bin		30	-	-	30
Datin Hon Wee Fong		903,310	-	-	903,310
Indirect interests:					
Dato' Choon Yee Seiong	(i)	245,264,528	-	(303,600)	244,960,928
Cheong Teck Chong	(ii)	239,411,898	41,000	-	239,452,898
Choon Nee Siew	(ii)	254,300,622	-	(150,000)	254,150,622
Choon Yee Bin	(i)	255,700,334	-	(250,000)	255,450,334
Datin Hon Wee Fong	(i)	251,218,944	-	(400)	251,218,544
Rohaiza Binti Mohamed Basir	(iii)	35,000	-	-	35,000

Directors' Report (Cont'd)

DIRECTORS' INTERESTS (CONT'D)

	Number of ordinary shares		
	At 1 August 2022	Bought	Sold
Holding company Poh Kong Sdn. Bhd.			
<i>Direct interests:</i>			
Dato' Choon Yee Seiong	38,648,796	-	-
Cheong Teck Chong	20,021,228	-	-
Choon Nee Siew	16,861,008	-	-
Choon Yee Bin	3,000,000	-	-
Datin Hon Wee Fong	5,135,687	-	-

- (i) Held by spouse and persons connected to the director and holding company.
(ii) Held by persons connected to the director and holding company.
(iii) Held by spouse

By virtue of their interests in the ordinary shares in the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Choon Yee Seiong, Cheong Teck Chong, Choon Nee Siew, Choon Yee Bin and Datin Hon Wee Fong are deemed to have an interest in shares in the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown below) 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.

The directors' benefits of the Group and of the Company are as follows:

	Group 2023 RM	Company 2023 RM
Directors of the Company:		
Short-term employment benefits	10,709,401	5,150,512
Post employment benefits	604,605	278,156
Benefits-in-kind	87,817	20,000
	11,401,823	5,448,668

Directors' Report (Cont'd)

DIRECTORS' BENEFITS (CONT'D)

The directors' benefits of the Group and of the Company are as follows: (Cont'd)

	Group 2023 RM
Directors of the subsidiaries:	
Short-term employment benefits	3,747,879
Post employment benefits	127,248
	3,875,127

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the 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.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, no indemnity given to or insurance effected for any director or officer of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

Other than those subsidiaries without auditors' reports as disclosed in Note 8 to the financial statements, the auditors' reports on the accounts of the remaining subsidiaries did not contain any qualification.

HOLDING COMPANY

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

AUDITORS

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

Directors' Report (Cont'd)

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

DATO' CHOON YEE SEIONG

Director

CHEONG TECK CHONG

Director

Date: 31 October 2023

Statements of Financial Position

as at 31 July 2023

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	89,804,608	87,171,145	1,904,887	1,896,441
Right-of-use assets	6	67,806,508	61,506,925	597,247	269,228
Investment properties	7	18,033,621	10,487,486	-	-
Investment in subsidiaries	8	-	-	165,418,282	154,107,264
Investment in an associate	9	7,921,790	7,894,611	-	-
Club memberships	10	228,000	228,000	-	-
Goodwill on consolidation	11	1,485,140	1,485,140	-	-
Deferred tax assets	12	16,468,788	16,696,123	7,598,332	10,391,164
Total non-current assets		201,748,455	185,469,430	175,518,748	166,664,097
Current assets					
Inventories	13	755,149,382	643,905,688	26,299,179	26,685,965
Current tax assets		841,052	841,878	31,742	19,823
Trade and other receivables	14	3,928,472	8,028,106	62,509,514	37,919,409
Deposits and prepayments	15	11,243,714	10,091,101	433,998	274,583
Amount due by subsidiaries	16	-	-	102,687,510	103,655,750
Fixed deposits placed with licensed banks	17	13,793,933	15,503,045	-	-
Cash and bank balances		14,437,058	18,958,760	883,845	2,323,665
Total current assets		799,393,611	697,328,578	192,845,788	170,879,195
TOTAL ASSETS		1,001,142,066	882,798,008	368,364,536	337,543,292

Statements of Financial Position (Cont'd)

as at 31 July 2023

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	18	205,175,876	205,175,876	205,175,876	205,175,876
Reserves	19	556,756,606	481,374,016	96,147,581	61,467,808
TOTAL EQUITY		761,932,482	686,549,892	301,323,457	266,643,684
Non-current liabilities					
Loans and borrowings	20	32,844,001	37,657,123	306,827	60,851
Deferred tax liabilities	12	16,378,674	14,189,301	-	-
Total non-current liabilities		49,222,675	51,846,424	306,827	60,851
Current liabilities					
Loans and borrowings	20	142,816,828	98,276,408	302,709	356,711
Provision for restoration costs	21	400,000	400,000	-	-
Current tax liabilities		9,267,323	11,836,578	-	-
Trade and other payables	22	11,531,182	7,266,202	4,003,004	5,061,396
Dividend payable		-	4,103,518	-	4,103,518
Deposits and accruals	23	12,449,767	9,256,339	641,842	569,713
Amount due to holding company	24	1,302,794	1,314,794	1,302,794	1,314,794
Amount due to subsidiaries	16	-	-	57,518,643	57,988,714
Amount due to directors	25	4,449,185	2,394,174	2,965,260	1,443,911
Contract liabilities	26	7,769,830	9,553,679	-	-
Total current liabilities		189,986,909	144,401,692	66,734,252	70,838,757
TOTAL LIABILITIES		239,209,584	196,248,116	67,041,079	70,899,608
TOTAL EQUITY AND LIABILITIES		1,001,142,066	882,798,008	368,364,536	337,543,292

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

Statements of Comprehensive Income

for the Financial Year ended 31 July 2023

		Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
	Note				
Revenue	27	1,470,569,120	1,362,609,062	780,011,836	711,796,082
Cost of sales		(1,171,554,721)	(1,094,999,492)	(713,433,814)	(672,418,745)
Gross profit		299,014,399	267,609,570	66,578,022	39,377,337
Other income		4,827,315	5,265,081	1,240,139	1,079,844
Administrative expenses		(119,375,796)	(96,292,218)	(24,768,758)	(21,220,366)
Selling and distribution expenses		(68,469,433)	(54,069,063)	-	-
Net reversal in impairment losses on receivables		63,338	72,903	-	-
Operating profit		116,059,823	122,586,273	43,049,403	19,236,815
Finance income	28	530,022	466,505	36,996	38,960
Finance costs	29	(8,853,444)	(7,173,286)	(68,619)	(81,182)
Share of results of an associate, net of tax		477,177	730,086	-	-
Profit before tax	30	108,213,578	116,609,578	43,017,780	19,194,593
Income tax (expense)/credit	32	(29,772,785)	(24,418,247)	(3,003,434)	1,954,027
Profit for the financial year		78,440,793	92,191,331	40,014,346	21,148,620
Other comprehensive income, net of tax					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Revaluation of property, plant and equipment		2,276,370	1,211,850	-	-
Other comprehensive income for the financial year		2,276,370	1,211,850	-	-
Total comprehensive income for the financial year		80,717,163	93,403,181	40,014,346	21,148,620

Statements of Comprehensive Income (Cont'd)

for the Financial Year ended 31 July 2023

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Profit attributable to:					
Owners of the Company		78,440,793	92,191,331	40,014,346	21,148,620
Non-controlling interests		-	-	-	-
		78,440,793	92,191,331	40,014,346	21,148,620
Total comprehensive income attributable to:					
Owners of the Company		80,717,163	93,403,181	40,014,346	21,148,620
Non-controlling interests		-	-	-	-
		80,717,163	93,403,181	40,014,346	21,148,620
Earnings per share (sen)					
- basic	33	19.12	22.47		
- diluted	33	19.12	22.47		

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

Consolidated Statement of Changes in Equity

for the Financial Year ended 31 July 2023

	Note	Share capital RM	Revaluation reserve RM	Retained earnings RM	Total equity RM
Group					
At 1 August 2022		205,175,876	42,959,012	438,415,004	686,549,892
Total comprehensive income for the financial year					
Profit for the financial year		-	-	78,440,793	78,440,793
Other comprehensive income for the financial year		-	2,276,370	-	2,276,370
Total comprehensive income		-	2,276,370	78,440,793	80,717,163
Transactions with owners					
Dividends	34	-	-	(5,334,573)	(5,334,573)
Total transaction with owners		-	-	(5,334,573)	(5,334,573)
At 31 July 2023		205,175,876	45,235,382	511,521,224	761,932,482
At 1 August 2021					
At 1 August 2021		205,175,876	41,747,162	355,251,412	602,174,450
Total comprehensive income for the financial year					
Profit for the financial year		-	-	92,191,331	92,191,331
Other comprehensive income for the financial year		-	1,211,850	-	1,211,850
Total comprehensive income		-	1,211,850	92,191,331	93,403,181
Transactions with owners					
Dividends	34	-	-	(9,027,739)	(9,027,739)
Total transaction with owners		-	-	(9,027,739)	(9,027,739)
At 31 July 2022		205,175,876	42,959,012	438,415,004	686,549,892

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

Statement of Changes in Equity

for the Financial Year ended 31 July 2023

	Note	Share capital RM	Retained earnings RM	Total equity RM
Company				
At 1 August 2021		205,175,876	49,346,927	254,522,803
Profit for the financial year, representing total comprehensive income for the financial year		-	21,148,620	21,148,620
Transactions with owners				
Dividends	34	-	(9,027,739)	(9,027,739)
Total transaction with owners		-	(9,027,739)	(9,027,739)
At 31 July 2022		205,175,876	61,467,808	266,643,684
Profit for the financial year, representing total comprehensive income for the financial year		-	40,014,346	40,014,346
Transactions with owners				
Dividends	34	-	(5,334,573)	(5,334,573)
Total transaction with owners		-	(5,334,573)	(5,334,573)
At 31 July 2023		205,175,876	96,147,581	301,323,457

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

Statements of Cash Flows

for the Financial Year ended 31 July 2023

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Cash flows from operating activities					
Profit before tax		108,213,578	116,609,578	43,017,780	19,194,593
Adjustments for:					
Depreciation of:					
- investment properties		306,887	307,794	-	-
- property, plant and equipment		7,785,887	8,166,923	597,787	693,908
- right-of-use assets		23,190,869	21,344,937	367,516	357,915
Gain on disposal of property plant and equipment		(629,934)	(374,200)	-	-
Gain on remeasurement of right-of-use assets		-	(12,823)	-	-
Impairment loss on:					
- investment properties		4,788,479	-	-	-
- trade receivables		32,959	-	-	-
- other receivables		-	96,297	-	-
Interest expense		8,853,444	7,173,286	68,619	81,182
Interest income		(530,022)	(466,505)	(872,110)	(417,300)
(Gain)/Loss on termination of lease		(1,258,482)	119,325	-	-
Reversal of impairment loss on:					
- investment properties		-	(49,511)	-	-
- trade receivables		-	(169,200)	-	-
- other receivables		(96,297)	-	-	-
- inventories		(251,288)	(75,904)	-	-
Operating profit before changes in working capital, carried forward		150,406,080	152,669,997	43,179,592	19,910,298

Statements of Cash Flows (Cont'd)

for the Financial Year ended 31 July 2023

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Operating profit before changes in working capital, brought forward (Cont'd)		150,406,080	152,669,997	43,179,592	19,910,298
Adjustments for: (Cont'd)					
Share of results of an associate		(477,177)	(730,086)	-	-
Unrealised gain on foreign exchange		(89)	(2,504)	-	-
Unrealised loss on foreign exchange		-	3,299	-	-
Written off of:					
- inventories		1,236	682	-	-
- property, plant and equipment		14,945	99,338	-	-
- current tax assets		189,883	21,825	-	-
Operating profit before changes in working capital		150,134,878	152,062,551	43,179,592	19,910,298
Changes in working capital:					
Inventories		(110,993,642)	(49,052,892)	386,786	(549,207)
Receivables		2,773,271	(4,364,286)	(24,749,519)	(23,472,180)
Payables		7,402,738	(906,199)	(986,263)	1,088,869
Contract liabilities		(1,783,849)	328,336	-	-
		47,533,396	98,067,510	17,830,596	(3,022,220)
Income tax paid		(31,920,194)	(22,152,178)	(222,522)	(117,056)
Income tax refunded		-	911	-	-
Net cash from/(used in) operating activities		15,613,202	75,916,243	17,608,074	(3,139,276)

Statements of Cash Flows (Cont'd)

for the Financial Year ended 31 July 2023

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Cash flows from investing activities					
Acquisition of a subsidiary, net of cash acquired	8(a)(iii)	(11,294,241)	-	-	-
Dividend received		449,998	599,996	-	-
Interest received		530,022	466,505	872,110	417,300
Proceeds from disposal of property, plant and equipment		635,300	374,200	-	-
Purchase of property, plant and equipment	5(a)	(4,375,403)	(2,619,052)	(606,233)	(751,764)
Purchase of investment properties		-	(440,000)	-	-
Placement of fixed deposits		(40,888)	(43,734)	-	-
Net repayment (to)/from subsidiaries		-	-	(10,342,778)	19,922,372
Net cash (used in)/from investing activities		(14,095,212)	(1,662,085)	(10,076,901)	19,587,908
Cash flows from financing activities					
	(a)				
Drawdown of banker's acceptance		32,872,000	142,123,000	-	-
Repayment of banker's acceptance		-	(156,263,000)	-	-
Repayment of revolving credit		8,000,000	(1,000,000)	-	-
Repayment of term loans		(10,004,858)	(9,577,080)	-	-
Payment of lease liabilities		(24,044,041)	(24,462,615)	(402,000)	(359,186)
Repayment of hire purchase payables		(1,389,482)	(1,506,109)	(135,873)	(380,374)
Interest paid		(5,828,231)	(4,383,194)	(34,307)	(18,000)
Dividends paid		(9,438,091)	(4,924,221)	(9,438,091)	(4,924,221)
Advances from directors		2,055,011	500,120	1,521,349	423,688
Repayment to holding company		(12,000)	(16,500)	(12,000)	(16,500)
Repayment to subsidiaries		-	-	(470,071)	(9,289,174)
Net cash used in financing activities		(7,789,692)	(59,509,599)	(8,970,993)	(14,563,767)

Statements of Cash Flows (Cont'd)

for the Financial Year ended 31 July 2023

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Net (decrease)/increase in cash and cash equivalents		(6,271,702)	14,744,559	(1,439,820)	1,884,865
Cash and cash equivalents at the beginning of the financial year		33,108,760	18,364,201	2,323,665	438,800
Cash and cash equivalents at the end of the financial year		26,837,058	33,108,760	883,845	2,323,665
Cash and cash equivalents including in statements of cash flows comprise following amounts:					
Cash and bank balances		14,437,058	18,958,760	883,845	2,323,665
Fixed deposits placed with licensed banks	17	13,793,933	15,503,045	-	-
		28,230,991	34,461,805	883,845	2,323,665
Less: fixed deposits pledged to licensed banks	17	(1,393,933)	(1,353,045)	-	-
		26,837,058	33,108,760	883,845	2,323,665

Statements of Cash Flows (Cont'd)

for the Financial Year ended 31 July 2023

(a) Changes in liabilities arising from financing activities

	Non-cash				
	1 August 2022 RM	Cash flows RM	Addition RM	Others RM	31 July 2023 RM
2023					
Group					
Revolving credit	-	8,000,000	-	-	8,000,000
Term loan	47,114,868	(10,004,858)	-	-	37,110,010
Bankers' acceptance	50,512,000	32,872,000	-	-	83,384,000
Hire purchase payables	2,326,886	(1,389,482)	3,413,096	-	4,350,500
Lease liabilities	35,979,777	(24,044,041)	30,813,837	66,746	42,816,319
Amount due to holding company	1,314,794	(12,000)	-	-	1,302,794
Amount due to directors	2,394,174	2,055,011	-	-	4,449,185
	139,642,499	7,476,630	34,226,933	66,746	181,412,808
Company					
Hire purchase payables	135,873	(135,873)	-	-	-
Lease liabilities	281,689	(402,000)	695,535	34,312	609,536
Amount due to holding company	1,314,794	(12,000)	-	-	1,302,794
Amount due to subsidiaries	57,988,714	(470,071)	-	-	57,518,643
Amount due to directors	1,443,911	1,521,349	-	-	2,965,260
	61,164,981	501,405	695,535	34,312	62,396,233

Statements of Cash Flows (Cont'd)

for the Financial Year ended 31 July 2023

(a) Changes in liabilities arising from financing activities (Cont'd)

			Non-cash		
	1 August 2021 RM	Cash flows RM	Addition RM	Others RM	31 July 2022 RM
2022					
Group					
Revolving credit	1,000,000	(1,000,000)	-	-	-
Term loan	56,691,948	(9,577,080)	-	-	47,114,868
Bankers' acceptance	64,652,000	(14,140,000)	-	-	50,512,000
Hire purchase payables	1,965,665	(1,506,109)	1,867,330	-	2,326,886
Lease liabilities	32,668,407	(24,462,615)	24,983,893	2,790,092	35,979,777
Amount due to holding company	1,331,294	(16,500)	-	-	1,314,794
Amount due to directors	1,894,054	500,120	-	-	2,394,174
	160,203,368	(50,202,184)	26,851,223	2,790,092	139,642,499
Company					
Hire purchase payables	516,247	(380,374)	-	-	135,873
Lease liabilities	464,066	(359,186)	113,627	63,182	281,689
Amount due to holding company	1,331,294	(16,500)	-	-	1,314,794
Amount due to subsidiaries	67,277,888	(9,289,174)	-	-	57,988,714
Amount due to directors	1,020,223	423,688	-	-	1,443,911
	70,609,718	(9,621,546)	113,627	63,182	61,164,981

(b) Total cash outflows for leases

During the financial year, the Group and the Company had total cash outflows for leases of RM29,186,941 (2022: RM28,188,496) and RM444,012 (2022 RM397,109) respectively.

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

Notes to the Financial Statements

1. CORPORATE INFORMATION

Poh Kong Holdings Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Unit 07-02, Level 7, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at No. 16-20, Jalan 52/4, 46200 Petaling Jaya, Selangor Darul Ehsan.

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

The principal activities of the Company are investment holding, provision of management services, distributor and supplier of jewellery, precious stones, semi-precious stones and gold ornaments. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 October 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

Notes to the Financial Statements (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2023 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2023 [#] / 1 January 2024
MFRS 9	Financial Instruments	1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#] / 1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2023 [#] / 1 January 2024
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 121	The Effects of Changes in Foreign Exchange Rate	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 140	Investment Property	1 January 2023 [#]

[#] Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

Notes to the Financial Statements (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Cont'd)

- 2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

In another amendments, an entity is required to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

- 2.3.2 The initial application of the above applicable new MFRS and amendments/improvements to MFRSs is not expected to have material impact to the current and prior years financial statements of the Group and of the Company.

Notes to the Financial Statements (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency").

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

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus

Notes to the Financial Statements (Cont'd)

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

3.1 Basis of consolidation (Cont'd)

(a) Subsidiaries and business combination (Cont'd)

For a new acquisition, goodwill is initially measured at cost, being the excess of the following: (Cont'd)

- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date.

The accounting policy for goodwill is disclosed in Note 3.4 to the financial statements.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

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

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have been previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Notes to the Financial Statements (Cont'd)

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

3.1 Basis of consolidation (Cont'd)

(a) Subsidiaries and business combination (Cont'd)

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gain or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(c) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transaction with equity-accounted associates is eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to the Financial Statements (Cont'd)

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

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries are measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets is disclosed in Note 3.8(b) to the financial statements.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions

Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as a hedging instrument in either a cash flow hedge or a hedge of the Group's net investment in a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of the net investment in the foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

3.4 Goodwill

Goodwill arises on business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less accumulated impairment losses. The policy for the recognition and measurement of impairment losses is disclosed in Note 3.8(b) to the financial statements.

Notes to the Financial Statements (Cont'd)

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

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment (other than land and buildings) are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is disclosed in Note 3.8(b) to the financial statements.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Freehold land, leasehold land and buildings are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on leasehold land and buildings and any accumulated impairment losses recognised after the date of valuation.

Valuations are performed with sufficient regularity to ensure that the fair value of the freehold land, leasehold land and buildings does not differ materially from the carrying amount. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained profits on retirement or disposal of the asset.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

(b) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Notes to the Financial Statements (Cont'd)

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

3.5 Property, plant and equipment (Cont'd)

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis over the estimated useful lives at the following principal annual rate:

Buildings	2%
Equipment, furniture and fittings	10% – 33.33%
Plant and machinery	20%
Motor vehicles	20%

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at the end of each reporting period and adjusted as appropriate.

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.6 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any identified impairment losses. The policy for the recognition and measurement of impairment losses in accordance with Note 3.8(b) to the financial statements.

Depreciation of investment properties is provided for on a straight-line basis over their estimated useful lives, at the following principal annual rates:

Buildings	2%
Leasehold land	remaining lease period ranges from 46 to 71 years

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

An investment property is derecognised on their disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

Notes to the Financial Statements (Cont'd)

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

3.6 Investment properties (Cont'd)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

3.7 Financial instruments

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

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost; and
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

Notes to the Financial Statements (Cont'd)

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

3.7 Financial instruments (Cont'd)

(a) Subsequent measurement (Cont'd)

The Group and the Company categorise the financial instruments as follows (Cont'd):

(i) Financial assets (Cont'd)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company classify their debt instruments as follows:

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.8(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through profit or loss ("FVPL")**

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income ("FVOCI"), as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

Notes to the Financial Statements (Cont'd)

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

3.7 Financial instruments (Cont'd)

(a) Subsequent measurement (Cont'd)

The Group and the Company categorise the financial instruments as follows (Cont'd):

(i) Financial assets (Cont'd)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

Financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

Notes to the Financial Statements (Cont'd)

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

3.7 Financial instruments (Cont'd)

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

- (i) the contractual rights to receive cash flows from the financial asset expire, or
- (ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Notes to the Financial Statements (Cont'd)

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

3.7 Financial instruments (Cont'd)

(d) Derecognition (Cont'd)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.8 Impairment of assets

(a) Impairment of financial assets

Financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income (FVOCI) will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

Notes to the Financial Statements (Cont'd)

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

3.8 Impairment of assets (Cont'd)

(a) Impairment of financial assets (Cont'd)

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the debtor is unable to pay its credit obligations to the Group and to the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

Notes to the Financial Statements (Cont'd)

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

3.8 Impairment of assets (Cont'd)

(a) Impairment of financial assets (Cont'd)

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount. For goodwill, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal 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 or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

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

Notes to the Financial Statements (Cont'd)

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

3.8 Impairment of assets (Cont'd)

(b) Impairment of non-financial assets (Cont'd)

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.9 Inventories

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

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

Trading

- raw materials and finished goods: costs are determined on a first-in-first out basis.

Manufacturing

- raw materials, work-in-progress and finished goods: costs are assigned on a weighted average cost basis. Work-in-progress and finished goods include costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.10 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, demand deposits (other than deposits pledged with financial institutions), bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts and exclude deposits pledged to secure banking facilities.

3.11 Contract liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers.

Notes to the Financial Statements (Cont'd)

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

3.12 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use as separate lines in the financial statements of financial position.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset (other than leasehold land) is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

Leasehold land is subsequently measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on leasehold land and any accumulated impairment losses recognised after the date of valuation.

The right-of-use asset (other than leasehold land) is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Leasehold land is depreciated on straight-line basis over the remaining lease period ranges from 32 to 93 years. If the lessee expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8(b) to the financial statements.

Notes to the Financial Statements (Cont'd)

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

3.12 Leases (Cont'd)

(b) Lessee accounting (Cont'd)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives; and
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "administrative expenses" in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to the Financial Statements (Cont'd)

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

3.12 Leases (Cont'd)

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.12(b), then it classifies the sub-lease as an operating lease.

If the Group and the Company are lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

3.13 Borrowing costs

Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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

All other borrowing costs are recognised in profit or loss in the period they are incurred.

Notes to the Financial Statements (Cont'd)

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

3.14 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(a) Site restoration cost

A provision for restoration is recognised when the Group has the obligation to return its rented premises to its original state upon expiry of the lease term.

(b) Contingent liabilities

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

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

3.15 Employee benefits

(a) Short term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.16 Share capital

Ordinary shares

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

Notes to the Financial Statements (Cont'd)

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

3.17 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with same customer (or related parties of the customer).

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as goods and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(i) Sales of goods - manufacturing

The Group manufactures and sells a range of jewelleries, precious stones and gold ornaments. Revenue from sale of manufactured goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term ranging from 11 to 15 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.



Notes to the Financial Statements (Cont'd)

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

3.17 Revenue and other income (Cont'd)

(ii) Sales of goods - trading

The Group and the Company sell a range of jewellerys, precious stones and gold ornaments. Revenue from sale of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made either in cash term or with credit term of 7 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Where consideration is collected from customer in advance for sale of goods, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sale of goods to the customer.

(iii) Rendering of services and repairs

Revenue from a contract to provide services and repairs is recognised at a point in time when the services and repairs were completed and delivered to the customers. Sales are made with a credit term ranging from 11 to 15 days.

(iv) Dividend income

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

(v) Interest income

Interest income is recognised using the effective interest method.

(vi) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

(vii) Management income

Management income are recognised over time as services are rendered based on time elapsed. Credit term of the management fee billed is 30 days.

Notes to the Financial Statements (Cont'd)

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

3.18 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future 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 differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax 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 and tax laws that have been enacted or substantively enacted at the reporting date.

Notes to the Financial Statements (Cont'd)

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

3.18 Income tax (Cont'd)

(b) Deferred tax (Cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(c) Sales and services tax ("SST")

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales and services tax included.

The net amount of sales and services tax payable to, the taxation authority is included as part of payables in the statements of financial position.

3.19 Operating segment

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

3.20 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares.

Notes to the Financial Statements (Cont'd)

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

3.21 Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for the identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Net realisable values of inventories (Note 13)

Reviews are made periodically by directors on design of inventories coupled with market knowledge of retail department and the valuation of inventories which is subject to the fluctuation of the market price. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

Notes to the Financial Statements (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Group						
2023						
Cost/Valuation						
At 1 August 2022						
As previously stated	26,880,000	37,132,811	96,565,961	8,167,200	4,271,777	173,017,749
Reclassification (Note 40)	-	-	630,000	-	7,177,420	7,807,420
At 1 August 2022, as restated	26,880,000	37,132,811	97,195,961	8,167,200	11,449,197	180,825,169
Additions	-	-	6,013,601	172,260	1,602,638	7,788,499
Disposals	-	-	(5,650)	-	(2,130,268)	(2,135,918)
Written off	-	-	(44,790)	-	-	(44,790)
Revaluation	1,600,000	(172,078)	-	-	-	1,427,922
At 31 July 2023	28,480,000	36,960,733	103,159,122	8,339,460	10,921,567	187,860,882
Representing:						
- cost	-	381,770	103,159,122	8,339,460	10,921,567	122,801,919
- valuation	28,480,000	36,578,963	-	-	-	65,058,963
	28,480,000	36,960,733	103,159,122	8,339,460	10,921,567	187,860,882

Notes to the Financial Statements (Cont'd)

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

	Freehold land RM	Buildings RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Group						
Accumulated depreciation						
At 1 August 2022						
As previously stated	-	7,607	76,471,634	7,510,726	3,920,233	87,910,200
Reclassification (Note 40)	-	-	325,500	-	5,418,324	5,743,824
At 1 August 2022, as restated	-	7,607	76,797,134	7,510,726	9,338,557	93,654,024
Depreciation for the financial year	215,397	1,015,298	5,381,089	143,994	1,030,109	7,785,887
Disposals	-	-	(284)	-	(2,130,268)	(2,130,552)
Written off	-	-	(29,845)	-	-	(29,845)
Revaluation	(215,397)	(1,007,843)	-	-	-	(1,223,240)
At 31 July 2023	-	15,062	82,148,094	7,654,720	8,238,398	98,056,274
Carrying amount						
At 31 July 2023	28,480,000	36,945,671	21,011,028	684,740	2,683,169	89,804,608
Representing:						
- cost	-	366,708	21,011,028	684,740	2,683,169	24,745,645
- valuation	28,480,000	36,578,963	-	-	-	65,058,963
	28,480,000	36,945,671	21,011,028	684,740	2,683,169	89,804,608

Notes to the Financial Statements (Cont'd)

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

	Freehold land RM	Buildings RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Group						
2022						
Cost/Valuation						
At 1 August 2021						
As previously stated	26,530,000	41,727,770	94,494,084	8,167,200	2,907,911	173,826,965
Reclassification (Note 40)	-	-	1,744,512	-	8,228,849	9,973,361
At 1 August 2021, as restated	26,530,000	41,727,770	96,238,596	8,167,200	11,136,760	183,800,326
Additions	-	-	2,090,633	-	2,395,749	4,486,382
Disposals	-	-	-	-	(2,083,312)	(2,083,312)
Written off	-	-	(1,133,268)	-	-	(1,133,268)
Revaluation	350,000	(158,597)	-	-	-	191,403
Transfer to right-of-use assets (Note 6)	-	(7,000,000)	-	-	-	(7,000,000)
Transfer from investment properties (Note 7)	-	2,563,638	-	-	-	2,563,638
At 31 July 2022	26,880,000	37,132,811	97,195,961	8,167,200	11,449,197	180,825,169
Representing:						
- cost	-	381,770	97,195,961	8,167,200	11,449,197	117,194,128
- valuation	26,880,000	36,751,041	-	-	-	63,631,041
	26,880,000	37,132,811	97,195,961	8,167,200	11,449,197	180,825,169

Notes to the Financial Statements (Cont'd)

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

	Freehold land RM	Buildings RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Group						
Accumulated depreciation						
At 1 August 2021						
As previously stated	-	-	71,527,982	7,336,744	2,682,389	81,547,115
Reclassification (Note 40)	-	-	481,038	-	7,483,482	7,964,520
At 1 August 2021, as restated	-	-	72,009,020	7,336,744	10,165,871	89,511,635
Depreciation for the financial year	212,032	702,867	5,822,044	173,982	1,255,998	8,166,923
Disposals	-	-	-	-	(2,083,312)	(2,083,312)
Written off	-	-	(1,033,930)	-	-	(1,033,930)
Revaluation	(212,032)	(855,392)	-	-	-	(1,067,424)
Transfer from investment properties (Note 7)	-	160,132	-	-	-	160,132
At 31 July 2022	-	7,607	76,797,134	7,510,726	9,338,557	93,654,024
Carrying amount						
At 31 July 2022	26,880,000	37,125,204	20,398,827	656,474	2,110,640	87,171,145
Representing:						
- cost	-	374,163	20,398,827	656,474	2,110,640	23,540,104
- valuation	26,880,000	36,751,041	-	-	-	63,631,041
	26,880,000	37,125,204	20,398,827	656,474	2,110,640	87,171,145

Notes to the Financial Statements (Cont'd)

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

	Furniture and fittings RM	Motor vehicles RM	Total RM
Company			
2023			
Cost			
At 1 August 2022			
As previously stated	8,791,411	462,291	9,253,702
Reclassification (Note 40)	630,000	-	630,000
At 1 August 2022, as restated	9,421,411	462,291	9,883,702
Additions	606,233	-	606,233
At 31 July 2023	10,027,644	462,291	10,489,935
Accumulated depreciation			
At 1 August 2022			
As previously stated	7,209,906	451,855	7,661,761
Reclassification (Note 40)	325,500	-	325,500
At 1 August 2022, as restated	7,535,406	451,855	7,987,261
Depreciation for the financial year	587,351	10,436	597,787
At 31 July 2023	8,122,757	462,291	8,585,048
Carrying amount			
At 31 July 2023	1,904,887	-	1,904,887

Notes to the Financial Statements (Cont'd)

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

	Furniture and fittings RM	Motor vehicles RM	Total RM
Company			
2022			
Cost			
At 1 August 2021			
As previously stated	8,039,647	462,291	8,501,938
Reclassification (Note 40)	630,000	-	630,000
At 1 August 2021, as restated	8,669,647	462,291	9,131,938
Additions	751,764	-	751,764
At 31 July 2022	9,421,411	462,291	9,883,702
Accumulated depreciation			
At 1 August 2021	6,673,306	420,547	7,093,853
Reclassification (Note 40)	199,500	-	199,500
At 1 August 2021, as restated	6,872,806	420,547	7,293,353
Depreciation for the financial year	662,600	31,308	693,908
At 31 July 2022	7,535,406	451,855	7,987,261
Carrying amount			
At 31 July 2022	1,886,005	10,436	1,896,441

Notes to the Financial Statements (Cont'd)

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

- (a) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM7,788,499 (2022: RM4,486,382) and RM606,233 (2022: RM751,764).

The aggregate cost of property, plant and equipment acquired by means of:

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Addition to property, plant and equipment	7,788,499	4,486,382	606,233	751,764
Financed by:				
- finance lease	(3,413,096)	(1,867,330)	-	-
Cash payments on purchase of property, plant and equipment	4,375,403	2,619,052	606,233	751,764

(b) Assets pledged as security

Carrying amount of properties pledged as securities for bank borrowings as disclosed in Note 20 to the financial statements are as follows:

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
At valuation				
- Freehold land	3,850,000	3,800,000	-	-
- Buildings	5,237,461	4,920,000	-	-
At cost				
- Buildings	366,708	374,163	-	-
- Motor vehicles	2,585,266	1,437,183	-	10,436

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

	Group 2023 RM	2022 RM
- Freehold land	4,352,913	4,353,093
- Buildings	26,446,060	26,959,706

Notes to the Financial Statements (Cont'd)

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

(d) Fair value information

Fair value of land and buildings are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2023				
- Freehold land	-	-	28,480,000	28,480,000
- Buildings	-	-	36,578,963	36,578,963
	-	-	65,058,963	65,058,963
2022				
- Freehold land	-	-	26,880,000	26,880,000
- Buildings	-	-	36,751,041	36,751,041
	-	-	63,631,041	63,631,041

Level 3 fair value

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

The significant inputs into this valuation approach are location/floor, size, time lapse, tenure and market sentiment, if any.

Policy on transfer between levels

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

Transfer between levels of fair value hierarchy

There were no transfer between level 1 and level 2 during the financial year ended 31 July 2023 and 31 July 2022.

Notes to the Financial Statements (Cont'd)

6. RIGHT-OF-USE ASSETS

The Group and the Company leases several assets including leasehold land and buildings.

Information about leases for which the Group and the Company is lessee is presented below:

	Leasehold land RM	Buildings RM	Total RM
Group			
2023			
Cost/Valuation			
At 1 August 2022	25,620,000	96,776,968	122,396,968
Additions	-	30,813,837	30,813,837
Derecognition upon expiry of lease	-	(1,033,284)	(1,033,284)
Revaluation	250,000	-	250,000
Termination of lease	-	(4,889,770)	(4,889,770)
At 31 July 2023	25,870,000	121,667,751	147,537,751
Representing:			
- cost	-	121,667,751	121,667,751
- valuation	25,870,000	-	25,870,000
	25,870,000	121,667,751	147,537,751
Accumulated depreciation			
At 1 August 2022	-	60,890,043	60,890,043
Depreciation for the financial year	126,600	23,064,269	23,190,869
Derecognition upon expiry of lease	-	(1,033,284)	(1,033,284)
Revaluation	(126,600)	-	(126,600)
Termination of lease	-	(3,189,785)	(3,189,785)
At 31 July 2023	-	79,731,243	79,731,243

Notes to the Financial Statements (Cont'd)

6. RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold land RM	Buildings RM	Total RM
Group			
2023			
Carrying amount			
At 31 July 2023	25,870,000	41,936,508	67,806,508
Representing:			
- cost	-	41,936,508	41,936,508
- valuation	25,870,000	-	25,870,000
	25,870,000	41,936,508	67,806,508
2022			
Cost/Valuation			
At 1 August 2021	18,830,979	72,686,236	91,517,215
Additions	-	24,697,064	24,697,064
Derecognition upon expiry of lease	-	(266,855)	(266,855)
Remeasurement	-	12,823	12,823
Revaluation	(210,979)	-	(210,979)
Transfer from property, plant and equipment (Note 5)	7,000,000	-	7,000,000
Termination of lease	-	(352,300)	(352,300)
At 31 July 2022	25,620,000	96,776,968	122,396,968
Representing:			
- cost	-	96,776,968	96,776,968
- valuation	25,620,000	-	25,620,000
	25,620,000	96,776,968	122,396,968

Notes to the Financial Statements (Cont'd)

6. RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold land RM	Buildings RM	Total RM
Group			
2022			
Accumulated depreciation			
At 1 August 2021	-	40,273,059	40,273,059
Depreciation for the financial year	228,123	21,116,814	21,344,937
Derecognition upon expiry of lease	-	(266,855)	(266,855)
Revaluation	(228,123)	-	(228,123)
Termination of lease	-	(232,975)	(232,975)
At 31 July 2022	-	60,890,043	60,890,043
Accumulated impairment loss			
At 1 August 2021	210,979	-	210,979
Reversal of impairment loss	(210,979)	-	(210,979)
At 31 July 2022	-	-	-
Carrying amount			
At 31 July 2022	25,620,000	35,886,925	61,506,925
Representing:			
- cost	-	35,886,925	35,886,925
- valuation	25,620,000	-	25,620,000
	25,620,000	35,886,925	61,506,925

Notes to the Financial Statements (Cont'd)

6. RIGHT-OF-USE ASSETS (CONT'D)

	Buildings RM	Total RM
Company		
2023		
Cost/Valuation		
At 1 August 2022		
As previously stated	916,674	916,674
Additions	695,535	695,535
Derecognition	(657,779)	(657,779)
At 31 July 2023	954,430	954,430
Representing:		
- cost	954,430	954,430
Accumulated depreciation		
At 1 August 2022	647,446	647,446
Depreciation for the financial year	367,516	367,516
Derecognition	(657,779)	(657,779)
At 31 July 2023	357,183	357,183
Carrying amount		
At 31 July 2023	597,247	597,247
2022		
Cost/Valuation		
At 1 August 2021		
As previously stated	1,166,541	1,166,541
Additions	113,627	113,627
Derecognition	(363,494)	(363,494)
At 31 July 2022	916,674	916,674
Representing:		
- cost	916,674	916,674

Notes to the Financial Statements (Cont'd)

6. RIGHT-OF-USE ASSETS (CONT'D)

	Buildings RM	Total RM
Company		
2022		
Accumulated depreciation		
At 1 August 2021	653,025	653,025
Depreciation for the financial year	357,915	357,915
Derecognition	(363,494)	(363,494)
At 31 July 2022	647,446	647,446
Carrying amount		
At 31 July 2022	269,228	269,228

- (a) The leasehold land of the Group is having lease term at a range of 30 to 91 year.
- The Group and Company lease buildings for their office space and operation site. The leases for office space and operation site generally have lease term between 2 to 6 years.
- (b) Leasehold land of the Group with net carrying amount of RM12,100,000 (2022: RM12,000,000) were pledged as security for borrowings as disclosed in Note 20 to the financial statements.
- (c) Had the revalued leasehold land been carried at historical cost less accumulated depreciation, the carrying amount of the leasehold land that would have been included in the financial statements of the Group is as follows:

	Group 2023 RM	2022 RM
- Leasehold land	7,864,446	8,052,606

Notes to the Financial Statements (Cont'd)

6. RIGHT-OF-USE ASSETS (CONT'D)

(d) Fair value information

Fair value of land is categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2023				
- Leasehold land	-	-	25,870,000	25,870,000
2022				
- Leasehold land	-	-	25,620,000	25,620,000

Level 3 fair value

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

The significant inputs into this valuation approach are location, size, time lapse, tenure and market sentiment, if any.

Policy on transfer between levels

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

Transfer between levels of fair value hierarchy

There were no transfer between level 1 and level 2 during the financial year ended 31 July 2023 and 31 July 2022.

Notes to the Financial Statements (Cont'd)

6. RIGHT-OF-USE ASSETS (CONT'D)

- (e) Some of the leases for operation site contain variable lease payments that are based on sales generated from the leased outlets. Fixed and variable lease payments for the year ended 31 July 2023 and 31 July 2022 were as follows:

	Fixed payments RM	Variable payments RM	Total payments RM	Estimated annual impact on rent of a 1% increase in sales RM
2023				
Leases with lease payments based on sales	27,069,254	853,687	27,922,941	8,537
2022				
Leases with lease payments based on sales	25,038,532	541,707	25,580,239	5,417

Notes to the Financial Statements (Cont'd)

7. INVESTMENT PROPERTIES

(a) The investment properties comprise of shop lots and condominium.

	Note	Leasehold land RM	Buildings RM	Total RM
Group				
2023				
At cost				
At 1 August 2022		7,360,000	6,843,000	14,203,000
Acquisition of subsidiary	8(a)	10,908,233	1,733,268	12,641,501
At 31 July 2023		18,268,233	8,576,268	26,844,501
Accumulated depreciation				
At 1 August 2022		703,799	1,816,114	2,519,913
Depreciation for the financial year		77,699	229,188	306,887
At 31 July 2023		781,498	2,045,302	2,826,800
Accumulated impairment losses				
At 1 August 2022		-	1,195,601	1,195,601
Impairment losses for the financial year		4,047,821	740,658	4,788,479
At 31 July 2023		4,047,821	1,936,259	5,984,080
Carrying amount				
At 31 July 2023		13,438,914	4,594,707	18,033,621
2022				
At cost				
At 1 August 2021		7,360,000	8,966,638	16,326,638
Additions		-	440,000	440,000
Transfer to property, plant and equipment (Note 5)		-	(2,563,638)	(2,563,638)
At 31 July 2022		7,360,000	6,843,000	14,203,000

Notes to the Financial Statements (Cont'd)

7. INVESTMENT PROPERTIES (CONT'D)

- (a) The investment properties comprise of shop lots and condominium. (Cont'd)

	Leasehold land RM	Buildings RM	Total RM
Group			
2022			
Accumulated depreciation			
At 1 August 2021	625,599	1,746,652	2,372,251
Depreciation for the financial year	78,200	229,594	307,794
Transfer to property, plant and equipment (Note 5)	-	(160,132)	(160,132)
At 31 July 2022	703,799	1,816,114	2,519,913
Accumulated impairment losses			
At 1 August 2021	-	1,245,112	1,245,112
Reversal of impairment losses for the financial year	-	(49,511)	(49,511)
At 31 July 2022	-	1,195,601	1,195,601
Carrying amount			
At 31 July 2022	6,656,201	3,831,285	10,487,486

- (b) Investment properties with aggregate carrying amount of RM5,871,002 (2022: RM6,335,202) are pledged as securities for bank borrowings facilities granted to the Group as disclosed in Note 20 to the financial statements.

- (c) The following are recognised in profit or loss in respect of investment properties:

	Group 2023 RM	2022 RM
Rental income	415,960	392,100
Direct operating expenses from income generating investment properties	240,475	203,066

Notes to the Financial Statements (Cont'd)

7. INVESTMENT PROPERTIES (CONT'D)

(d) Fair value information of investment properties are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2023				
- Leasehold land	-	-	13,800,000	13,800,000
- Buildings	-	-	5,510,000	5,510,000
2022				
- Leasehold land	-	-	6,400,000	6,400,000
- Buildings	-	-	4,190,000	4,190,000

Level 3 fair value

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

The significant inputs into this valuation approach are location, size, time lapse, tenure and market sentiment, if any.

Policy on transfer between levels

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

Transfer between levels of fair value hierarchy

There were no transfer between level 1 and level 2 during the financial year ended 31 July 2023 and 31 July 2022.

(e) Impairment losses

During the financial year, an impairment loss of RM4,788,479 was recognise in profit of loss. The recoverable amount on the said impairment assessment was based on fair value assessed by an independent valuer which fall under Level 3 of the fair value hierarchy.

Notes to the Financial Statements (Cont'd)

8. INVESTMENT IN SUBSIDIARIES

	Company 2023 RM	2022 RM
Unquoted shares - at cost	135,482,316	135,482,316
Loans that are part of net investments	29,935,966	18,624,948
	165,418,282	154,107,264

Loans that are part of net investments represent amount owing by subsidiaries which is unsecured. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long term source of capital to the subsidiaries. As this amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated loss, if any.

Details of the subsidiaries are as follows:

Name of company	Ownership interest		Principal activities
	2023 %	2022 %	
Poh Kong Jewellers Sdn. Bhd.	100	100	Suppliers and retailers of jewellery, precious stones and gold ornaments
Poh Kong Jewellery Manufacturer Sdn. Bhd.	100	100	Manufacturer and dealers of jewellery, precious stones and gold ornaments
Poh Kong Jewellers (Franchise) Sdn. Bhd.	100	100	Franchise management services
Poh Kong Properties Sdn. Bhd. ("PKP")	100	100	Property investment
Poh Kong Wholesale Sdn. Bhd.	100	100	Investment holding, suppliers and retailers of packing and utility products, wholesaler of jewellery, precious stones and gold ornaments
PK Jewellery Export Sdn. Bhd.	100	100	Trading of bullion
Poh Kong International Sdn. Bhd.	100	100	Overseas investment holding
Poh Kong Bullion Sdn. Bhd.	100	100	Suppliers and retailers of gold bullion, gold coins, gold ingots and gold investment products

Notes to the Financial Statements (Cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of company	Ownership interest		Principal activities
	2023 %	2022 %	
Poh Kong Jewellers (Klang) Sdn. Bhd.*	100	100	Ceased operation
Poh Kong Jewellers (SS2) Sdn. Bhd.*	100	100	Ceased operation
Poh Kong Jewellers (Shah Alam) Sdn. Bhd.#	100	100	Under members' voluntary winding up
Held through PKP			
Poh Kong Properties (PJ) Sdn. Bhd. (formerly known as The Lotus Corporation Berhad)	100	-	Property investment

All subsidiaries in the Group are incorporated in Malaysia.

As a result of the restructuring exercise on internal reorganisation undertaken by the Group and the Company, these subsidiaries have ceased operations and are under members' voluntary winding up or has been dissolved during the financial year. The audited financial statements and auditors' report of the subsidiaries are not available. The management accounts have been used for the purpose of consolidation.

* As a result of the restructuring exercise on internal reorganisation undertaken by the Group and the Company, these subsidiaries have ceased operations and shall be placed under members' voluntary winding up.

(a) Acquisition of a subsidiary

During the financial year, PKP had acquired 100% equity interest in the shares of Poh Kong Properties (PJ) Sdn. Bhd. to enable the Group to expand its property investment business. The acquisition is accounted for as an asset acquisition. Accordingly, no goodwill on business combination is recognised.

(i) Fair value of consideration transferred:

	2023 RM
Cash consideration	11,350,000

Notes to the Financial Statements (Cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Acquisition of a subsidiary (Cont'd)

(ii) Fair value of the identifiable assets acquired and liabilities recognised:

	2023 RM
Non-current asset	
Investment properties	12,641,501
Current assets	
Deposit and prepayments	3,963
Cash and bank balances	55,759
Current tax assets	34,672
	94,394
Total assets	12,735,895
Non-current liability	
Deferred tax liabilities	1,330,137
Current liabilities	
Other payables and accruals	55,758
Total liabilities	1,385,895
Fair value of consideration transferred	11,350,000

(iii) Effects of acquisition on cash flows:

	2023 RM
Consideration paid in cash	11,350,000
Less: Cash and cash equivalents of subsidiary acquired	(55,759)
Net cash outflows on acquisition	11,294,241

Notes to the Financial Statements (Cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Acquisition of a subsidiary (Cont'd)

(iv) Effects of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed other income and loss net of tax are as follows:

	2023 RM
Other income	64,000
Loss for the financial year	(30,064)

The Group does not expect its consolidated results for the financial year to be materially different if the acquisition had occurred on 1 August 2022.

9. INVESTMENT IN AN ASSOCIATE

	Group 2023 RM	2022 RM
Unquoted shares, in Malaysia		
At cost	7,530,637	7,530,637
Group's share of post-acquisition reserves, net of dividends received	391,153	363,974
	7,921,790	7,894,611

Details of the associate is as follows:

Name of company	Ownership interest		Principal activities
	2023 %	2022 %	
Lian Sin Tang Sdn. Bhd.*#	14.29	14.29	Pawnshop owners and suppliers of goldsmiths and jewellers

* Audited by audit firm other than Baker Tilly Monteiro Heng PLT

Financial year end of 31 December

The Group's interest in the above investment is regarded as associate although the Group holds less than 20% of the equity interest in the entity. The Group has a corporate representative which is a member of the Board of Directors of Lian Sin Tang Sdn. Bhd.. Accordingly, this entity is accounted for using the equity method in the consolidated financial statements as the Group is deemed to have significant influence.

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN AN ASSOCIATE (CONT'D)

For the purpose of applying the equity method for associated company with financial year end of 31 December, the last audited financial statements available and the management account for the financial statements to 31 July of the associate company have been used.

Summarised financial information of material associate

The following table illustrates the summarised financial information of the Group's associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate:

	Lian Sin Tang Sdn. Bhd. RM
2023	
Assets and liabilities	
Current assets	30,939,803
Non-current assets	16,252,375
Current liabilities	(49,661)
Net assets	47,142,517
Results:	
Revenue	7,233,127
Profit for the financial year	3,339,234
Total comprehensive income	3,339,234
Reconciliation of net assets to carrying amount as at year end:	
Share of net assets at initial recognition date, at fair value	7,530,637
Share of post-acquisition profit (cumulative)	3,241,135
Dividend received (cumulative)	(2,849,982)
Carrying amount in the statement of financial position	7,921,790
Group's share of results:	
Group's share of profit	477,177
Group's share of other comprehensive income	-
Carrying amount in the statement of financial position	477,177
Dividend received during the year	(449,998)

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN AN ASSOCIATE (CONT'D)

Summarised financial information of material associate (Cont'd)

The following table illustrates the summarised financial information of the Group's associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate: (Cont'd)

	Lian Sin Tang Sdn. Bhd. RM
2022	
Results:	
Revenue	9,966,713
Profit for the financial year	5,109,068
Total comprehensive income	5,109,068
Reconciliation of net assets to carrying amount as at year end:	
Share of net assets at initial recognition date, at fair value	7,530,637
Share of post-acquisition profit (cumulative)	2,763,958
Dividend received (cumulative)	(2,399,984)
Carrying amount in the statement of financial position	7,894,611
Group's share of results:	
Group's share of profit	730,086
Group's share of other comprehensive income	-
Carrying amount in the statement of financial position	730,086
Dividend received during the year	(599,996)

Notes to the Financial Statements (Cont'd)

10. CLUB MEMBERSHIPS

	Group 2023 RM	2022 RM
At cost:		
Club memberships	233,000	233,000
Less: Accumulated impairment losses	(5,000)	(5,000)
	228,000	228,000

11. GOODWILL ON CONSOLIDATION

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

	Group 2023 RM	2022 RM
Carrying amount		
At 31 July	1,485,140	1,485,140

The Group has assessed the recoverable amount of goodwill allocated and determined that no impairment is required. The recoverable amount of the CGU is determined using the value in use approach and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by directors covering a period of five years.

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

(i) Discount rate

The discount rates used are determined using a pre-tax discount rate of 13.13% (2022: 10.74%).

(ii) Growth rate

The growth rate used of 4% (2022: 4%) over five-year projection period and it is based on management best estimation on the achievable growth level experienced in prior financial years.

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

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

Notes to the Financial Statements (Cont'd)

12. DEFERRED TAX ASSETS/(LIABILITIES)

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
At 1 August 2022/2021	2,506,822	(2,120,794)	10,391,164	8,309,625
Recognised in profit or loss (Note 32)	(576,231)	4,902,717	(2,792,832)	2,081,539
Recognised in other comprehensive income	(1,840,477)	(275,101)	-	-
At 31 July	90,114	2,506,822	7,598,332	10,391,164
Presented after appropriate offsetting:				
Deferred tax assets	16,468,788	16,696,123	7,598,332	10,391,164
Deferred tax liabilities	(16,378,674)	(14,189,301)	-	-
	90,114	2,506,822	7,598,332	10,391,164

(a) Deferred tax assets

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

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
At 1 August 2022/2021	16,696,123	11,848,640	10,391,164	8,309,625
Recognised in profit or loss	(227,335)	4,847,483	(2,792,832)	2,081,539
At 31 July	16,468,788	16,696,123	7,598,332	10,391,164

Notes to the Financial Statements (Cont'd)

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

(a) Deferred tax assets (Cont'd)

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

	At 1 August 2021 RM	Recognised in profit or loss RM	At 31 July 2022 RM	Recognised in profit or loss RM	At 31 July 2023 RM
Group					
Unrealised profits arising from inter- company transaction	3,539,015	2,765,944	6,304,959	2,565,497	8,870,456
Unutilised tax losses	8,060,345	2,480,453	10,540,798	(2,839,377)	7,701,421
Unabsorbed capital allowances	399,369	(399,369)	-	-	-
Excess of capital allowances over depreciation	(150,089)	455	(149,634)	46,545	(103,089)
	11,848,640	4,847,483	16,696,123	(227,335)	16,468,788
Company					
Unutilised tax losses	8,060,345	2,480,453	10,540,798	(2,839,377)	7,701,421
Unabsorbed capital allowances	399,369	(399,369)	-	-	-
Excess of capital allowances over depreciation	(150,089)	455	(149,634)	46,545	(103,089)
	8,309,625	2,081,539	10,391,164	(2,792,832)	7,598,332

The recognition of the deferred tax assets of the Group and of the Company are based on the projection of financial budget approved by directors to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

Notes to the Financial Statements (Cont'd)

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

(b) Deferred tax liabilities

	Group 2023 RM	2022 RM
At 1 August 2022/2021	14,189,301	13,969,434
Recognised in profit or loss	348,896	(55,234)
Recognised in equity	1,840,477	275,101
At 31 July	16,378,674	14,189,301

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

	At 1 August 2021 RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	At 31 July 2022 RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	At 31 July 2023 RM
Group							
Property, plant and equipment	1,835,349	(209,558)	-	1,625,791	289,773	-	1,915,564
Revaluation	12,134,085	154,324	275,101	12,563,510	59,123	1,840,477	14,463,110
	13,969,434	(55,234)	275,101	14,189,301	348,896	1,840,477	16,378,674

Notes to the Financial Statements (Cont'd)

13. INVENTORIES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At cost				
Raw material	14,408,182	19,442,099	1,149	898,568
Work-in-progress	33,082,017	34,790,002	-	-
Finished goods	707,659,183	589,673,587	26,298,030	25,787,397
	755,149,382	643,905,688	26,299,179	26,685,965

During the financial year, the cost of inventories recognised as cost of sales in the Group and the Company amounted to RM1,171,554,721 (2022: RM1,094,999,492) and RM713,433,814 (2022: RM672,418,745) respectively.

14. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Trade					
Trade receivables	(a)	2,124,983	6,423,884	415	2,928
Amount due by subsidiaries	(b)	-	-	62,479,099	37,883,481
Less:					
Impairment for trade receivables		(32,959)	-	-	-
		2,092,024	6,423,884	62,479,514	37,886,409
Non-trade					
Other receivables	(c)	1,836,448	1,700,519	30,000	33,000
Less:					
Impairment for other receivables		-	(96,297)	-	-
		1,836,448	1,604,222	30,000	33,000
Total trade and other receivables		3,928,472	8,028,106	62,509,514	37,919,409

Notes to the Financial Statements (Cont'd)

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

Trade receivables are non-interest bearing and the Group's and the Company's normal trade credit terms range from 7 to 30 days (2022: 7 to 30 days). Other credit terms are assessed and approved on a case-by-case basis.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of the trade receivables are as follows:

	Group 2023 RM	2022 RM
At 1 August 2022/2021	-	169,200
Charge for the financial year		
- Individually assessed	32,959	-
Reversal of impairment losses	-	(169,200)
At 31 July	32,959	-

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

The information about the credit exposures are disclosed in Note 38(b) to the financial statements.

(b) Amount due by subsidiaries

The amount due by subsidiaries are trade in nature and non-interest bearing the Company's normal trade credit terms range from 7 to 30 days (2022: 7 to 30 days).

Notes to the Financial Statements (Cont'd)

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Other receivables

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

Included in other receivables of the Group are amounts of RM320,000 (2022: RM320,000) due by fellow subsidiary of holding company. The amounts due are unsecured, interest free, repayable on demand and is expected to be settled in cash.

Receivables that are impaired

The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of the trade receivables are as follows:

	Group 2023 RM	2022 RM
At 1 August 2022/2021	96,297	-
(Reversal)/Charge for the financial year		
- Individually assessed	(96,297)	96,297
At 31 July	-	96,297

15. DEPOSITS AND PREPAYMENTS

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Deposits	(a)	8,639,912	8,606,256	39,602	38,913
Prepayments		2,603,802	1,484,845	394,396	235,670
		11,243,714	10,091,101	433,998	274,583

(a) Deposits

Included in deposits of the Group are deposits in relation to rental and utilities deposits for retail spaces and staff hostels amounted to RM7,673,724 (2022: RM7,647,386).

Notes to the Financial Statements (Cont'd)

16. AMOUNT DUE BY/(TO) SUBSIDIARIES

The amount due by/(to) subsidiaries are unsecured, interest free, repayable on demand and is expected to be settled in cash.

17. FIXED DEPOSITS PLACED WITH LICENSED BANKS

The fixed deposits of the Group earn interest rate ranging from 1.30% to 3.00% (2022: 1.30% to 1.95%) per annum respectively.

Included in fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM1,393,933 (2022: RM1,353,045), which have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 20 to the financial statements.

18. SHARE CAPITAL

	Group and Company			
	2023 Number of shares	RM	2022 Number of shares	RM
Issued and fully paid up (no par value):				
At 1 August 2022/2021/31 July	410,351,752	205,175,876	410,351,752	205,175,876

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

19. RESERVES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revaluation reserve	45,235,382	42,959,012	-	-
Retained earnings	511,521,224	438,415,004	96,147,581	61,467,808
	556,756,606	481,374,016	96,147,581	61,467,808

Revaluation reserve

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

Notes to the Financial Statements (Cont'd)

20. LOANS AND BORROWINGS

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Non-current					
Secured					
Term loans	20.1	8,124,001	16,897,910	-	-
Lease liabilities	20.2	22,383,550	19,361,881	306,827	60,851
Hire purchase payables	20.3	2,336,450	1,397,332	-	-
		32,844,001	37,657,123	306,827	60,851
Current					
Secured					
Term loans	20.1	28,986,009	30,216,958	-	-
Lease liabilities	20.2	20,432,769	16,617,896	302,709	220,838
Hire purchase payables	20.3	2,014,050	929,554	-	135,873
Bankers' acceptance	20.4	83,384,000	50,512,000	-	-
Revolving credit	20.5	8,000,000	-	-	-
		142,816,828	98,276,408	302,709	356,711
Total loan and borrowings					
Term loans	20.1	37,110,010	47,114,868	-	-
Lease liabilities	20.2	42,816,319	35,979,777	609,536	281,689
Hire purchase payables	20.3	4,350,500	2,326,886	-	135,873
Bankers' acceptance	20.4	83,384,000	50,512,000	-	-
Revolving credit	20.5	8,000,000	-	-	-
		175,660,829	135,933,531	609,536	417,562

Notes to the Financial Statements (Cont'd)

20. LOANS AND BORROWINGS (CONT'D)

20.1 Term loans

Term loan facilities of the Group are mature between year 2022 and year 2036 and denominated in RM.

Term loan 1 of a subsidiary of RM1,616,637 (2022: RM1,762,126) bears interest at BLR – 2.00% (2022: BLR – 2.00%) per annum and is repayable by monthly instalments of RM17,826 (2022: RM17,826) over twenty years commencing from the day of first drawdown and is secured and supported as follows:

- (a) A legal charge over properties of the subsidiary as disclosed in Note 7 to the financial statements; and
- (b) Corporate guarantee and indemnity provided by the Company.

Term loan 2 of a subsidiary of RM1,908,210 (2022: RM2,655,598) bears interest at BLR – 2.40% (2022: BLR – 2.40%) per annum and is repayable by monthly instalments of RM71,054 (2022: RM71,054) over ten years commencing from one month after the full release of the loan and is secured and supported as follows:

- (a) Principal instrument of a facilities agreement for the sum of RM6,900,000;
- (b) Equitable Assignment of rental proceeds is to be created over property as disclosed in Note 5 and Note 6 to the financial statements;
- (c) Corporate guarantee provided by the Company; and
- (d) Where security is taken over property without individual title:
 - (i) A deed of assignment to be executed by the subsidiary in assigning all the rights and title, interests and benefits under the Sales and Purchase Agreement in respect of the property.
 - (ii) Irrevocable Power of Attorney from the subsidiary to enable the Bank to deal with the security offered.

Term loan 3 of a subsidiary of RM374,428 (2022: RM397,079) bears interest at BLR – 2.20% (2022: BLR – 2.20%) per annum and is repayable by monthly instalments of RM3,179 (2022: RM3,179) over twelve years commencing from the day of first drawdown and is secured and supported as follows:

- (a) Principal instrument of facilities agreement for the sum of RM480,000;
- (b) Corporate guarantee provided by the Company; and
- (c) Where security is taken over property without individual title:
 - (i) A registered open all monies first party charge stamped nominally over the property.
 - (ii) A close charge over property created as security for facility granted as disclosed in Note 5 to the financial statements.

Term loan 4 of a subsidiary of RM1,100,673 (2022: RM1,194,713) bears interest at BLR – 2.00% (2022: BLR – 2.00%) per annum and is repayable by monthly instalments of RM12,164 (2022: RM11,651) over twenty years commencing from one month after the full release of the loan and is secured and supported as follows:

- (a) Facilities agreements for the sum of RM2,000,000 as principal instruments;
- (b) A first party legal charge over the properties of the subsidiary as disclosed in Note 5 to the financial statements; and
- (c) Corporate guarantee provided by the Company.

Notes to the Financial Statements (Cont'd)

20. LOANS AND BORROWINGS (CONT'D)

20.1 Term loans (Cont'd)

Term loan 5 of subsidiaries of RM20,255,293 (2022: RM19,326,344) bears interest at 2.80% (2022: 2.80%) per annum is repayable on demand and is secured and supported as follows:

- (a) Fixed deposit placed with a licensed bank of the Company as disclosed in Note 17 to the financial statements; and
- (b) Corporate guarantee provided by the Company.

Term loan 6 of subsidiaries of RM3,178,478 (2022: RM3,403,792) bears interest at BR + 0.75% (2022: BLR – 0.75%) per annum and is repayable by monthly instalments of RM29,756 (2022: RM29,756) over fifteen years commencing from the day of first drawdown and is secured and supported as follows:

- (a) Principal instrument of facilities agreement for the sum of RM4,207,500; and
- (b) Corporate guarantee provided by the Company.

Term loan 7 of subsidiaries of RM6,666,700 (2022: RM15,555,580) bears interest at BR + 1.00% (2022: BR + 1.00%) per annum and is repayable by 54 equal monthly instalments of RM 740,740 (2022: RM740,740) with the first instalment commencing 6 months from the date of first drawdown and is secured and supported as follows:

- (a) Fixed deposit placed with a licensed bank of the Company as disclosed in Note 17 to the financial statements;
- (b) Irrevocable and unconditional letter of undertaking from the holding company to cover any shortfall in any payment obligations in relation to the facility; and
- (c) Corporate guarantee provided by the Company.

Term loan 8 of subsidiaries of RM994,697 (2022: RM1,666,697) bears interest at 5.56% (2022: 5.56%) per annum is repayable by monthly instalments of RM56,000 over five years commencing from 1 February 2020 and is secured by corporate guarantee provided by the Company.

Term loan 9 of subsidiaries of RM507,935 (2022: RM577,025) bears interest at BFR – 1.50% (2022: BFR – 1.50%) per annum is repayable by monthly instalments of RM5,992 (2022: RM5,745) over sixteen years commencing from first day after the full release and is secured and supported as follows:

- (a) A first party legal charge over the properties of the subsidiary as disclosed in Note 7 to the financial statements; and
- (b) by corporate guarantee provided by the Company.

Term loan 10 of subsidiaries of RM506,959 (2022: RM575,914) bears interest at BFR – 1.50% (2022: BFR – 1.50%) per annum is repayable by monthly instalments of RM5,980 (2022: RM5,734) over sixteen years commencing from first day after the full release and is secured and supported as follows:

- (a) A first party legal charge over the properties of the subsidiary as disclosed in Note 7 to the financial statements; and
- (b) by corporate guarantee provided by the Company.

Notes to the Financial Statements (Cont'd)

20. LOANS AND BORROWINGS (CONT'D)

20.2 Lease liabilities

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Minimum lease payments:				
- not later than one year	22,090,047	17,511,680	327,200	230,500
- later than one year but not later than five years	23,481,609	20,827,717	322,900	62,000
- more than five years	-	133,250	-	-
	45,571,656	38,472,647	650,100	292,500
Less: Future finance charges	(2,755,337)	(2,492,870)	(40,564)	(10,811)
Present value of minimum lease payments	42,816,319	35,979,777	609,536	281,689
Present value of minimum lease payments				
- not later than one year	20,432,769	16,617,896	302,709	220,838
- later than one year but not later than five years	22,383,550	19,229,584	306,827	60,851
- more than five years	-	132,297	-	-
	42,816,319	35,979,777	609,536	281,689
Less: Amount due within 12 months	(20,432,769)	(16,617,896)	(302,709)	(220,838)
Amount due after 12 months	22,383,550	19,361,881	306,827	60,851

The incremental borrowing rate applied to the other lease liabilities of the Group and the Company are ranges from 5.77% to 8.81% (2022: 5.56% to 8.81%) and 5.77% to 8.81% (2022: 5.56% to 8.81%) per annum respectively.

Notes to the Financial Statements (Cont'd)

20. LOANS AND BORROWINGS (CONT'D)

20.3 Hire purchase payables

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Minimum lease payments:				
- not later than one year	2,207,385	1,012,977	-	152,180
- later than one year but not later than five years	2,502,976	1,509,950	-	-
	4,710,361	2,522,927	-	152,180
Less: Future finance charges	(359,861)	(196,041)	-	(16,307)
Present value of minimum lease payments	4,350,500	2,326,886	-	135,873
Present value of minimum lease payments				
- not later than one year	2,014,050	929,554	-	135,873
- later than one year but not later than five years	2,336,450	1,397,332	-	-
	4,350,500	2,326,886	-	135,873
Less: Amount due within 12 months	(2,014,050)	(929,554)	-	(135,873)
Amount due after 12 months	2,336,450	1,397,332	-	-

Certain equipment, furniture and fittings, plant and machinery and motor vehicles of the Group and the Company as disclosed in Note 5 are pledged for hire purchases. Such leases give the Group and the Company an option to purchase at the end of lease term. The hire purchase of the Group and the Company bears interest ranging from 2.05% to 3.65% (2022: 2.05% to 4.00%) and 4.00% (2022: 4.00%) per annum respectively.

20.4 Bankers' acceptance

The bankers' acceptance of the Group are denominated in RM and are secured by a combination of the following:

- Corporate guarantees and indemnity provided by the Company; and
- Fixed deposits placed with licensed banks of the Group as disclosed in Note 17 to the financial statements.

Notes to the Financial Statements (Cont'd)

20. LOANS AND BORROWINGS (CONT'D)

20.4 Bankers' acceptance (Cont'd)

The Group's effective interest rates at the end of the reporting period for bankers' acceptance was as follows:

	Group 2023 %	2022 %
Bankers' acceptance	3.15 - 4.87	2.65 - 3.49

20.5 Revolving credit

The revolving credit of the subsidiary is denominated in RM and is secured and supported as follows:

- (a) Fixed deposits placed with a licensed bank of the subsidiary as disclosed in Note 17 to the financial statements;
- (b) Irrevocable and unconditional letter of undertaking from the holding company to cover any shortfall in any payment obligations in relation to the facility; and
- (c) Corporate guarantee provided by the Company.

The Group's effective interest rates at the end of the reporting period for revolving credit was as follows:

	Group 2023 %	2022 %
Revolving credit	4.30 - 5.62	-

21. PROVISION FOR RESTORATION COSTS

	Group 2023 RM	2022 RM
At 1 August 2022/2021/31 July	400,000	400,000

The provision is in relation to restoration costs for the Group's rented premises and is made based on historical expenses incurred and directors' best estimate in relation to restoration cost. The Group expects to incur the liability when the leases are terminated.

Notes to the Financial Statements (Cont'd)

22. TRADE AND OTHER PAYABLES

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Trade payables	(a)	4,716,008	2,773,691	2,125,688	3,396,728
Other payables	(b)	6,815,174	4,492,511	1,877,316	1,664,668
		11,531,182	7,266,202	4,003,004	5,061,396

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company range from 1 to 180 days (2022: 1 to 180 days) and 1 to 180 days (2022: 1 to 180 days) respectively.

Included in trade payables of the Company are amounts due to subsidiaries of RM690,569 (2022: RM2,835,445).

The currency profile of trade payables is as follows:

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
United States Dollar	473,648	260,304	-	-
Hong Kong Dollar	638,019	222,433	77,585	-
Euro	421,924	2,759	421,924	2,759
Japanese Yen	17,637	-	17,637	-
Ringgit Malaysia	3,164,780	2,288,195	1,608,542	3,393,969
	4,716,008	2,773,691	2,125,688	3,396,728

(b) Other payables

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

Included in other payables of the Group is an amount of RM455,000 (2022: RM615,000) due to family members of a deceased director.

Notes to the Financial Statements (Cont'd)

23. DEPOSITS AND ACCRUALS

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Deposits		223,936	173,436	-	-
Accruals	(a)	12,225,831	9,082,903	641,842	569,713
		12,449,767	9,256,339	641,842	569,713

(a) Accruals

Included in accruals of the Group is salary payable amounted to RM6,041,954 (2022: RM5,715,554).

24. AMOUNT DUE TO HOLDING COMPANY

The amount due to holding company is non-trade in nature, unsecured, bears interest at rate of 6.00% (2022: 6.00%) per annum, repayable on demand and is expected to be settled in cash.

25. AMOUNT DUE TO DIRECTORS

The amount due to directors are non-trade in nature, unsecured, interest free, repayable on demand and is expected to be settled in cash.

26. CONTRACT LIABILITIES

	Note	Group 2023 RM	2022 RM
Customer deposits	(a)	5,817,899	7,755,237
Unutilised cash vouchers	(b)	919,150	755,840
Loyalty programme	(c)	1,032,781	1,042,602
		7,769,830	9,553,679

- (a) The amount will be recognised as revenue when the goods and services are delivered to the customers.
- (b) The amount will be recognised as revenue when the cash vouchers are utilised by customers.
- (c) Amount relates to the value of awarded points under Poh Kong Jeweland Loyalty Programme.

Notes to the Financial Statements (Cont'd)

26. CONTRACT LIABILITIES (CONT'D)

Significant changes in contract liabilities

	Group 2023 RM	2022 RM
Revenue recognised that was included in contract liability at the beginning of the financial year	9,553,679	9,225,343
Increases due to consideration received from customers, but revenue not recognised	(7,769,830)	(9,553,679)

27. REVENUE

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Revenue from contract customers:				
Sale of goods	1,470,569,120	1,362,609,062	728,718,854	682,154,885
Management fee	-	-	19,799,868	16,421,857
	1,470,569,120	1,362,609,062	748,518,722	698,576,742
Revenue from other sources:				
Dividend income	-	-	30,658,000	12,841,000
Interest income	-	-	835,114	378,340
	1,470,569,120	1,362,609,062	780,011,836	711,796,082

(a) Disaggregation of revenue

The Group and the Company report the following major segments: trading, manufacturing and others in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure for disaggregation of revenue, it disaggregates revenue into major goods or services, timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

Notes to the Financial Statements (Cont'd)

27. REVENUE (CONT'D)

(a) Disaggregation of revenue (Cont'd)

	Trading RM	Manufacturing RM	Total RM
Group			
2023			
<i>Major goods or services</i>			
Sale of goods	1,423,161,554	47,407,566	1,470,569,120
<i>Timing of revenue recognition</i>			
At a point in time	1,423,161,554	47,407,566	1,470,569,120
2022			
<i>Major goods or services</i>			
Sale of goods	1,321,952,074	40,656,988	1,362,609,062
<i>Timing of revenue recognition</i>			
At a point in time	1,321,952,074	40,656,988	1,362,609,062

Notes to the Financial Statements (Cont'd)

27. REVENUE (CONT'D)

(a) Disaggregation of revenue (Cont'd)

	Trading RM	Others RM	Total RM
Company			
2023			
<i>Major goods or services</i>			
Dividend income	-	30,658,000	30,658,000
Interest income	-	835,114	835,114
Mangement fee	-	19,799,868	19,799,868
Sale of goods	728,718,854	-	728,718,854
	728,718,854	51,292,982	780,011,836
<i>Timing of revenue recognition</i>			
At a point in time	728,718,854	31,493,114	760,211,968
Over time	-	19,799,868	19,799,868
	728,718,854	51,292,982	780,011,836
2022			
<i>Major goods or services</i>			
Dividend income	-	12,841,000	12,841,000
Interest income	-	378,340	378,340
Mangement fee	-	16,421,857	16,421,857
Sale of goods	682,154,885	-	682,154,885
	682,154,885	29,641,197	711,796,082
<i>Timing of revenue recognition</i>			
At a point in time	682,154,885	13,219,340	695,374,225
Over time	-	16,421,857	16,421,857
	682,154,885	29,641,197	711,796,082

Notes to the Financial Statements (Cont'd)

28. FINANCE INCOME

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Interest income from fixed deposits	141,456	133,770	-	-
Interest income from banks	388,566	332,735	36,996	38,960
	530,022	466,505	36,996	38,960

29. FINANCE COSTS

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Interest expenses on:				
- Bankers' acceptance	4,460,798	2,833,479	-	-
- Bank overdraft	20,642	23,543	-	-
- Revolving credit	183,650	6,952	-	-
- Term loans	960,650	885,599	-	-
- Lease liabilities	3,025,213	2,623,378	34,312	26,368
- Hire purchase	105,724	166,714	16,307	36,814
- Others	96,767	633,621	18,000	18,000
	8,853,444	7,173,286	68,619	81,182

Notes to the Financial Statements (Cont'd)

30. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration	369,300	330,000	71,900	65,000
Depreciation of:				
- investment properties	306,887	307,794	-	-
- property, plant and equipment	7,785,887	8,166,923	597,787	693,908
- right-of-use assets	23,190,869	21,344,937	367,516	357,915
Employee benefits expenses (Note 31)	88,707,151	75,235,183	14,463,223	12,156,281
Expenses relating to:				
- low value leases	7,700	11,555	7,700	11,555
- short term leases	2,109,987	1,090,948	-	-
Impairment losses on:				
- investment properties	4,788,479	-	-	-
- trade receivables	32,959	-	-	-
- other receivables	-	96,297	-	-
(Gain)/Loss on termination of lease	(1,258,482)	119,325	-	-
Written off of:				
- inventories	1,236	682	-	-
- property, plant and equipment	14,945	99,338	-	-
- current tax assets	189,883	21,825	-	-
Unrealised loss on foreign exchange	-	3,299	-	-
Dividend income	-	-	(30,658,000)	(12,841,000)
Gain on disposal of property, plant and equipment	(629,934)	(374,200)	-	-
Gain on remeasurement of right-of-use assets	-	(12,823)	-	-
Rental income from premises	(676,910)	(618,470)	(62,182)	(114,000)
Realised gain on foreign exchange	(1,237,692)	(805,665)	(685,246)	(326,262)
Reversal of impairment loss on:				
- investment properties	-	(49,511)	-	-
- trade receivables	-	(169,200)	-	-
- other receivables	(96,297)	-	-	-
Reversal of write down of inventories	(251,288)	(75,904)	-	-
Unrealised gain on foreign exchange	(89)	(2,504)	-	-

Notes to the Financial Statements (Cont'd)

31. EMPLOYEE BENEFITS EXPENSES

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Salaries, bonus, overtime and allowances	72,790,676	63,315,821	12,951,791	10,727,556
Defined contribution plan	7,355,054	6,616,478	1,209,190	1,140,658
Other staff related expenses	8,561,421	5,302,884	302,242	288,067
	88,707,151	75,235,183	14,463,223	12,156,281

Included in employee benefits expenses are directors' remuneration as follows:

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Directors of the Company:				
<u>Executive directors</u>				
- Salaries and other emoluments	10,988,340	7,015,786	5,121,002	3,831,314
- Fees	18,000	18,000	-	-
	11,006,340	7,033,786	5,121,002	3,831,314
<u>Non-executive directors</u>				
- Fees	206,666	210,000	206,666	210,000
- Allowance	101,000	145,000	101,000	145,000
	307,666	355,000	307,666	355,000
Directors of the subsidiaries:				
<u>Executive directors</u>				
- Salaries and other emoluments	3,863,127	3,617,968	-	-
- Fees	12,000	12,000	-	-
	3,875,127	3,629,968	-	-
Total directors' remuneration	15,189,133	11,018,754	5,428,668	4,186,314

Notes to the Financial Statements (Cont'd)

32. INCOME TAX EXPENSE/(CREDIT)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Income tax				
- current year	28,398,450	30,096,366	215,593	127,512
- prior years	798,104	(775,402)	(4,991)	-
	29,196,554	29,320,964	210,602	127,512
Deferred tax (Note 12)				
- current year	138,933	(1,086,365)	2,833,071	1,485,441
- prior years	437,298	(3,816,352)	(40,239)	(3,566,980)
	576,231	(4,902,717)	2,792,832	(2,081,539)
Income tax expense/(credit) recognised in profit or loss	29,772,785	24,418,247	3,003,434	(1,954,027)

Domestic income tax rate is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated taxable profit for the financial year.

The reconciliations of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	108,213,578	116,609,578	43,017,780	19,194,593
Tax at Malaysian statutory income tax rate of 24% (2022: 24%)	25,971,259	27,986,299	10,324,267	4,606,702
Effect of prosperity tax	-	96,113	-	-
Share of results of associate	(114,522)	(175,221)	-	-
Deferred tax assets not recognised	5,324	-	-	-
Utilisation of previously unrecognised tax losses and capital allowance	-	(103,549)	-	-
Tax effects arising from:				
- non-deductible expenses	3,518,144	1,336,524	86,636	88,091
- non-taxable income	(842,822)	(130,165)	(7,362,239)	(3,081,840)
- prior years	1,235,402	(4,591,754)	(45,230)	(3,566,980)
Income tax expense/(credit) for the financial year	29,772,785	24,418,247	3,003,434	(1,954,027)

Notes to the Financial Statements (Cont'd)

32. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

The deferred tax assets have not been recognised for the following items:

	Group 2023 RM	2022 RM
Differences between the carrying amount of property, plant and equipment and their tax base	27,310	30,438
Deductible temporary differences in respect of expenses	(20,555)	(1,502)
	6,755	28,936
Potential deferred tax assets not recognised	1,621	6,945

33. EARNINGS PER SHARE

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

	Group 2023 RM	2022 RM
Profit attributable to owners of the Company	78,440,793	92,191,331
Weighted average number of ordinary shares in issue	410,351,752	410,351,752
Basic earnings per share (sen)	19.12	22.47

- (b) The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any potential ordinary shares outstanding at the end of the reporting period.

Notes to the Financial Statements (Cont'd)

34. DIVIDENDS

	Group and Company	
	2023	2022
	RM	RM
Single tier final dividend of 1.30 sen on 410,351,752 ordinary shares in respect of the financial year ended 31 July 2022, paid on 10 March 2023	5,334,573	-
Single tier first and final dividend of 1.20 sen on 410,351,752 ordinary shares in respect of the financial year ended 31 July 2021, paid on 18 March 2022	-	4,924,221
Single tier interim dividend of 1.00 sen on 410,351,752 ordinary shares in respect of the financial year ended 31 July 2022, payable on 30 November 2022	-	4,103,518
	5,334,573	9,027,739

At the forthcoming Annual General Meeting, a single tier final dividend of 2.00 sen on 410,351,752 ordinary shares amounting to RM8,207,035 in respect of the current financial year, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 July 2024.

35. OPERATING LEASE ARRANGEMENTS

Operating lease commitments - as lessor

The Group leases several of its investment properties which have remaining lease term between one to three years.

The maturity analysis of the Group's lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	Group	
	2023	2022
	RM	RM
- Not later than one year	594,620	293,360
- one to two years	176,000	173,720
- two to three years	52,500	13,530
	823,120	480,610

Notes to the Financial Statements (Cont'd)

36. RELATED PARTIES

(a) Identity of related parties

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

Related parties of the Group include:

- (i) Holding company;
- (ii) Subsidiaries;
- (iii) Associate;
- (iv) Entities in which directors have substantial financial interests; and
- (v) Key management personnel, comprise persons (including the directors of the Company) who have the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Related party transactions and balances

Related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Dividend income received and receivable from subsidiaries	-	-	30,658,000	12,841,000
Interest income received and receivable from subsidiaries	-	-	835,114	378,340
Management fee received and receivable from subsidiaries	-	-	19,799,868	16,421,857
Shop rental received and receivable from a company connected to directors of the Company	36,000	36,000	-	-
Sale of goods to				
- certain directors of the Company	226,746	136,502	-	-
- certain directors of subsidiaries	45,149	18,688	-	-
- key management personnel	56,451	54,348	-	-
- subsidiaries	-	-	428,652,583	398,215,080

Notes to the Financial Statements (Cont'd)

36. RELATED PARTIES (CONT'D)

(b) Related party transactions and balances (Cont'd)

Related party transactions other than disclosed elsewhere in the financial statements are as follows: (Cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Purchase of goods from				
- certain directors of the Company	105,911	3,415	-	-
- certain directors of subsidiaries	6,944	7,337	-	-
- key management personnel	28,455	42,557	-	-
- subsidiaries	-	-	49,798,144	39,238,676
Hostel rental paid to				
- certain directors of the Company	144,000	144,000	114,000	114,000
- certain directors of subsidiaries	108,000	108,000	-	-
Professional fees paid to a firm connected to a director of the Company	124,030	89,300	-	-
Interest expenses paid to holding company	18,000	18,000	18,000	18,000
Dividend received from associate	449,997	599,996	-	-
Acquisition of property from a person connected to director	-	440,000	-	-

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 14, Note 16, Note 22, Note 24 and Note 25 to the financial statements.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiaries as disclosed in Note 38(b)(i) to the financial statements.

Notes to the Financial Statements (Cont'd)

36. RELATED PARTIES (CONT'D)

(c) Key management personnel remuneration

The remuneration of the key management personnel during the financial year is as follows:

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Directors of the Company and subsidiaries				
Short-term employment benefits	14,457,280	10,421,039	5,150,512	3,896,432
Post employment benefits	731,853	597,715	278,156	289,882
Benefits-in-kind	87,817	93,804	20,000	-
	15,276,950	11,112,558	5,448,668	4,186,314
Other key management personnels				
Short-term employment benefits	23,353,079	21,156,350	2,874,611	2,541,031
Post employment benefits	1,531,216	1,581,068	281,839	268,407
	24,884,295	22,737,418	3,156,450	2,809,438

37. SEGMENTS REPORTING

The information reported to the Group Managing Director, as the chief operating decision maker, in making decisions to allocate resources to segments and to assess their performance is based on the nature of the industry (business segments) of the Group.

Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transactions between reportable segments are measured on the basis that is similar to those external customers.

Segment statements of comprehensive income are profit earned or loss incurred by each segment without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from previous financial year in the measurement methods used to determine reported segment statements of comprehensive income.

All the Group's assets are allocated to reportable segments.

All the Group's liabilities are allocated to reportable segments.

Notes to the Financial Statements (Cont'd)

37. SEGMENTS REPORTING (CONT'D)

(a) Business segments

The Group is organised into three major business segments:

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

	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Note	Group RM
2023						
Revenue						
External sales	1,423,161,554	47,407,566	-	-		1,470,569,120
Inter-segment sales	713,242,493	483,386,283	53,209,836	(1,249,838,612)	37(b)	-
Total Revenue	2,136,404,047	530,793,849	53,209,836	(1,249,838,612)		1,470,569,120
Results						
Segment results	107,317,404	28,687,977	23,599,245	(43,544,803)	37(c)	116,059,823
Results from operating activities	107,317,404	28,687,977	23,599,245	(43,544,803)		116,059,823
Interest income	271,533	152,939	105,550	-	37(d)	530,022
Finance costs	(7,579,548)	(1,044,052)	(1,202,378)	972,534	37(d)	(8,853,444)
Share of results of an associate, net of tax	477,177	-	-	-		477,177
Profit before tax	100,486,566	27,796,864	22,502,417	(42,572,269)		108,213,578
Income tax expense	(22,069,910)	(6,859,351)	(3,409,021)	2,565,497	37(d)	(29,772,785)
Profit for the financial year	78,416,656	20,937,513	19,093,396	(40,006,772)		78,440,793

Notes to the Financial Statements (Cont'd)

37. SEGMENTS REPORTING (CONT'D)

(a) Business segments (Cont'd)

	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Note	Group RM
2023						
Assets						
Segment assets	939,543,205	187,217,105	389,724,377	(515,342,621)	37(e)	1,001,142,066
Total assets	939,543,205	187,217,105	389,724,377	(515,342,621)		1,001,142,066
Liabilities						
Segment liabilities	430,446,611	38,612,215	100,983,016	(330,832,258)	37(f)	239,209,584
Total liabilities	430,446,611	38,612,215	100,983,016	(330,832,258)		239,209,584
Other information						
Additions of :						
- property, plant and equipment	7,147,342	693,263	-	(52,106)	37(d)	7,788,499
- right-of-use assets	31,996,626	-	-	(1,182,789)	37(d)	30,813,837
Depreciation of:						
- property, plant and equipment	6,002,493	1,062,721	16,000	704,673	37(d)	7,785,887
- investment properties	134,711	-	720,397	(548,221)	37(d)	306,887
- right-of-use assets	24,792,134	85,178	-	(1,686,443)	37(d)	23,190,869

Notes to the Financial Statements (Cont'd)

37. SEGMENTS REPORTING (CONT'D)

(a) Business segments (Cont'd)

	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Note	Group RM
2023						
Other material non-cash items other than depreciation						
Gain on disposal of property, plant and equipment	(440,300)	(189,634)	-	-		(629,934)
Gain on remeasurement of right-of-use assets	(1,258,482)	-	-	-		(1,258,482)
Written off of:						
- Inventories	-	1,236	-	-		1,236
- Property, plant and equipment	14,945	-	-	-		14,945
Reversal of impairment loss on other receivables	(96,297)	-	-	-		(96,297)

Notes to the Financial Statements (Cont'd)

37. SEGMENTS REPORTING (CONT'D)

(a) Business segments (Cont'd)

	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Note	Group RM
2022						
Revenue						
External sales	1,321,952,074	40,656,988	-	-		1,362,609,062
Inter-segment sales	649,431,431	402,351,350	31,114,811	(1,082,897,592)	37(b)	-
Total Revenue	1,971,383,505	443,008,338	31,114,811	(1,082,897,592)		1,362,609,062
Results						
Segment results	120,148,329	18,708,381	9,748,646	(26,019,083)	37(c)	122,586,273
Results from operating activities	120,148,329	18,708,381	9,748,646	(26,019,083)		122,586,273
Interest income	262,029	124,953	79,523	-	37(d)	466,505
Finance costs	(6,123,934)	(744,169)	(772,376)	467,193	37(d)	(7,173,286)
Share of results of an associate, net of tax	730,086	-	-	-		730,086
Profit before tax	115,016,510	18,089,165	9,055,793	(25,551,890)		116,609,578
Income tax expense	(24,883,282)	(4,465,293)	1,701,141	3,229,187	37(d)	(24,418,247)
Profit for the financial year	90,133,228	13,623,872	10,756,934	(22,322,703)		92,191,331

Notes to the Financial Statements (Cont'd)

37. SEGMENTS REPORTING (CONT'D)

(a) Business segments (Cont'd)

	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Note	Group RM
2022						
Assets						
Segment assets	763,941,571	163,563,431	381,963,110	(426,670,104)	37(e)	882,798,008
Total assets	763,941,571	163,563,431	381,963,110	(426,670,104)		882,798,008
Liabilities						
Segment liabilities	323,690,507	32,447,680	103,692,811	(263,582,882)	37(f)	196,248,116
Total liabilities	323,690,507	32,447,680	103,692,811	(263,582,882)		196,248,116
Other information						
Additions of :						
- investment properties	-	-	440,000	-		440,000
- property, plant and equipment	4,243,768	242,614	-	-	37(d)	4,486,382
- right-of-use assets	27,155,571	59,614	-	(2,518,121)	37(d)	24,697,064
Depreciation of:						
- property, plant and equipment	6,250,177	1,250,714	16,000	650,032	37(d)	8,166,923
- investment properties	134,711	-	670,032	(496,949)	37(d)	307,794
- right-of-use assets	22,448,486	193,129	-	(1,296,678)	37(d)	21,344,937

Notes to the Financial Statements (Cont'd)

37. SEGMENTS REPORTING (CONT'D)

(a) Business segments (Cont'd)

	Trading RM	Manufacturing RM	Others RM	Eliminations RM	Note	Group RM
2022						
Other material non-cash items other than depreciation						
Gain on disposal of property, plant and equipment	(374,200)	-	-	-		(374,200)
Gain on remeasurement of right-of-use assets	-	(12,823)	-	-		(12,823)
Loss on termination of lease	119,325	-	-	-		119,325
Written off of:						
- Inventories	682	-	-	-		682
- Property, plant and equipment	99,338	-	-	-		99,338
Reversal of impairment loss on						
- investment properties	(49,511)	-	-	-		(49,511)
- right-of-use assets	-	(210,979)	-	-		(210,979)
- trade receivables	(169,200)	-	-	-		(169,200)

(b) Inter-segment revenue are eliminated on consolidation.

(c) Inter-segment profits are eliminated on consolidation.

(d) Inter-segment transactions or balances are eliminated on consolidation.

Notes to the Financial Statements (Cont'd)

37. SEGMENTS REPORTING (CONT'D)

- (e) The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2023 RM	2022 RM
Investment in subsidiaries	(172,113,448)	(154,145,183)
Inter-segment assets elimination	(343,229,173)	(272,524,921)
	(515,342,621)	(426,670,104)

- (f) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2023 RM	2022 RM
Inter-segment liabilities elimination	(330,832,258)	(263,582,882)

- (g) **Geographical segments**

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

- (h) **Major customers**

There is no single customer that contributed 10% or more to the Group's revenue.

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost

	Carrying amount RM	Amortised costs RM
2023		
Financial assets		
Group		
Trade and other receivables	3,928,472	3,928,472
Deposits	8,639,912	8,639,912
Fixed deposits placed with licensed banks	13,793,933	13,793,933
Cash and bank balances	14,437,058	14,437,058
	40,799,375	40,799,375
Company		
Trade and other receivables	62,509,514	62,509,514
Deposits	39,602	39,602
Amount due by subsidiaries	102,687,510	102,687,510
Cash and bank balances	883,845	883,845
	166,120,471	166,120,471
Financial liabilities		
Group		
Loan and borrowings *	132,844,510	132,844,510
Trade and other payables	11,531,182	11,531,182
Deposits and accruals	12,449,767	12,449,767
Amount due to holding company	1,302,794	1,302,794
Amount due to directors	4,449,185	4,449,185
	162,577,438	162,577,438
Company		
Trade and other payables	4,003,004	4,003,004
Accruals	641,842	641,842
Amount due to holding company	1,302,794	1,302,794
Amount due to subsidiaries	57,518,643	57,518,643
Amount due to directors	2,965,260	2,965,260
	66,431,543	66,431,543

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

(i) Amortised cost (Cont'd)

2022	Carrying amount RM	Amortised costs RM
Financial assets		
Group		
Trade and other receivables	8,028,106	8,028,106
Deposits	8,606,256	8,606,256
Fixed deposits placed with licensed banks	15,503,045	15,503,045
Cash and bank balances	18,958,760	18,958,760
	51,096,167	51,096,167
Company		
Trade and other receivables	37,919,409	37,919,409
Deposits	38,913	38,913
Amount due by subsidiaries	103,655,750	103,655,750
Cash and bank balances	2,323,665	2,323,665
	143,937,737	143,937,737
Financial liabilities		
Group		
Loan and borrowings *	99,953,754	99,953,754
Trade and other payables	7,266,202	7,266,202
Dividend payable	4,103,518	4,103,518
Deposits and accruals	9,256,339	9,256,339
Amount due to holding company	1,314,794	1,314,794
Amount due to directors	2,394,174	2,394,174
	124,288,781	124,288,781
Company		
Loan and borrowings *	135,873	135,873
Trade and other payables	5,061,396	5,061,396
Dividend payable	4,103,518	4,103,518
Accruals	569,713	569,713
Amount due to holding company	1,314,794	1,314,794
Amount due to subsidiaries	57,988,714	57,988,714
Amount due to directors	1,443,911	1,443,911
	70,617,919	70,617,919

* Excluded lease liabilities

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Group and the Company seek to manage effectively the various risks namely credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risks, to which the Group and the Company are exposed to in their daily operations. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's Senior Management. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligation. The Group's and the Company's exposure to credit risk, arises mainly from trade and other receivables and amount due by subsidiaries and from its financing activities, including deposits with banks and financial institutions. The Group and the Company manage their exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an individual credit limits are defined in accordance with this assessment.

Trade receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group and the Company determine concentrations of credit risk by monitoring the ageing profile of its trade receivables on an on-going basis. The Group's and the Company's trade receivables credit risk is concentrated in Malaysia.

The Group and the Company apply the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the impairment losses, trade receivable have been grouped based on shared credit risk characteristics and day past due. The impairment losses also incorporate forward looking information.

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Credit risk concentration profile (Cont'd)

The information about the credit risk exposure on the Group's and the Company's trade receivables as at 31 July 2023 are as follows:

	Gross carrying amount RM	ECL allowance RM	Net balance RM
2023			
Group			
Trade receivables			
Current (not past due)	2,054,283	-	2,054,283
61 to 90 days past due	30,900	-	30,900
More than 120 days past due	6,841	-	6,841
Credit impaired:			
- Individually assessed	32,959	(32,959)	-
	2,124,983	(32,959)	2,092,024
Company			
Trade receivables			
Current (not past due)	11,807,255	-	11,807,255
1 to 30 days past due	2,287,538	-	2,287,538
31 to 60 days past due	12,225,621	-	12,225,621
61 to 90 days past due	3,477,904	-	3,477,904
91 to 120 days past due	3,448,121	-	3,448,121
More than 120 days past due	29,233,075	-	29,233,075
	62,479,514	-	62,479,514

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Credit risk concentration profile (Cont'd)

The information about the credit risk exposure on the Group's and the Company's trade receivables as at 31 July 2022 are as follows:

	Gross carrying amount RM	ECL allowance RM	Net balance RM
2022			
Group			
Trade receivables			
Current (not past due)	6,345,463	-	6,345,463
1 to 30 days past due	2,928	-	2,928
61 to 90 days past due	68,650	-	68,650
More than 120 days past due	6,843	-	6,843
	6,423,884	-	6,423,884
Company			
Trade receivables			
Current (not past due)	4,034,422	-	4,034,422
1 to 30 days past due	30,484,512	-	30,484,512
31 to 60 days past due	6,919	-	6,919
61 to 90 days past due	5,296	-	5,296
91 to 120 days past due	3,355,260	-	3,355,260
	37,886,409	-	37,886,409

The significant changes in gross carrying amount of trade receivables do not contribute to changes in impairment losses during the financial year.

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Other receivables and other financial assets

For other receivables and other financial assets (including fixed deposits placed with licensed banks, cash and bank balances and related company balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk of the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the related company does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.8(a) to the financial statements for the Group's and the Company's other accounting policies for impairment of financial assets.

The Group and the Company consider these financial assets to have low credit risk. As such, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets.

Financial guarantee contracts

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by subsidiaries.

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loan granted to subsidiaries.

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Financial guarantee contracts (Cont'd)

The maximum exposure to credit risk representing the maximum amount the Company could pay if the guarantee is called as follows:

	Company 2023 RM	2022 RM
<u>Secured</u>		
Guarantees given in support of banking facilities granted to subsidiaries	247,394,660	237,394,660
<u>Unsecured</u>		
Guarantees given to third parties in respect of leasing facilities granted to the Company and its subsidiaries	11,000,000	11,000,000
Guarantees given to third parties in respect of rental deposits of retail spaces	2,901,528	2,901,528

Generally, the Company considers the financial guarantees have low credit risk. As at reporting date, there was no allowance for expected credit losses as determined by the Company for the financial guarantees.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantees are provided as credit enhancement to the subsidiaries' borrowings.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the continuity of funding and flexibility through the use of stand-by credit facilities.

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

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis

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

	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM	Over five years RM
Group					
2023					
Financial liabilities					
Trade and other payables	11,531,182	11,531,182	11,531,182	-	-
Deposits and accruals	12,449,767	12,449,767	12,449,767	-	-
Term loans	37,110,010	38,509,869	31,829,288	3,130,636	3,549,945
Lease liabilities	42,816,319	45,969,225	22,393,426	23,575,799	-
Hire purchase payables	4,350,500	4,710,362	2,207,386	2,502,976	-
Bankers' acceptance	83,384,000	83,384,000	83,384,000	-	-
Revolving credit	8,000,000	8,000,000	8,000,000	-	-
Amount due to holding company	1,302,794	1,380,962	1,380,962	-	-
Amount due to directors	4,449,185	4,449,185	4,449,185	-	-
	205,393,757	210,384,552	177,625,196	29,209,411	3,549,945

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting date based on contractual undiscounted repayment obligations are as follows (Cont'd):

	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM	Over five years RM
Group					
2022					
Financial liabilities					
Trade and other payables	7,266,202	7,266,202	7,266,202	-	-
Deposits and accruals	9,256,339	9,256,339	9,256,339	-	-
Term loans	47,114,868	50,362,331	31,112,128	13,752,857	5,497,346
Lease liabilities	35,979,777	34,659,635	17,511,680	17,014,705	133,250
Hire purchase payables	2,326,886	2,522,925	1,012,975	1,509,950	-
Bankers' acceptance	50,512,000	50,512,000	50,512,000	-	-
Amount due to holding company	1,314,794	1,393,682	1,393,682	-	-
Amount due to directors	2,394,174	2,394,174	2,394,174	-	-
	156,165,040	158,367,288	120,459,180	32,277,512	5,630,596

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting date based on contractual undiscounted repayment obligations are as follows (Cont'd):

	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM
Company				
2023				
Financial liabilities				
Trade and other payables	4,003,004	4,003,004	4,003,004	-
Accruals	641,842	641,842	641,842	-
Lease liabilities	609,536	650,100	327,200	322,900
Amount due to holding company	1,302,794	1,380,962	1,380,962	-
Amount due to subsidiaries	57,518,643	57,518,643	57,518,643	-
Amount due to directors	2,965,260	2,965,260	2,965,260	-
Financial guarantee contracts	-	261,296,188	261,296,188	-
	67,041,079	328,455,999	328,133,099	322,900

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting date based on contractual undiscounted repayment obligations are as follows (Cont'd):

	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM
Company				
2022				
Financial liabilities				
Trade and other payables	5,061,396	5,061,396	5,061,396	-
Accruals	569,713	569,713	569,713	-
Lease liabilities	417,562	444,680	382,680	62,000
Hire purchase payables	135,873	152,180	152,180	-
Amount due to holding company	1,314,794	1,393,682	1,393,682	-
Amount due to subsidiaries	57,988,714	57,988,714	57,988,714	-
Amount due to directors	1,443,911	1,443,911	1,443,911	-
Financial guarantee contracts	-	251,296,188	251,296,188	-
	66,931,963	318,350,464	318,288,464	62,000

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from interest-bearing financial assets and liabilities. The Group's and the Company's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group and of the Company will be placed with licensed financial institutions to generate interest income.

Interest rate profile

At the end of the reporting period, the interest rate profile of the interest-bearing financial instruments is as follows:

	Effective interest rate %	Within one year RM	One to five years RM	Over five years RM	Total RM
Group					
2023					
Financial asset					
Fixed deposits placed with licensed banks	1.30 - 3.00	13,793,933	-	-	13,793,933
Financial liabilities					
Amount due to holding company	6.00	1,302,794	-	-	1,302,794
Term loans	2.80 - 5.56	28,986,009	4,020,886	4,103,115	37,110,010
Lease liabilities	5.77 - 8.81	20,432,769	22,383,550	-	42,816,319
Hire purchase payables	2.05 - 3.65	2,014,050	2,336,450	-	4,350,500
Bankers' acceptance	3.15 - 4.87	83,384,000	-	-	83,384,000
Revolving credit	4.30 - 5.62	8,000,000	-	-	8,000,000

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Interest rate risk (Cont'd)

Interest rate profile (Cont'd)

At the end of the reporting period, the interest rate profile of the interest-bearing financial instruments is as follows (Cont'd):

	Effective interest rate %	Within one year RM	One to five years RM	Over five years RM	Total RM
Group					
2022					
Financial asset					
Fixed deposits placed with licensed banks	1.30 - 1.95	15,503,045	-	-	15,503,045
Financial liabilities					
Amount due to holding company	6.00	1,314,794	-	-	1,314,794
Term loans	2.80 - 5.56	30,216,958	12,036,463	4,861,267	47,114,688
Lease liabilities	5.56 - 8.81	16,617,896	19,361,881	-	35,979,777
Hire purchase payables	2.05 - 4.00	929,554	1,397,332	-	2,326,886
Bankers' acceptance	2.65 - 3.49	50,512,000	-	-	50,512,000

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Interest rate risk (Cont'd)

Interest rate profile (Cont'd)

At the end of the reporting period, the interest rate profile of the interest-bearing financial instruments is as follows (Cont'd):

	Effective interest rate %	Within one year RM	One to five years RM	Over five years RM	Total RM
Company					
2023					
Financial liabilities					
Amount due to holding company	6.00	1,302,794	-	-	1,302,794
Lease liabilities	5.77 - 8.81	302,709	306,827	-	609,536
2022					
Financial liabilities					
Amount due to holding company	6.00	1,314,794	-	-	1,314,794
Lease liabilities	5.56 - 8.81	220,838	60,851	-	281,689
Hire purchase payables	4.00	135,873	-	-	135,873

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Interest rate risk (Cont'd)

The Group and the Company manage their interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group and the Company actively review their debt portfolio, taking into account the investment holding period and nature of their assets. This strategy allows them to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes. As at 31 July 2023, the Group and the Company have not entered into any hedging instruments arrangement to minimise their exposure to interest rate volatility.

Borrowings at floating rates of the Group are amounting to RM108,238,717 (2022: RM78,501,524) respectively are exposed to cash flow interest rate risk. Whilst, borrowings of the Group and of the Company at fixed rate amounting to RM68,724,906 and RM1,912,330 (2022: RM58,746,801 and RM1,732,356) respectively are exposed to the fair value interest rate risk.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonable possible change in interest rate of the floating rate borrowings, with all other variables held constant on the Group's profit for the financial year.

	Effect on		
	Interest	Profit for the year RM	Equity RM
Group			
31 July 2023	+ 1%	915,754	915,754
	- 1%	(915,754)	(915,754)
31 July 2022	+ 1%	596,612	596,612
	- 1%	(596,612)	(596,612)

(iv) Foreign currency risk

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

The Group has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the functional currencies of Group entities. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entity are kept to an acceptable level.

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The directors believe that the impact of foreign currency fluctuation will not significantly affect the profitability of the Company. As such, sensitivity analysis is not presented.

(v) Market price risk

Market price risk is the risk of fluctuation in fair value or future cash flows of the Group's and of the Company's financial instruments as a result of changes in market prices.

The Group and the Company are 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.

Sensitivity analysis for market price risk

The following table demonstrates the sensitivity to a reasonable change in gold price, with all other variables held constant on the Group's and the Company's profit for the financial year.

		← Effect on →	
	Change in gold price	Profit for the year RM	Equity RM
Group			
31 July 2023	+ 5%	24,389,493	24,389,493
	- 5%	(24,389,493)	(24,389,493)
31 July 2022	+ 5%	19,893,342	19,893,342
	- 5%	(19,893,342)	(19,893,342)
Company			
31 July 2023	+ 5%	824,167	824,167
	- 5%	(824,167)	(824,167)
31 July 2022	+ 5%	1,005,730	1,005,730
	- 5%	(1,005,730)	(1,005,730)

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of measurements

The carrying amount of financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group										
2023										
Financial liabilities										
Amount due to holding company	-	-	-	-	-	-	1,302,794	1,302,794	1,302,794	1,302,794
Hire purchase payables	-	-	-	-	-	-	4,350,500	4,350,500	4,350,500	4,350,500
	-	-	-	-	-	-	5,653,294	5,653,294	5,653,294	5,653,294
2022										
Financial liabilities										
Amount due to holding company	-	-	-	-	-	-	1,314,794	1,314,794	1,314,794	1,314,794
Hire purchase payables	-	-	-	-	-	-	2,326,886	2,326,886	2,326,886	2,326,886
	-	-	-	-	-	-	3,641,680	3,641,680	3,641,680	3,641,680

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of measurements (Cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position. (Cont'd)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company										
2023										
Financial liabilities										
Amount due to holding company	-	-	-	-	-	-	- 1,302,794	1,302,794	1,302,794	1,302,794
2022										
Financial liabilities										
Amount due to holding company	-	-	-	-	-	-	- 1,314,794	1,314,794	1,314,794	1,314,794
Hire purchase payables	-	-	-	-	-	-	135,873	135,873	135,873	135,873
	-	-	-	-	-	-	- 1,450,667	1,450,667	1,450,667	1,450,667

Notes to the Financial Statements (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of measurements (Cont'd)

Fair value hierarchy

The fair value hierarchy has the following levels:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

- (c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest/cash flows, discounted at the market rate of interest by reference to similar borrowing arrangements.

There has been no transfer between Level 1 and Level 2 during the financial year (2022: no transfer in either direction).

39. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

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

No changes were made in the objectives, policies and processes during the financial years ended 31 July 2023 and 31 July 2022.

The Group and the Company monitor capital using a gearing ratio, which is net debts divided by equity. Net debts comprise lease liabilities, bank overdrafts, term loans and other borrowings less cash and bank balances and fixed deposits placed with licensed banks whilst total capital is the shareholders' funds of the Group and of the Company.

Notes to the Financial Statements (Cont'd)

39. CAPITAL MANAGEMENT (CONT'D)

The gearing ratio for the Group and for the Company respectively as at 31 July 2023 and 31 July 2022, are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loans and borrowings	175,660,829	135,933,531	609,536	417,562
Less:				
Fixed deposits placed with licensed banks	13,793,933	15,503,045	-	-
Cash and bank balances	14,437,058	18,958,760	883,845	2,323,665
Net debts	147,429,838	101,471,726	(274,309)	(1,906,103)
Equity	761,932,482	686,549,892	301,323,457	266,643,684
Gearing ratio	0.19	0.15	#	#

Represent less than 0.01

The Group is also required to maintain Debt Services Coverage Ratio and Current Ratio to comply with a bank covenant, failing which, the bank may consider this as an event of default. This externally imposed capital requirement has been complied with for the financial years ended 31 July 2023 and 31 July 2022.

40. COMPARATIVE FIGURES

In the previous financial year, motor vehicles and furniture and fittings under hire purchase arrangement and the related hire purchase payables were classified in right-of-use assets and lease liabilities respectively.

During the financial year the motor vehicles, furniture and fittings under hire purchase arrangement and lease liabilities were reclassified as property and equipment and loans and borrowings respectively.

The comparative figures have been reclassified to conform with the current year's presentation. The reclassifications have no effect on the profit, cash flows and earnings per share of the Group for the current and previous financial years.

The reclassifications do not have material effect on the statement of financial position of the Group as at 1 August 2021, and accordingly, the statement was not presented.

Statement by Directors

(Pursuant to Section 251(2) of the Companies Act 2016)

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 accompanying financial statements set out on pages 114 to 230 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2023 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

DATO' CHOON YEE SEIONG

Director

CHEONG TECK CHONG

Director

Petaling Jaya

Date: 31 October 2023



Statutory Declaration

(Pursuant to Section 251(1) of Companies Act 2016)

I, **KOH SZE HAW**, being the officer primarily responsible for the financial management of Poh Kong Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 114 to 230 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

KOH SZE HAW

Officer
(MIA Membership No: 23386)

Subscribed and solemnly declared by the abovenamed at Petaling Jaya in State of Selangor Darul Ehsan on 31 October 2023.

Before me,

Commissioner for Oaths

Independent Auditors' Report

to the members of Poh Kong Holdings Berhad
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Poh Kong Holdings Berhad, which comprise the statements of financial position as at 31 July 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including summary of significant accounting policies, as set out on pages 114 to 230.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2023, and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Independent Auditors' Report (Cont'd)

to the members of Poh Kong Holdings Berhad
(Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Inventories (Note 4.1 and Note 13 to the financial statements)

Risk:

As at 31 July 2023, the Group's inventories amounted to RM755.15 million, representing 75% of the Group's total assets. The Group measures inventories at the lower of cost and net realisable value. Judgement is required in estimating their net realisable value.

Our response:

Our audit procedures included, among others:

- attending year end physical inventory count to observe physical existence and condition of the raw material, work-in progress and finished goods and obtaining an understanding of the design and the implementation of controls during the count;
- checking subsequent sales and reviewing the Group's assessment on estimated net realisable values on selected inventories; and
- reviewing whether the inventories have been written down to their net realisable values for inventory items with net realisable values lower than their costs.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report (Cont'd)

to the members of Poh Kong Holdings Berhad
(Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report (Cont'd)

to the members of Poh Kong Holdings Berhad
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Andrew Choong Tuck Kuan
No. 03264/04/2025 J
Chartered Accountant

Kuala Lumpur

Date: 31 October 2023

Analysis of Shareholdings

as at 3 November 2023

POH KONG HOLDINGS BERHAD

Paid-up & Issued Share Capital : RM 205,175,876
 Total Number of Issued Shares : 410,351,752
 Class of Share : Ordinary Share
 Voting Right : 1 vote per Ordinary Share

ANALYSIS OF SHAREHOLDINGS AS AT 3 NOVEMBER 2023

Size Of Shareholdings	No. Of Shareholders	Percentage (%)	No. Of Shareholdings	Percentage (%)
1 - 999	1,138	16.57	290,434	0.07
1,000 – 10,000	4,219	61.42	18,257,254	4.45
10,001 – 100,000	1,344	19.56	41,367,172	10.08
100,001 – 20,517,587 (*)	166	2.42	88,564,006	21.58
20,517,588 and above (**)	2	0.03	261,872,886	63.82
Total	6,869	100.00	410,351,752	100.00

REMARK: * - LESS THAN 5% OF ISSUED HOLDINGS.
 ** - 5% AND ABOVE OF ISSUED HOLDINGS.

LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS AS AT 3 NOVEMBER 2023

No.	Names	No. of Shares	Percentage (%)
1.	POH KONG SDN BHD	239,208,886	58.29
2.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE FOR YEOMAN 3-RIGHTS VALUE ASIA FUND (PTSL)	22,664,000	5.52
3.	CHOON YEE SEIONG	11,512,746	2.81
4.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	9,024,500	2.20
5.	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	5,898,800	1.44
6.	AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR LIM MEE HWA	4,250,000	1.04
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NG WEI KING	3,200,000	0.78
8.	SUSY DING	2,900,000	0.71
9.	AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS VICKERS SECURITIES (SINGAPORE) PTE LTD (CLIENTS)	2,450,000	0.60

Analysis of Shareholdings (Cont'd)

as at 3 November 2023

LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS AS AT 3 NOVEMBER 2023 (CONT'D)

No.	Names	No. of Shares	Percentage (%)
10.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK	2,357,800	0.58
11.	CHOON WAN JOO	2,150,380	0.52
12.	GEE HIN ENGINEERING SDN BHD	2,001,300	0.49
13.	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND	1,293,000	0.32
14.	CHOON NEE SIEW	1,262,242	0.31
15.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VELOO A/L KARUPAYAH	1,208,600	0.30
16.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	1,045,900	0.26
17.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOON YOKE YING (M&A)	1,000,000	0.24
18.	NG KONG WAN	1,000,000	0.24
19.	HON WEE FONG	903,266	0.22
20.	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ENSIGN PEAK ADVISORS INC.	869,700	0.21
21.	GAN PEOW HONG	850,400	0.21
22.	TAN AIK CHOON	741,000	0.18
23.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIENG SIE CHUNG (SEREMBAN-CL)	660,700	0.16
24.	SONG CHEE CHIANG	650,000	0.16
25.	YONG KOON WOOL	607,000	0.15
26.	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	600,000	0.15
27.	LINDA CHUO SIK ING	600,000	0.15
28.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG SEN SIANG	544,900	0.13
29.	CHAN HEIN MING	506,100	0.12
30.	ELEBEST ENGINEERING SDN. BHD.	500,000	0.12
Total		322,461,220	78.61

Analysis of Shareholdings (Cont'd)

as at 3 November 2023

SUBSTANTIAL SHAREHOLDERS' AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 3 NOVEMBER 2023

Names	Direct Shareholdings		Indirect Shareholdings	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
Poh Kong Sdn. Bhd.	239,208,886	58.29	0	0.00
Dato' Choon Yee Seiong	11,600,246	2.83	244,810,928 ⁽¹⁾	59.66
Cheong Teck Chong	2,328	0.00	239,452,898 ⁽²⁾	58.35
Datin Hon Wee Fong	903,310	0.22	251,218,544 ⁽³⁾	61.22
Choon Nee Siew	1,262,242	0.31	254,007,622 ⁽⁴⁾	61.90
Dato' Choon Yoke Ying	1,005,072	0.24	254,418,798 ⁽⁵⁾	62.00
Choon Wan Joo	2,050,380	0.50	253,078,502 ⁽⁵⁾	61.67
Choon Yee Bin	30	0.00	255,300,334 ⁽⁶⁾	62.21
Estate of Choon Yee Fook	82	0.00	255,128,782 ⁽⁷⁾	62.17
Choon Ching Yih	1,896	0.00	255,026,968 ⁽⁸⁾	62.15
Chong Siew Loi @ Chong Kim Loi	103,012	0.02	239,211,214 ⁽⁹⁾	58.29
Cheong Poh See	100,000	0.02	240,480,456 ⁽¹⁰⁾	58.60
Cheong Chee Kong	7,000	0.00	240,573,456 ⁽¹⁰⁾	58.63
Choon King Han	150,000	0.03	251,941,442 ⁽¹⁰⁾	61.40
Elizabeth Choon Ee Ling	11,000	0.00	252,080,442 ⁽¹⁰⁾	61.43
Choon Ee Teng	218,000	0.05	251,873,442 ⁽¹⁰⁾	61.38
Chang Kwong Him	295,006	0.07	240,213,958 ⁽¹¹⁾	58.54
Siow Der Ming	18	0.00	241,559,266 ⁽¹¹⁾	58.87

NOTES:

- (1) Deemed interest by virtue of the direct shareholding of his spouse, children, siblings and his indirect interest in PKHB via Poh Kong Sdn Bhd ("PKSB") pursuant to Sections 59(11)(c), 8 and 197 of the Companies Act 2016 ("the Act").
- (2) Deemed interest by virtue of the direct shareholding of his siblings and children's in PKHB and his indirect interest in PKHB via PKSB pursuant to Sections 59(11)(c), 8 and 197 of the Act.
- (3) Deemed interest by virtue of the direct shareholding of her siblings, spouse and children's shareholding in PKHB and her indirect interest in PKHB via PKSB pursuant to Sections 59(11)(c), 8 and 197 of the Act.
- (4) Deemed interest by virtue of the direct shareholding of her siblings and children's shareholding in PKHB and her indirect interest in PKHB via PKSB pursuant to Sections 59(11)(c), 8 and 197 of the Act.
- (5) Deemed interest by virtue of the direct shareholding of her spouse and siblings and her indirect interest in PKSB via PKSB pursuant to Sections 59(11)(c), 8 and 197 of the Act.
- (6) Deemed interest by virtue of the direct shareholding of his spouse and siblings and his indirect interest in PKHB via PKSB pursuant to Sections 59(11)(c), 8 and 197 of the Act.
- (7) Deemed interest by virtue of the direct shareholding of his siblings and the indirect interest of his siblings in PKHB via PKSB pursuant to Sections 8 and 197 of the Act.

Analysis of Shareholdings (Cont'd)

as at 3 November 2023

SUBSTANTIAL SHAREHOLDERS' AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 3 NOVEMBER 2023 (CONT'D)

- (8) Deemed interest by virtue of the direct shareholding of her siblings and her indirect interest in PKHB via PKSB pursuant to Sections 8 and 197 of the Act.
- (9) Deemed interest by virtue of her brother's direct shareholding in PKHB and her indirect interest in PKHB via PKSB pursuant to Sections 8 and 197 of the Act.
- (10) Deemed interest by virtue of the direct shareholding of his/her parents in PKHB via PKSB pursuant to Sections 8 and 197 of the Act.
- (11) Deemed interest by virtue of his/her spouse's direct shareholding in PKHB and indirect interest in PKHB via PKSB pursuant to Sections 8 and 197 of the Act.

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 3 NOVEMBER 2023

Names	Direct		Indirect	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
Dato' Choon Yee Seiong	11,600,246	2.83	244,810,928 ⁽¹⁾	59.66
Cheong Teck Chong	2,328	0.00	239,452,898 ⁽²⁾	58.35
Choon Nee Siew	1,262,242	0.33	254,007,622 ⁽³⁾	61.90
Datin Hon Wee Fong	903,310	0.22	251,218,544 ⁽⁴⁾	61.22
Choon Yee Bin	30	0.00	255,300,334 ⁽⁵⁾	62.21
Dato' Esther Tan Choon Hwa	-	-	-	-
Datin Ooi Swee Lian	-	-	-	-
Rohaiza Binti Mohamed Basir	-	-	35,000 ⁽⁶⁾	0.01

NOTES:

- (1) Deemed interest by virtue of direct shareholding of his spouse, children, siblings and his indirect interest in PKHB via Poh Kong Sdn Bhd ("PKSB") pursuant to Sections 59(11)(c), 8 and 197 of the Companies Act 2016 ("the Act").
- (2) Deemed interest by virtue of direct shareholding of his siblings and children's in PKHB and his indirect interest in PKHB via PKSB pursuant to Sections 59(11)(c), 8 and 197 of the Act.
- (3) Deemed interest by virtue of direct shareholding of her siblings and children's in PKHB and her indirect interest in PKHB via PKSB pursuant to Sections 59(11)(c), 8 and 197 of the Act.
- (4) Deemed interest by virtue of direct shareholding of her siblings, spouse and children's shareholding in PKHB and her indirect interest in PKHB via PKSB pursuant to Sections 59(11)(c), 8 and 197 of the Act.
- (5) Deemed interest by virtue of the direct shareholding of his spouse and siblings and his indirect interest in PKSB via PKSB pursuant to Sections 59(11)(c), 8 and 197 of the Act.
- (6) Deemed interest by virtue of the direct shareholding of her spouse pursuant to Sections 59(11)(c) and 197 of the Act.

List of Properties

HELD BY THE GROUP AS AT 31 JULY 2023

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 Selangor Darul Ehsan No.7, Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan	Single storey detached house incorporating attic floor	Leasehold (Expiring in 2053)	Residential	1,024.6 square metres	Approximately 51 years	3,250,000	27.12.94
Lot 10, PN7185, Section 25 Township of Petaling Jaya District of Petaling Selangor Darul Ehsan No.20, Jalan 52/4 46200, Petaling Jaya Selangor Darul Ehsan	4-storey shopoffice	Leasehold (Expiring in 2094)	Shophouse	174.1875 square metres	Approximately 51 years	4,650,000	5.1.95
G-23 & G-25 Ground Floor, Amcorp Mall 46050 Petaling Jaya Selangor Darul Ehsan	Commercial shophot	Leasehold (Expiring in 2088)	Shopping Complex Lot	G-23: 517 sq ft G-25: 495 sq ft	25 years	1,730,000	20.6.95
G27 and G53 Star Parade, Alor Setar	Commercial shophot	Leasehold (Expiring in 2094)	Shopping Complex Lot	G27: 463 sq ft G27: 452 sq ft	26 years	550,000	4.2.03
H.S.(D) 153914, PT10 Bandar Petaling Jaya Daerah Petaling Selangor Darul Ehsan No.10, Jalan 52/4 46200 Petaling Jaya Selangor Darul Ehsan	4-storey shopoffice	Leasehold (Expiring in 2067)	Shophouse	174.1875 square metres	Approximately 51 years	3,650,000	14.8.09
No.3, Jalan OZ 17 Ozana Impian Bukit Katil 75450 Melaka	Double storey house	Leasehold (Expiring in 2094)	Residential	143 square metres	Approximately 23 years	370,000	25.8.14

List of Properties (Cont'd)

HELD BY THE GROUP AS AT 31 JULY 2023

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 No.21, Jalan SS2/55 47300 Petaling Jaya Selangor Darul Ehsan	An intermediate unit of 3-storey shophouse	Freehold	Shophouse	156.07 square metres	Approximately 46 years	4,250,000	15.5.89
Lot 25673, HS(D) 174414 Bandar Petaling Jaya District of Petaling Selangor Darul Ehsan No.23, Jalan SS2/55 47300 Petaling Jaya Selangor Darul Ehsan	An intermediate unit of 3-storey shophouse	Freehold	Shophouse	156.07 square metres	Approximately 46 years	4,250,000	28.8.08
POH KONG JEWELLERY MANUFACTURER SDN BHD							
PT 17654, HS(D) 142709 Mukim of Damansara District of Petaling Selangor Darul Ehsan Lot 1, Jalan Astaka U8/81 Seksyen U8 40150 Shah Alam Selangor Darul Ehsan	Double-storey detached with basement	Freehold	Office cum Factory	7,570.31 square metres	22.5 years	29,500,000	1.9.95
PT 3867, HS(M) 10549 Mukim of Sungai Buluh District of Petaling Selangor Darul Ehsan No.276, Jalan 4D Kampung Baru Subang 40100 Shah Alam Selangor Darul Ehsan	Agricultural land with a detached building	Leasehold (Expiring in 2070)	Residential	0.7179 hectare	34 years	5,366,708	15.8.97
POH KONG PROPERTIES SDN BHD							
LG-48, Lower Ground Floor The Summit, Subang USJ 47600 Subang Jaya Selangor Darul Ehsan	Commercial shophot	Freehold	Shopping Complex Lot	54 square metres	26 years	601,726	6.2.95
G-13, Ground Floor Summit Parade 83000 Batu Pahat Johor Darul Takzim	Commercial shophot	Freehold	Shopping Complex Lot	100 square metres	30 years	157,249	30.8.94

List of Properties (Cont'd)

HELD BY THE GROUP AS AT 31 JULY 2023

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG PROPERTIES SDN BHD (CONT'D)							
G-14, Ground Floor Mahkota Parade Jalan Merdeka 75000 Melaka	Commercial shoplot	Leasehold (Expiring in 2101)	Shopping Complex Lot	83.98 square metres	31 years	2,600,000	3.3.99
G-29, Ground Floor Mahkota Parade Jalan Taman 75000 Melaka	Commercial shoplot	Leasehold (Expiring in 2101)	Shopping Complex Lot	103.96 square metres	31 years	2,900,000	13.3.99
Parcel No. GF119 and GF120 Ground Floor Queensbay Shopping Mall	Commercial shoplot	Freehold	Shopping Complex Lot	GF119: 56 square metres GF120: 56 square metres	17 years	4,580,000	10.6.96
Lot 27 and G28 Ground Floor Kuantan Parade Jalan Haji Abdul Rahman 25000 Kuantan	Commercial shoplot	Leasehold (Expiring in 2092)	Shopping Complex Lot	GF27: 451 sq ft GF28: 484 sq ft	Approximately 25 years	1,820,000	21.4.08
Lot G-19, Ground Floor Subang Parade 47500 Subang Jaya Selangor Darul Ehsan	Commercial shoplot	Freehold Complex Lot	Shopping	139.3 square metres	Approximately 39 years	3,300,000	26.1.99
Unit No.8-10, 8th Floor Pangsapuri Seri Indah Jalan Sungai Besi Indah 3 Taman Sungai Besi Indah Section U6 43300 Sri Kembangan Selangor Darul Ehsan	Condominium	Leasehold (Expiring in 2090)	Residential	108.41 square metres	23 years	250,000	17.2.01
No. 1C-9-20, 9th Floor Pearl Point Condominium Jalan Sepadu 3, Block C Batu 5, Jalan Kelang Lama 58000 Kuala Lumpur	Condominium	Freehold	Residential	101 square metres	26 years	415,000	21.11.94
6352, PN 11986 Mukim of Bukit Baru District of Melaka Tengah Melaka	An intermediate unit of single-storey terrace house	Leasehold (Expiring in 2086)	Residential	130 square metres	Approximately 31 years	180,000	15.8.97
302-L, Taman Bukit Baru 75450 Bukit Beruang Melaka							
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 51 years	4,200,000	6.6.00
No.16, Jalan 52/4 46200 Petaling Jaya Selangor Darul Ehsan							

List of Properties (Cont'd)

HELD BY THE GROUP AS AT 31 JULY 2023

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG PROPERTIES SDN BHD (CONT'D)							
Lot 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 Darul Ehsan	4-storey shopoffice	Leasehold (Expiring in 2060)	Shophouse	174.1875 square metres	Approximately 51 years	3,900,000	17.2.89
1262 Lorong S2 A35/1 Central Park Seremban 70300 Seremban Negeri Sembilan	Double storey house	Freehold	Residential	154 square metres	Approximately 23 years	380,000	12.11.09
PT 16955, HS(M) 9168 Mukim of Damansara District of Petaling Selangor Darul Ehsan No.36, Jalan PJS 9/26 Bandar Sunway 46150 Petaling Jaya Selangor Darul Ehsan	An intermediate unit of double-storey terrace house	Leasehold (Expiring in 2095)	Residential	160 square metres	Approximately 28 years	895,000	11.7.97
PT 1113 (Lot 7027) HS(D) 6774 Mukim of Damansara District of Petaling Selangor Darul Ehsan No.87, Jalan SS17/2 47500 Subang Jaya Selangor Darul Ehsan	An intermediate unit of double-storey terrace house	Freehold	Residential	163 square metres	Approximately 38 years	830,000	10.6.95
Lot 26451 PN807/M7/4/241 Mukim of Ampang District of Hulu Langat Selangor Darul Ehsan No.33, 3rd Floor, Block Melor Apartment Desa 288 Persiaran Memanda 1 Taman Dato' Ahmad Razali 68000 Ampang, Selangor Darul Ehsan	Apartment	Leasehold (Expiring in 2088)	Residential	95 square metres	31 years	300,000	15.7.97

List of Properties (Cont'd)

HELD BY THE GROUP AS AT 31 JULY 2023

Location of properties	Description	Tenure	Existing use	Land Area/ Built-up Area	Age of building (years)	Net Carrying amount RM	Date of Acquisition
POH KONG PROPERTIES SDN BHD (CONT'D)							
No.33-A-8-7, 8th Floor Villa Putra Condominium Jalan Tun Ismail 50480 Kuala Lumpur	Condominium	Freehold	Residential	107 square metres	29 years	460,000	27.3.00
No.33-A-17-5, 17th Floor Villa Putra Condominium Jalan Tun Ismail 50480 Kuala Lumpur	Condominium	Freehold	Residential	107 square metres	29 years	460,000	6.4.96
PN10310, Lot 73 Seksyen 20 Bandar Petaling Jaya Selangor Darul Ehsan	Semi-Detached Corporate Factory	Leasehold (Expiring in 2114)	Factory	12,959 square feet	9 years	8,800,000	30.5.13
Lot No.18 Section 51 Petaling Jaya Selangor Darul Ehsan							
Unit 10G Block A Mawar Apartment Taman Gohtong Jaya Genting Highlands 69000 Pahang	Apartment	Freehold	Residential	105 square metres	12 years	825,000	9.9.15
No 6 Jalan 52/4 46200 Petaling Jaya Selangor Darul Ehsan	4-storey shopoffice	Leasehold (Expiring in 2069)	Shop	174.1875 square metres	51 years	3,253,000	18.8.17
E3-20-02 Ion Delemen Serviced Apartment Block No E3 Genting Highlands Bentung	Serviced Apartment	Freehold	Residential	1,304 square feet	5 years	1,060,000	1.9.15
E3-21-02 Ion Delemen Serviced Apartment Block No E3 Genting Highlands Bentung	Serviced Apartment	Freehold	Residential	1,304 square feet	5 years	1,070,000	1.9.15
A-10-12 Plaza Metro Prima, Block A Jalan Metro 1 Metro Prima 52100 KL	Apartment	Leasehold (Expiring in 2103)	Residential	126 square metres	14 year	440,000	8.2.22
POH KONG PROPERTIES (PJ) SDN BHD							
No. 4, Jalan 52/4. 46200 Petaling Jaya	3-storey shopoffice	Leasehold (Expiring in 2094)	Shophouse	174.1875 square metres	Approximately 51 years	4,300,000	2.9.22
No. 25, Jalan 52/4. 46200 Petaling Jaya	3-storey shopoffice	Leasehold (Expiring in 2065)	Shophouse	174.1875 square metres	Approximately 51 years	3,700,000	2.9.22

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting of **POH KONG HOLDINGS BERHAD** will be conducted entirely through live streaming from the Broadcast Venue at No. 16-20, Jalan 52/4, 46200 Petaling Jaya, Selangor on Tuesday, 30 January 2024 at 11.00 a.m. for the following purposes:-

ORDINARY BUSINESS

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the year ended 31 July 2023 together with the Reports of the Directors and Auditors thereon. | Please refer to Note C on the Agenda |
| 2. | To declare a Final Single-Tier Dividend of 2.0 sen per Ordinary Share in respect of the financial year ended 31 July 2023. | Resolution 1 |
| 3. | To approve Directors' Fees and Allowances of an amount not exceeding RM500,000.00 from 1 August 2023 until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service of the Directors. | Resolution 2 |
| 4. | To re-elect the following Directors retiring under Clause 100 of the Constitution of the Company: | |
| | (a) Mr. Cheong Teck Chong | Resolution 3 |
| | (b) Datin Hon Wee Fong | Resolution 4 |
| 5. | To re-elect the following Directors retiring under Clause 106 of the Constitution of the Company: | |
| | (a) Datin Ooi Swee Lian | Resolution 5 |
| | (b) Puan Rohaiza Binti Mohamed Basir | Resolution 6 |
| 6. | To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration. | Resolution 7 |

SPECIAL BUSINESS

- | | | |
|-----|---|---------------------|
| 7. | To consider and, if thought fit, pass with or without modifications, the following Resolution:- | |
| (a) | Authority for Dato' Tan Choon Hwa @ Esther Tan Choon Hwa to continue in Office as Independent Non-Executive Director. | Resolution 8 |
| | <p>"THAT authority be and is hereby given to Dato' Tan Choon Hwa @ Esther Tan Choon Hwa who has served as an Independent Director of the Company for a cumulative term of nine (9) years (i.e. since 11 April 2014), to continue to act as an Independent Director of the Company until the conclusion of the Twenty-Second Annual General Meeting of the Company in accordance with the Malaysian Code on Corporate Governance 2021."</p> | |

ANY OTHER BUSINESS

- | | |
|----|--|
| 8. | To transact any other business of the Company for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016. |
|----|--|

Notice Of Annual General Meeting (Cont'd)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a First and Final Single-Tier Dividend of 2.0 sen per Ordinary Share in respect of the financial year ended 31 July 2023 will be payable on 11 March 2024 to Depositors registered in the Record of Depositors at the close of business on 29 February 2024.

A depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred to the Depositor's Securities Account before 4:00 pm on 29 February 2024 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
POH KONG HOLDINGS BERHAD**

.....
NG YIM KONG (MACS00305)

SSM Practicing Certificate No.: 202008000309

Company Secretary

Petaling Jaya

Dated: 29 November 2023

Notes:-

A. BROADCAST VENUE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Twenty-First Annual General Meeting ("AGM") to be present at the main venue of the meeting.

Neither shareholders nor proxy holders from the public shall be physically present at or be admitted to the Broadcast Venue on the day of the AGM. Therefore, members are strongly advised to participate and vote remotely at the AGM through live streaming and online remote voting using the Remote Participation and Voting facilities provided by the Company's Share Registrar, namely Boardroom Share Registrars Sdn Bhd.

B. APPOINTMENT OF PROXY

- 1. A member of the Company entitled to attend and vote at the Meeting may appoint a proxy or proxies (or being a corporate member, a corporate representative) to attend and vote in his stead. A proxy may but need not be a member of the Company.
- 2. A proxy appointed to attend, speak, participate and vote at a meeting of a Company shall have the same rights as the member to attend speak, participate and vote at the meeting.
- 3. A member may appoint more than one (1) but not exceeding two (2) proxies to attend the same meeting, provided that he specifies the proportion of his shareholdings to be represented by each proxy.
- 4. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.

Notice Of Annual General Meeting (Cont'd)

B. APPOINTMENT OF PROXY (CONT'D)

5. Where a member is an Authorised Nominee as defined under SICDA it may appoint at least one (1) proxy in respect of each Securities Account that it holds with Ordinary Shares of the Company standing to the credit of the said Securities Account.
6. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple Beneficial Owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account that it holds.
7. The appointment of a proxy may be made in a hard copy form and submit to the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. In the case of an appointment made via Boardroom Smart Investor Portal, the proxy form must be deposited at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for further information on submission via Boardroom Smart Investor Portal. All proxy forms submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. Please ensure that ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is 28 January 2024 at 11.00 a.m.
11. Please read the Administrative Guide regarding the Revocation of Proxy.

EXPLANATORY NOTES ON THE ORDINARY BUSINESSES OF THE AGENDA.

C. Audited Financial Statement for the Financial Year ended 31 July 2023

This agenda is meant for discussion only as the provisions of Sections 248(2) and 340(1) of the Companies Act 2016 do not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

D. Payment of Directors' Fees and Benefits Payable

Section 230(1) of the Act and Clause 108 (iii) of the Company's Constitution provide amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the shareholders' approval shall be sought at the 21st AGM for the Directors' Fees and Allowances for the financial year ending 31 July 2024 under Ordinary Resolution 2.

The Directors' Fees and Allowances payable to the Directors have been reviewed by the Remuneration Committee and the Board of Directors of the Company, and are payable for the period from 1 August 2023 up to the conclusion of the next 22nd Annual General Meeting of the Company. The Directors' Allowances comprise meeting allowance only.

Notice Of Annual General Meeting (Cont'd)

EXPLANATORY NOTES ON THE ORDINARY BUSINESSES OF THE AGENDA. (CONT'D)

E. Re-election of Directors

Clause 100 of the Constitution of the Company states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Clause 106 of the Constitution of the Company states that the Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, and such Directors shall hold office until the forthcoming AGM when they will retire but shall be eligible for re-election.

Mr. Cheong Teck Chong and Datin Hon Wee Fong ("Retiring Directors"), who retire in accordance with Article 100 of the Constitution and being eligible, have offered themselves for re-election.

In determining the eligibility of Mr. Cheong Teck Chong and Datin Hon Wee Fong to stand for re-election at the forthcoming 21st AGM and in line with Practice 5.1 of the revised Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia on 28 April 2021, the Nominating Committee ("NC") has reviewed and assessed the performance, commitment and contribution of each of the Retiring Directors according to the Annual Performance Evaluation of the Board for the financial year ended 31 July 2023.

Datin Ooi Swee Lian and Puan Rohaiza Binti Mohamed Basir ("Retiring Directors") who were appointed recently on 2 June 2023 are required to retire at the forthcoming AGM under Clause 106 of the Company's Constitution, and being eligible have offered themselves for re-election.

All the Retiring Directors have consented to their re-election, and abstained from deliberation as well as decision on their own eligibility to stand for re-election at the relevant NC and Board meetings, where applicable.

The NC has recommended the re-election of all the Retiring Directors based on the following consideration:

- (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
- (ii) met the fit and proper criteria of character, experience, integrity, competence and time commitment in discharging their roles as Directors of the Company;
- (iii) level of independence and ability to act in the best interest of the Company (applicable to Independent Directors).

The Board has approved the NC's recommendation for all the Retiring Directors pursuant to Clause 100 and Clause 106 of the Constitution of the Company.

F. Re-appointment of Auditors

The Audit Committee ("AC") has assessed the suitability and independence of the External Auditors and has recommended the re-appointment of Messrs Baker Tilly Monteiro Heng PLT as External Auditors of the Company for the financial year ending 31 July 2024. Based on the recommendation of the AC, the Board has recommended the same to be tabled to the shareholders for approval at the forthcoming 21st AGM of the Company under Ordinary Resolution 7.

Notice Of Annual General Meeting (Cont'd)

EXPLANATORY NOTES ON THE SPECIAL BUSINESS OF THE AGENDA.

Item 7 of the Agenda (Resolution 8)

- (i) **Authority for Dato' Tan Choon Hwa @ Esther Tan Choon Hwa to continue to act as an Independent Non-Executive Director of the Company pursuant to the Malaysian Code on Corporate Governance 2021.**

Dato' Tan Choon Hwa @ Esther Tan Choon Hwa ("Dato' Esther") has served as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years (i.e. since 11 April 2014) and has continued to satisfy the definition of "independent director" as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board based on the review and recommendation made by the Nomination Committee, therefore, considers Dato' Esther to be fit and proper and independent, and recommends that she should continue to act as an Independent Non-Executive Director of the Company. Refer to the rationale supporting the re-appointment of Dato' Esther in Nomination Committee Statement on page 93 and her Profile on page 18 of the Annual Report.

The proposed Resolution 8, if passed, will enable Dato' Esther to continue to act as an Independent Non-Executive Director of the Company until the end of the next Annual General Meeting of the Company.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 68(d) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 24 January 2024. Only a depositor whose name appears on the Record of Depositors as at 24 January 2024, shall be entitled to participate, attend, speak and vote at this AGM or appoint proxy/proxies, corporate representative(s) or power of attorney to attend and/or vote in his stead.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Form of Proxy

I/We _____ (NRIC No./Passport No./Company No.)
of _____
being a member of **POH KONG HOLDINGS BERHAD** hereby appoint:

Full Name (in Block) and as per NRIC/Passport	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and

Full Name (in Block) and as per NRIC/Passport	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the meeting as my/our Proxy(ies) to vote for me/us and act on my/our behalf at the Twenty-First Annual General Meeting of the Company to be held at the Broadcast Venue at No. 16-20, Jalan 52/4, 46200 Petaling Jaya, Selangor on Tuesday, 30 January 2024 at 11.00 a.m. at any adjournment thereof for/against * the resolution(s) to be proposed thereat.

*My/*our Proxy(ies) is/are to vote as indicated below:-

Ordinary Resolutions	Ordinary Business	For	Against
1.	To declare a Final Single-Tier Dividend of 2.0 sen per Ordinary Share in respect of the financial year ended 31 July 2023.		
2.	To approve Directors' Fees and Allowances of an amount not exceeding RM500,000.00 from 1 August 2023 until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service of the Directors.		
3.	To re-elect Mr. Cheong Teck Chong retiring under Clause 100 of the Company's Constitution.		
4.	To re-elect Datin Hon Wee Fong retiring under Clause 100 of the Company's Constitution.		
5.	To re-elect Datin Ooi Swee Lian retiring under Clause 106 of the Company's Constitution.		
6.	To re-elect Puan Rohaiza Binti Mohamed Basir retiring under Clause 106 of the Company's Constitution.		
7.	To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration.		
8.	To authorise Dato' Tan Choon Hwa @ Esther Tan Choon Hwa to continue in office as Independent Non-Executive Director.		

* Strike out whichever not applicable

[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 _____ 2023/2024

CDS Account No.	
Number of shares held:	

[Signature/Common Seal of Shareholder]

Notes:

A. BROADCAST VENUE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Twenty-First Annual General Meeting ("AGM") to be present at the main venue of the meeting.

Neither shareholders nor proxy holders from the public shall be physically present at or be admitted to the Broadcast Venue on the day of the AGM. Therefore, members are strongly advised to participate and vote remotely at the AGM through live streaming and online remote voting using the Remote Participation and Voting facilities provided by the Company's Share Registrar, namely Boardroom Share Registrars Sdn Bhd.

B. APPOINTMENT OF PROXY

- 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.
- A proxy appointed to attend, speak, participate and vote at a meeting of a Company shall have the same rights as the member to attend speak, participate and vote at the meeting.
- A member may appoint more than one (1) but not exceeding two (2) proxies to attend the same meeting, provided that he specifies the proportion of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.
- Where a member is an Authorised Nominee as defined under SICDA it may appoint at least one (1) proxy in respect of each Securities Account that it holds with Ordinary Shares of the Company standing to the credit of the said Securities Account.

- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple Beneficial Owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account that it holds.
- The appointment of a proxy may be made in a hard copy form and submit to the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. In the case of an appointment made via Boardroom Smart Investor Portal, the proxy form must be deposited at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for further information on submission via Boardroom Smart Investor Portal. All proxy form submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote.
- Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- Please ensure that ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- Last date and time for lodging the proxy form is 28 January 2024 at 11.00 a.m.
- Please read the Administrative Guide regarding the Revocation of Proxy.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 68(d) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 24 January 2024. Only a depositor whose name appears on the Record of Depositors as at 24 January 2024 shall be entitled to participate, attend, speak and vote at this AGM or appoint proxy/proxies, corporate representative(s) or power of attorney to attend and/or vote in his stead.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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**Affix
Stamp**

The Company Secretary
POH KONG HOLDINGS BERHAD
[Company No. 200201018476 (586139-K)]
c/o Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan Malaysia

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**"FOUNDED IN 1976 AND HEADQUARTERED IN
PETALING JAYA MALAYSIA, CONTINUES TO BE AT
THE FOREFRONT OF GROWTH. "**



Our Locations

3 → Penang

2 → Kedah

2 → Kelantan

4 → Pahang

14 → Johor

4 → Malacca

5 → Negeri Sembilan

30 → Selangor

20 → Kuala Lumpur

7 → Perak

Retail Concept Stores

DIAMOND BOUTIQUE

- AEON Bukit Indah Shopping Centre
Lot G36, JB
T: 607-236 9499
- AEON Tebrau City Shopping Centre,
Ground Floor, JB
T : 607-353 6497

DIAMOND & GOLD

- 1 Utama Shopping Centre (Oval), PJ
T: 603-7710 7260
- Mid Valley Mega Mall, KL
T: 603-2282 8850



GOLD BOUTIQUE

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

ORO BIANCO

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

POH KONG GALLERY

- 16-20, Jalan 52/4
46200
Petaling Jaya
T: 603-7940 3333
- Pavilion,
Kuala Lumpur
T: 603-2141 7919
- Pavilion Damansara Heights
T: 603-2011 1392

Poh Kong Retail Stores

PETALING JAYA

- 19-23, Jalan SS2/55
T: 603-7874 7863
- Subang Parade
T: 603-5635 1087
- 1 Utama Shopping Centre
T: 603-7726 3868
- Sunway Pyramid Shopping Mall
T: 603-7492 0972
- Da Men USJ
T: 603-8011 6747
- Giant Hypermarket,
Bandar Kinrara
T: 603-8075 5349
- 3 Damansara
T: 603-7728 2190
- Paradigm Mall
T: 603-7886 7475
- IOI Mall Puchong
T: 603-8074 9875

KUALA LUMPUR

- AEON Taman Maluri
T: 603-9285 8566
- AEON Wangsa Maju
T: 603-4142 1688
- AEON Metro Prima
T: 603-6258 6088
- AEON Cheras Selatan Shopping Centre
T: 603-9076 9781
- AEON Taman Equine Shopping Centre
T: 603-8941 6204
- Sunway Putra Mall
T: 603-4050 2017
- AEON AU2 (Setiawangsa)
T: 603-4257 4282

- AEON Big Kepong
T: 603-6259 3809
- Kompleks Pernas Sogo
T: 603-2698 5275
- Ampang Point Shopping Centre
T: 603-4252 7375
- Pearl Point Shopping Mall
T: 603-7981 3798
- Leisure Mall
T: 603-9132 2417
- Spectrum Shopping Mall
T: 603-4270 1039
- Selayang Mall
T: 603-6136 7813

- Bangsar Shopping Centre
T: 603-2093 3161
- The Mines Shopping Fair
T: 603-8943 0759
- Mid Valley Mega Mall
T: 603-2284 9636
- Pavilion Bukit Jalil,
T: 603-8082 3439
- Pavilion, Lot 1.40.00
T: 603-2141 9090
- Pandan Kapital
T: 603-4297 5301
- Sunway Velocity Mall
T: 603-9201 7548/
603-9201 2094

Poh Kong Retail Stores

PUTRAJAYA

- IOI City Mall
T: 603-8940 6025

SHAH ALAM

- AEON Mall Shah Alam
T: 603-5523 8370

KLANG

- AEON Bukit Raja Shopping Centre
T: 603-3342 8863
- Shaw Centre Point
T: 603-3344 2488
- G07 - G09, Klang Parade
T: 603-3344 1488

SUNGAI BULOH

- The Store
T: 603-6157 6598

BANGI

- Bangi Utama Shopping Complex
T: 603-8925 7506

KAJANG

- Plaza Metro Kajang
T: 603-8734 5233

BANTING

- The Store
T: 603-3187 0543

RAWANG

- AEON Rawang Anggun Shopping Centre
T: 603-6093 3098

IPOH

- AEON Kinta City Shopping Centre
T: 605-547 0013

- AEON Big Midtown
T: 605-281 3417

- AEON Ipoh Station 18 Shopping Centre
T: 605-322 3618

SRI MANJUNG

- AEON Sri Manjung Shopping Centre
T: 605-687 0866

TELUK INTAN

- The Store
T: 605-621 6024

TAIPING

- AEON Mall Taiping
T: 605-801 2460

- Taiping Mall
T: 605-805 1430

NILAI

- Giant Superstore
T: 606-799 1650
- AEON Nilai
T: 606-797 1660

SEREMBAN

- The Store Seremban
T: 606-762 4315

- Terminal One
T: 606-762 7933

- AEON Seremban 2 Shopping Centre
T: 606-601 5505

BUKIT MERTAJAM

- AEON Mall Bukit Mertajam
T: 604-548 5980

PENANG

- Queensbay Mall Lot GF119 & GF120
T: 604-641 1560

- Mydin, Kompleks Bukit Jambul
T: 604-641 3977

ALOR SETAR

- Alor Star Mall
T: 604-772 5351

- Aman Central
T: 604-731 3728

MELAKA

- AEON Melaka Shopping Centre
T: 606-232 5188

- Mahkota Parade G29
T: 606-282 1922

- AEON Bandaraya Melaka Shopping Centre, Melaka
T: 606-286 3120

KUANTAN

- East Coast Mall
T: 609-560 9988

- Kuantan Parade Shopping Mall
T: 609-513 6299

KELANTAN

- KB Mall, Kota Bahru
T: 609-741 2166

- AEON Mall Kota Bahru
T: 609-740 5667

MUAR

- Wetex Parade
T: 606-951 7718

JOHOR BAHRU

- AEON Taman Universiti Shopping Centre
T: 607-521 3482

- AEON Permas Jaya Shopping Centre
T: 607-388 9958

- AEON Tebrau City Shopping Centre
T: 607-354 7691

- AEON Bukit Indah Shopping Centre, Lot G37
T: 607-236 9033

- AEON Mall Kulaijaya
T: 607-660 6000

- AEON Mall Bandar Dato' Onn
T: 607-361 8446

- Paradigm Mall, Johor Bahru Lot UE-06, Upper Ground Floor
T: 607-244 0463/
607-244 8721

- Mid Valley Southkey Megamall
T: 607-336 1433

- City Square
T: 607-221 0103

GENTING

- Sky Avenue Genting Highlands Resort
T: 605-6101 2485

- Genting Grand

BATU PAHAT

- Batu Pahat Mall
T: 607-433 1918

POH KONG®

DIAMOND & GOLD
by **POH KONG**

POH KONG
G A L L E R Y

diamond
B O U T I Q U E

G O L D
B O U T I Q U E

ORO BIANCO
by **POH KONG**

Our Annual Report, financial and other information about Poh Kong Holdings Berhad
can also be found at **www.pohkong.com.my**

No. 16-20 Jalan 52/4, 46200 Petaling Jaya,
Selangor Darul Ehsan
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