

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2014****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT 31.10.2014 (Unaudited) RM'000</b>	<b>AS AT 31.7.2014 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	115,238	116,240
Other investments	528	528
Goodwill on consolidation	1,485	1,485
Deferred tax assets	5,023	5,828
	<b>122,274</b>	<b>124,081</b>
<b>CURRENT ASSETS</b>		
Inventories	572,858	608,455
Trade receivables	1,009	2,623
Non-trade receivables	16,838	14,880
Tax assets	3,039	3,060
Fixed deposits with licensed banks	210	8,110
Cash and bank balances	26,714	34,278
	<b>620,668</b>	<b>671,406</b>
Asset of disposal group classified as held for sale	-	231
<b>TOTAL ASSETS</b>	<b>742,942</b>	<b>795,718</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share Capital	205,176	205,176
Reserves	246,792	243,705
<b>TOTAL EQUITY</b>	<b>451,968</b>	<b>448,881</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	154,970	155,126
Deferred tax liabilities	10,131	10,013
	<b>165,101</b>	<b>165,139</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	10,453	9,504
Non-trade payables	26,699	24,741
Advance from Ultimate Holding Company	1,225	1,220
Amount due to directors (Note 1)	2,785	2,216
Short-term borrowings	83,199	142,011
Tax payable	1,512	2,005
	<b>125,873</b>	<b>181,697</b>
Liability directly associated with disposal group classified as held for sale	-	1
<b>TOTAL LIABILITIES</b>	<b>290,974</b>	<b>346,837</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>742,942</b>	<b>795,718</b>
Net assets per share attributable to ordinary equity owners of the Company (RM)	1.10	1.09

**Note 1: Amount due to directors consists of directors' fee and directors' other emoluments.**

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2014****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>QUARTER ENDED 31.10.2014 RM'000</b>	<b>QUARTER ENDED 31.10.2013 RM'000</b>	<b>PERIOD ENDED 31.10.2014 RM'000</b>	<b>PERIOD ENDED 31.10.2013 RM'000</b>
Revenue	193,953	180,125	193,953	180,125
Other operating income	604	492	604	492
Operating expenses	(186,664)	(171,013)	(186,664)	(171,013)
Profit from operations	7,893	9,604	7,893	9,604
Finance costs	(3,322)	(3,351)	(3,322)	(3,351)
Profit before taxation	4,571	6,253	4,571	6,253
Taxation	(1,484)	(1,608)	(1,484)	(1,608)
Profit after taxation	3,087	4,645	3,087	4,645
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,087	4,645	3,087	4,645
Attributable to:--				
Equity holders of the Company	3,087	4,645	3,087	4,645
Non-controlling Interests	-	-	-	-
	3,087	4,645	3,087	4,645
Earnings per share attributable to equity holders of the Company				
- basic (sen)	0.75	1.13	0.75	1.13
- diluted (sen)	0.75	1.13	0.75	1.13

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2014****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Attributable to equity holders of the Company</b>			
	<b>Share Capital</b>	<b><u>Non-distributable</u> Revaluation Reserve</b>	<b><u>Distributable</u> Retained Profits</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 August 2013</b>	205,176	27,105	210,235	<b>442,516</b>
Total comprehensive income for the year	-	-	4,645	<b>4,645</b>
<b>At 31 October 2013</b>	205,176	27,105	214,880	<b>447,161</b>
<b>At 1 August 2014</b>	205,176	25,905	217,800	<b>448,881</b>
Total comprehensive income for the year	-	-	3,087	<b>3,087</b>
<b>At 31 October 2014</b>	205,176	25,905	220,887	<b>451,968</b>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)

## QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2014

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>CUMULATIVE QUARTER</b>	
	<b>PERIOD</b>	<b>PERIOD</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>31.10.2014</b>	<b>31.10.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,571	6,253
Adjustments for:		
Depreciation of property, plant and equipment	2,573	2,563
Gain on disposal of property, plant and equipment	-	(74)
Loss on disposal of property, plant and equipment	3	-
Property, plant and equipment written off	1	151
Short-term accumulating compensated absences	335	(241)
Dividend received	-	(150)
Gain on disposal of subsidiary company	(308)	-
Allowance for impairment on receivables	(162)	-
Reversal of allowance for impairment on receivables	-	(28)
Interest income	(8)	(4)
Interest expense	3,322	4,941
Operating profit before working capital changes	10,327	13,411
Inventories	35,597	(12,474)
Receivables	(182)	(3,555)
Payables	2,572	(2,302)
Amount due to directors	569	100
Net cash generated from / (used in) operations	48,883	(4,820)
Income tax paid	(1,033)	(2,165)
Net cash generated from / (used in) operating activities	47,850	(6,985)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	8	4
Dividend received	-	150
Proceeds from disposal of property, plant and equipment	11	85
Proceeds from disposal of subsidiary company	505	-
Purchase of property, plant and equipment	(1,553)	(3,128)
Net cash used in investing activities	(1,029)	(2,889)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(3,322)	(4,941)
Net loans raised	(54,757)	(9,536)
Repayment to lease creditors	(223)	(426)
Repayment to hire purchase creditors	(578)	(369)
Net cash used in financing activities	(58,880)	(15,272)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(12,059)</b>	<b>(25,146)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>37,918</b>	<b>39,329</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>25,859</b>	<b>14,183</b>
<b>Cash and cash equivalents comprise the following:</b>		
Fixed deposit with licensed banks	180	456
Cash and bank balances	26,714	19,459
Bank overdrafts	(1,035)	(5,732)
	<b>25,859</b>	<b>14,183</b>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2014****A. NOTES TO THE INTERIM FINANCIAL REPORT****A1. Accounting Policies and Methods of Computation**

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and Chapter 9, Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the Annual Financial Statements for the financial year ended 31 July 2014 except for the following new Malaysian Financial Reporting Standards ("MFRSs"), Amendments / Improvements to MFRSs and New IC Int that are issued but not yet effective for the Group:-

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from contracts with customers	1 January 2017
<u>Amendments / Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 7	Financial Instruments: Disclosures	Effective upon application of MFRS 9
MFRS 8	Operating Segments	1 July 2014
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 10	Consolidated Financial Statements	1 January 2014
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosure of Interests in Other Entities	1 January 2014
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 116	Property, Plant and Equipment	1 July 2014 / 1 January 2016
MFRS 119	Employee Benefits	1 July 2014
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments: Presentation	1 January 2014
MFRS 136	Impairment of Assets	1 January 2014
MFRS 138	Intangible Assets	1 July 2014 / 1 January 2016
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
MFRS 139	Financial Instruments: Recognition and Measurement	Applies when MFRS 9 is applied
MFRS 140	Investment Property	1 July 2014
MFRS 141	Agriculture	1 January 2016
<u>New IC Int</u>		
IC Int 21	Levies	1 January 2014

The adoption of the above New MFRS, Amendments / Improvements to MFRSs and New IC Int will have no significant financial impact on the financial statements of the Group.

**A2. Audit Report**

The audit report of the preceding Audited Financial Statements of the Company was reported without any qualification.

**A3. Seasonality or Cyclicalities of Operations**

It was a traditional low peak trading period for the quarter under review.

**A4. Unusual Items**

There were no unusual and extraordinary items in the current quarter under review.

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2014****A5. Changes in Estimates**

There were no material changes in the estimates used for the preparation of interim financial report.

**A6. Issuance, Cancellation or Repayments of Debt and Equity Securities**

There was no issuance and repayment of debt and equity securities, share buy back, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial year to-date.

**A7. Dividend paid**

No dividend was paid in the quarter under review.

**A8. Segmental Information**

Segmental information is presented in respect of the Group's business segments.

Business segments:

Manufacturing: Manufacturer and dealer of jewellery, precious stones and gold ornaments

Trading: Suppliers and retailers of gold ornaments, jewellery and precious stones

Others: Investment holding

**Results for first quarter ended 31 October 2014**

	<b>Manufacturing Division RM'000</b>	<b>Trading Division RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
Revenue	27	193,924	1		193,952
Inter-segment Revenue	60,111	27,339	15,676	(103,126)	-
Total Revenue	60,138	221,263	15,677	(103,126)	193,952
Profit before taxation	1,616	5,652	(1,523)	(1,174)	4,571
Profit after taxation	1,228	5,652	(1,696)	(2,097)	3,087

**Results for first quarter ended 31 October 2013**

	<b>Manufacturing Division RM'000</b>	<b>Trading Division RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
Revenue	36	179,505	584		180,125
Inter-segment Revenue	61,477	22,277	20,260	(104,014)	-
Total Revenue	61,513	201,782	20,844	(104,014)	180,125
Profit before taxation	2,600	148	271	3,234	6,253
Profit after taxation	1,950	66	(157)	2,786	4,645

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2014**

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**A9. Valuations of Property, Plant and Equipment**

The Group did not carry out any valuations on property, plant and equipment in the quarter under review.

Save as disclosed, the valuation of property, plant and equipment have been brought forward without amendment from previous Audited Financial Statements.

**A10. Material Events Subsequent To The Financial Period**

There was no subsequent material event as at the date of this quarterly report.

**A11. Changes in the Composition of the Company**

On 26th August 2014, Poh Kong Jewellers Sdn. Bhd. ("PKJ"), a wholly owned subsidiary of Poh Kong Holdings Berhad had disposed the entire 180,000/- ordinary shares of RM1.00 each in Jungmax Property Sdn. Bhd. for a total consideration of RM540,000/-.

Save as disclosed, there was no change in the composition of the Group for the current quarter and financial year to date including business combination, acquisition or disposal of subsidiaries and long term investment, restructuring or discontinuing of operations.

**A12. Contingent Liabilities**

Poh Kong Jewellers Sdn. Bhd, a wholly owned subsidiary of the Company, has granted a corporate guarantee to Danajamin Nasional Berhad in respect of Islamic Commercial Papers/ Islamic Medium Term Notes programme up to RM150,000,000 in accordance with the Shariah principle of Commodity Murabahah.

As at 31 October 2014, a total of RM167,601,999 corporate guarantees has been given in support of banking facilities granted to subsidiary companies; a total of RM8,000,000 corporate guarantee has been given to third party in respect of leasing and hire purchase facilities; a total of RM7,474,928 corporate guarantees has been given to third parties in respect of operating lease arrangements.

Save as disclosed above, there was no change in contingent liabilities since the last annual reporting date.

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2014****B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS****B1. Review of Performance**

The Group's revenue for the first quarter under review was higher at RM193.953 million as compared to the revenue in the corresponding quarter last year of RM180.125 million; an increase of RM13.828 million due to the increase in demand of gold jewellery products during the quarter under review.

The major revenue contributors are gold jewellery and gold investment products during the quarter under review.

The Group's profit before tax in the current quarter at RM4.571 million was lower as compared to the profit before tax of RM6.253 million in the corresponding quarter last year; a decrease of RM1.682 million. The fluctuation of gold prices inevitably affected the Group's operating profits during the quarter under review.

The Group's revenue is largely derived from retail segment while the manufacturing segment supplies the finished gold jewellery to the retail segment.

**B2. Comparison with Preceding Quarter's Results (1st Quarter FYE 2015 vs 4th Quarter FYE 2014)**

Financial Indicators:	Q1FYE2015	Q4FYE2014	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	193,953	208,633	(14,680)	-7%
Profit before taxation	4,571	8,064	(3,493)	-43%
Profit after taxation	3,087	3,000	87	3%

Despite the Hari Raya festive season in the preceding quarter, the demand for gold jewellery did not increase during the quarter under review.

**B3. Current Year Prospects**

2015 will be a year of economic challenges as Malaysians continue to be cautious in their spending and that poses the biggest challenge in the retail industry. To meet these challenges, the Group will continue to consolidate its business, realign business strategies, and undertake new initiatives to pursue sustainable growth and ultimately enhance profitability of the Group.

Despite uncertainties of a global economy and challenges faced in the retail industry, the Group maintains a positive long-term outlook.

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

**B4. Profit Forecast**

The Group does not publish any profit forecast.



**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2014****B5. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Quarter Ended</b>	<b>Quarter Ended</b>	<b>Period Ended</b>	<b>Period Ended</b>
	<b>31.10.2014</b>	<b>31.10.2013</b>	<b>31.10.2014</b>	<b>31.10.2013</b>
	RM'000	RM'000	RM'000	RM'000
Income taxation	561	2,057	561	2,057
Deferred taxation	923	(449)	923	(449)
	<u>1,484</u>	<u>1,608</u>	<u>1,484</u>	<u>1,608</u>

The effective tax rate was higher than the statutory tax rate due principally to certain expenses disallowed for tax purposes.

**B6. Status of Corporate Proposals Announced**

There was no corporate proposal announced for the current quarter and financial year to date.

**B7. Borrowings and Debt Securities**

The Group's borrowings as at 31 October 2014 are as follows:-

	<b>RM'000</b>
<b>Short-term Borrowings</b>	
- <b>Secured</b>	
Bank overdraft	1,035
Other bank borrowings	<u>82,164</u>
	83,199
- <b>Unsecured</b>	
Hire purchase and lease creditors	
Advance from Ultimate Holding Company	<u>1,225</u>
	<u>84,424</u>
<b>Long-term Borrowings</b>	
- <b>Secured</b>	
Term loans	12,865
Islamic Medium Term Notes ("IMTN")	<u>140,000</u>
	152,865
- <b>Unsecured</b>	
Hire purchase and lease creditors	<u>2,105</u>
	<u>154,970</u>
<b>Total</b>	<u>239,394</u>

**B8. Realised and Unrealised Profits or Losses Disclosure**

This disclosure is prepared pursuant to the directive of Bursa Malaysia Securities Berhad and in accordance with the Guidance on Special Matter No.1- Determination of Realised and Unrealised Profits or Losses, as issued by the Malaysia Institute of Accountants.

	<b>Period Ended</b>	<b>Period Ended</b>
	<b>31.10.2014</b>	<b>31.10.2014</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Total retained earnings of the Company and its subsidiaries:		
- Realised	362,053	365,770
- Unrealised	<u>(5,108)</u>	<u>(4,831)</u>
	356,945	360,939
- Less: Consolidated adjustments	<u>(136,058)</u>	<u>(146,059)</u>
Total group retained earnings as per consolidated accounts	<u>220,887</u>	<u>214,880</u>

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2014****B9. Profit Before Taxation**

Profit before taxation is arrived at after charging / (crediting):

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Quarter Ended 31.10.2014 RM'000</b>	<b>Quarter Ended 31.10.2013 RM'000</b>	<b>Period Ended 31.10.2014 RM'000</b>	<b>Period Ended 31.10.2013 RM'000</b>
Interest income	(8)	(4)	(8)	(4)
Dividend income	-	(150)	-	(150)
Gain on disposal of property, plant and equipment	-	(74)	-	(74)
Loss on disposal of property, plant and equipment	3	-	3	-
Interest expense	3,322	4,941	3,322	4,941
Depreciation and amortization	2,573	2,563	2,573	2,563
Reversal of allowance for impairment on receivables	(162)	(28)	(162)	(28)
Property, plant and equipment written off	1	151	1	151
Gain on disposal of subsidiary company	(308)	-	(308)	-

**B10. Material Litigation**

There was no material litigation as at this quarterly report and the financial year to date.

**B11. Dividend**

No dividend was declared in the quarter under review.

**B12. Earnings Per Share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Quarter Ended 31.10.2014</b>	<b>Quarter Ended 31.10.2013</b>	<b>Period Ended 31.10.2014</b>	<b>Period Ended 31.10.2013</b>
Profit after taxation for basic earnings per share (RM'000)	3,087	4,645	3,087	4,645
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
-basic (sen)	0.75	1.13	0.75	1.13
-diluted (sen)	0.75	1.13	0.75	1.13

**BY ORDER OF THE BOARD****DATO' CHOON YEE SEIONG**

Executive Chairman / Group Managing Director

15 December 2014

Petaling Jaya