

POH KONG HOLDINGS BERHAD (Registration No : 200201018476)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30.4.2024 RM'000	AS AT 31.7.2023 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	90,861	89,805
Right of use assets	51,889	67,807
Investment properties	17,478	18,034
Investment in an associate	7,922	7,922
Other investments	228	228
Goodwill on consolidation	1,485	1,485
Deferred tax assets	16,730	16,469
	186,593	201,750
CURRENT ASSETS		
Inventories	863,074	755,149
Trade and other receivables	5,948	3,928
Deposits and prepayments	13,193	11,244
Current tax assets	211	841
Fixed deposits placed with licensed banks	11,994	13,794
Cash and bank balances	14,025	14,437
	908,445	799,393
TOTAL ASSETS	1,095,038	1,001,143
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	205,176	205,176
Reserves	643,449	556,757
TOTAL EQUITY	848,625	761,933
NON-CURRENT LIABILITIES		
Long-term borrowings	15,838	32,844
Deferred tax liabilities	16,379	16,379
	32,217	49,223
CURRENT LIABILITIES		
Trade and other payables	18,911	11,531
Deposits and accruals	9,728	12,450
Contract liabilities	9,999	7,770
Provision for restoration costs	400	400
Amount due to ultimate holding company	1,311	1,303
Amount due to directors (Note 1)	3,295	4,449
Short-term borrowings	156,922	142,817
Current tax liabilities	13,630	9,267
	214,196	189,987
TOTAL LIABILITIES	246,413	239,210
TOTAL EQUITY AND LIABILITIES	1,095,038	1,001,143
Net assets per share attributable to owners of the Company (RM)	2.07	1.86

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 2023)

POH KONG HOLDINGS BERHAD (Registration No : 200201018476)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30.4.2024 RM'000	QUARTER ENDED 30.4.2023 RM'000	PERIOD ENDED 30.4.2024 RM'000	PERIOD ENDED 30.4.2023 RM'000
Revenue	519,608	380,709	1,299,406	1,154,908
Cost of sales	(405,258)	(293,893)	(1,022,252)	(924,706)
Gross profit	114,350	86,816	277,154	230,202
Other income	907	319	3,372	2,735
Operating expenses	(51,869)	(42,164)	(151,581)	(132,233)
Operating profit	63,388	44,971	128,945	100,704
Finance income	190	148	391	374
Finance costs	(1,812)	(3,173)	(6,576)	(6,577)
Profit before tax	61,766	41,946	122,760	94,501
Income tax expense	(14,120)	(10,529)	(27,861)	(21,736)
Profit after tax	47,646	31,417	94,899	72,765
Other comprehensive expense	-	-	-	-
Total Comprehensive Income	47,646	31,417	94,899	72,765
Profit after tax attributable to:				
Owners of the Company	47,646	31,417	94,899	72,765
Non-controlling Interests	-	-	-	-
	47,646	31,417	94,899	72,765
Total comprehensive income attributable to:				
Owners of the Company	47,646	31,417	94,899	72,765
Non-controlling Interests	-	-	-	-
	47,646	31,417	94,899	72,765
Earnings per share attributable to Owners of the Company				
- basic (sen)	11.61	7.66	23.13	17.73
- diluted (sen)	11.61	7.66	23.13	17.73

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2023)

**POH KONG HOLDINGS BERHAD (Registration No : 200201018476)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Company			
	Share capital	Revaluation reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000
At 1 August 2022	205,176	42,959	438,415	686,550
Profit for the financial year	-	-	72,765	72,765
Dividends	-	-	(5,335)	(5,335)
At 30 April 2023	205,176	42,959	505,845	753,980
At 1 August 2023	205,176	45,236	511,521	761,933
Profit for the financial year	-	-	94,899	94,899
Dividends	-	-	(8,207)	(8,207)
At 30 April 2024	205,176	45,236	598,213	848,625

(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 2023)

POH KONG HOLDINGS BERHAD (Registration No : 200201018476)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER	
	PERIOD	PERIOD
	ENDED	ENDED
	30.4.2024	30.4.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	122,760	94,501
Adjustments for:		
Depreciation of property, plant and equipment and investment properties	5,812	5,669
Depreciation of right of use assets	16,074	16,309
Net gain on disposal of property, plant and equipment	(234)	(547)
Property, plant and equipment written off	4	-
Interest income	(391)	(374)
Interest expense	6,576	6,577
Operating profit before working capital changes	150,601	122,135
Inventories	(107,925)	(114,611)
Receivables	(3,969)	(2,468)
Payables	4,658	19,284
Contract liabilities	2,229	387
Net cash generated from operations	45,594	24,727
Tax paid	(23,129)	(27,612)
Net cash generated from/ (used in) operating activities	22,465	(2,885)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	391	374
Proceeds from disposal of property, plant and equipment	234	547
Purchase of property, plant and equipment	(6,474)	(5,677)
Net cash used in investing activities	(5,849)	(4,756)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(6,576)	(6,577)
Net loans drawdown	13,727	34,794
Dividends paid	(8,207)	(9,438)
Increase in amount due to ultimate holding company	8	8
Increase in amount due to directors	(1,154)	1,138
Repayment of lease liabilities	(16,772)	(17,030)
Net cash (used in) / generated from financing activities	(18,974)	2,895
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,358)	(4,746)
OPENING CASH AND CASH EQUIVALENTS	26,837	33,109
CLOSING CASH AND CASH EQUIVALENTS	24,479	28,363
Cash and cash equivalents comprise the following:		
Fixed deposits with licensed banks	11,994	12,753
Bank overdraft	(146)	(14)
Cash and bank balances	14,025	16,977
	25,873	29,716
Less: - Fixed deposits pledged to licensed banks	(1,394)	(1,353)
	24,479	28,363

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2023)

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 2023.

The significant accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Group and of the Company for the financial year ended 31 July 2023.

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17 Insurance Contracts

Amendments to MFRSs

MFRS 101 Presentation of Financial Statements
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112 Income Taxes

The adoption of the above new MFRS and amendments 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, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity 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.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

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

<u>Amendments to MFRSs</u>	<u>Effective for financial periods beginning on or after</u>
MFRS 7 Financial Instruments: Disclosures	1 January 2024
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 16 Leases	1 January 2024
MFRS 101 Presentation of Financial Statements	1 January 2024
MFRS 107 Statement of Cash Flows	1 January 2024
MFRS 121 The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128 Investments in Associates and Joint Ventures	Deferred

The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective.

A2. Audit Report

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

A3. Seasonality or Cyclicity of Operations

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

A4. Unusual Items

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

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

On 11 March 2024, the Company paid a final single tier dividend of 2.00 sen on 410,351,752 ordinary shares amounting to RM8,207,035 in respect of financial year ended 31 July 2023.

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, precious stones and gold bullion

Others: Investment holding and supplying gold bullion

Results for financial periods ended 30 April 2023

	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue	34,757	872,093	248,058	-	1,154,908
Inter-segment Revenue	388,777	191,419	416,096	(996,292)	-
Total Revenue	<u>423,534</u>	<u>1,063,512</u>	<u>664,154</u>	<u>(996,292)</u>	<u>1,154,908</u>
Profit before taxation	17,232	77,386	37,346	(37,463)	94,501
Profit after taxation	13,009	58,965	36,812	(36,021)	72,765

Results for financial periods ended 30 April 2024

	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue	27,882	988,050	283,474	-	1,299,406
Inter-segment Revenue	419,914	218,713	421,881	(1,060,508)	-
Total Revenue	447,796	1,206,763	705,355	(1,060,508)	1,299,406
Profit before taxation	28,272	86,969	37,530	(30,011)	122,760
Profit after taxation	21,487	66,105	37,058	(29,751)	94,899

A9. Valuations of Property, Plant and Equipment

The Group did not carry out any valuation 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

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

As at 30 April 2024, a total of RM247,394,660 corporate guarantees has been given in support of banking facilities granted to subsidiary companies, a total of RM11,000,000 corporate guarantee has been given to third parties in respect of leasing and hire purchase facilities and a total of RM2,901,528 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.

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Review of Performance

The Group's revenue for the current quarter under review was higher at RM519.608 million as compared to the revenue in the corresponding quarter last year of RM380.709 million, an increase of RM138.899 million. The increase in revenue was due mainly to the increase in demand of gold jewellery and gold investment products during the quarter under review.

The Group's profit before tax in the current quarter at RM61.766 million as compared to the profit before tax of RM41.946 million in the corresponding quarter last year showed an increase of RM19.820 million. The increase in revenue and overall uptrend in gold prices had improved the operating profits in the current quarter under review.

The Group's revenue is largely derived from the retail segment.

B2. Comparison with Preceding Quarter's Results (3rd Quarter FYE 2024 vs 2nd Quarter FYE 2024)

Financial Indicators:	Q3FYE2024	Q2FYE2024	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	519,608	423,818	95,790	23%
Profit before taxation	61,766	36,397	25,369	70%
Profit after taxation	47,646	28,250	19,396	69%

The higher revenue and the increase in gold prices had improved profit margin as compared with the preceding quarter.

B3. Current Year Prospects

The Malaysian economy is expected to strengthen in year 2024, growing amid expansion in all sectors and better prospects in global trade. Stronger and more dynamic trade activities will certainly translate into a greater demand for gold and gold products. An optimistic outlook must at the same time take cognisance of market corrections and global uncertainties.

The Group will continuously monitor the impact of the current uncertainties on our operations, uphold and honour our financial obligations and evaluate our performance on a continuous basis.

Barring unforeseen circumstances, the board of directors is confident that the group has put in place adequate measures to meet the challenges ahead for financial year ending 31 July 2024.

B4. Profit Forecast

The Group does not publish any profit forecast.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	30.4.2024	30.4.2023	30.4.2024	30.4.2023
	RM'000	RM'000	RM'000	RM'000
Income taxation	14,177	11,259	27,600	23,178
Deferred taxation	(57)	(730)	261	(1,442)
	14,120	10,529	27,861	21,736

The effective tax rate was lower than the statutory tax rate due principally to the deferred tax assets being recognised for the current quarter, offsetting against tax payables on profitable subsidiaries.

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 are as follows:

	Period Ended 30.4.2024 RM'000	Period Ended 30.4.2023 RM'000
Short-term Borrowings		
- Secured		
Other bank borrowings	132,526	133,447
Lease liabilities	24,396	17,821
	<u>156,922</u>	<u>151,268</u>
- Unsecured		
Advance from Ultimate Holding Company	1,311	1,323
	<u>158,233</u>	<u>152,591</u>
Long-term Borrowings		
- Secured		
Other bank borrowings	6,639	10,492
Lease liabilities	9,199	3,298
	<u>15,838</u>	<u>13,790</u>
Total	<u>174,071</u>	<u>166,381</u>

B8. Profit Before Taxation

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

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 30.4.2024 RM'000	Quarter Ended 30.4.2023 RM'000	Period Ended 30.4.2024 RM'000	Period Ended 30.4.2023 RM'000
Interest income	(190)	(148)	(391)	(374)
Net gain on disposal of property, plant and equipment	(40)	(97)	(234)	(547)
Property, plant and equipment written off	-	-	4	-
Interest expense	1,812	3,173	6,576	6,577
Depreciation of property, plant and equipment and investment property	1,955	1,877	5,812	5,669
Depreciation of right of use assets	5,179	5,290	16,074	16,309

B9. Material Litigation

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

B10. Dividend

No dividend was declared in the current quarter under review.

B11. Earnings Per Share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Quarter Ended 30.4.2024	Quarter Ended 30.4.2023	Period Ended 30.4.2024	Period Ended 30.4.2023
Profit after taxation for basic earnings per share (RM'000)	47,646	31,417	94,899	72,765
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
-basic (sen)	<u>11.61</u>	<u>7.66</u>	<u>23.13</u>	<u>17.73</u>
-diluted (sen)	<u>11.61</u>	<u>7.66</u>	<u>23.13</u>	<u>17.73</u>

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

Executive Chairman / Group Managing Director

18 June 2024

Petaling Jaya