

POH KONG HOLDINGS BERHAD (Registration No : 200201018476)
QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | AS AT 31.7.2024 RM'000 | AS AT 31.7.2023 RM'000 (Audited) |
|---|---------------------------------------|---|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 101,906 | 89,805 |
| Right of use assets | 62,673 | 67,807 |
| Investment properties | 17,518 | 18,033 |
| Investment in an associate | 8,330 | 7,922 |
| Other investments | 228 | 228 |
| Goodwill on consolidation | 1,485 | 1,485 |
| Deferred tax assets | 15,662 | 16,469 |
| | 207,802 | 201,749 |
| CURRENT ASSETS | | |
| Inventories | 845,142 | 755,149 |
| Trade and other receivables | 2,821 | 3,928 |
| Deposits and prepayments | 11,367 | 11,244 |
| Current tax assets | 313 | 841 |
| Fixed deposits placed with licensed banks | 8,024 | 13,794 |
| Cash and bank balances | 27,319 | 14,437 |
| | 894,986 | 799,393 |
| TOTAL ASSETS | 1,102,788 | 1,001,142 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 205,176 | 205,176 |
| Reserves | 666,731 | 556,756 |
| TOTAL EQUITY | 871,907 | 761,932 |
| NON-CURRENT LIABILITIES | | |
| Long-term borrowings | 23,574 | 32,844 |
| Deferred tax liabilities | 17,013 | 16,379 |
| | 40,587 | 49,223 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 22,802 | 11,531 |
| Deposits and accruals | 12,030 | 12,450 |
| Contract liabilities | 6,043 | 7,770 |
| Provision for restoration costs | 400 | 400 |
| Amount due to ultimate holding company | 1,315 | 1,303 |
| Amount due to directors (Note 1) | 5,638 | 4,449 |
| Short-term borrowings | 130,131 | 142,817 |
| Current tax liabilities | 11,935 | 9,267 |
| | 190,294 | 189,987 |
| TOTAL LIABILITIES | 230,881 | 239,210 |
| TOTAL EQUITY AND LIABILITIES | 1,102,788 | 1,001,142 |
| Net assets per share attributable to owners of the Company (RM) | 2.12 | 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 FOURTH QUARTER ENDED 31 JULY 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|--|---|---|
| | QUARTER ENDED 31.7.2024 RM'000 | QUARTER ENDED 31.7.2023 RM'000 | PERIOD ENDED 31.7.2024 RM'000 | PERIOD ENDED 31.7.2023 RM'000 <i>(Audited)</i> |
| Revenue | 342,472 | 315,661 | 1,641,878 | 1,470,569 |
| Cost of sales | (261,016) | (245,799) | (1,283,268) | (1,171,555) |
| Gross profit | 81,456 | 69,862 | 358,610 | 299,014 |
| Other income | 720 | 1,037 | 4,092 | 4,827 |
| Operating expenses | (46,614) | (56,157) | (198,195) | (187,781) |
| Operating profit | 35,562 | 14,742 | 164,507 | 116,060 |
| Finance income | 161 | 156 | 552 | 530 |
| Finance costs | (2,768) | (2,426) | (9,344) | (8,853) |
| Share of results of an associate, net of tax | 858 | 477 | 858 | 477 |
| Profit before tax | 33,813 | 12,949 | 156,573 | 108,214 |
| Income tax expense | (11,788) | (7,972) | (39,649) | (29,773) |
| Profit after tax | 22,025 | 4,977 | 116,924 | 78,441 |
| Other comprehensive income | 1,258 | 315 | 1,258 | 2,276 |
| Total Comprehensive Income | 23,283 | 5,292 | 118,182 | 80,717 |
| Profit after tax attributable to: | | | | |
| Owners of the Company | 22,025 | 4,977 | 116,924 | 78,441 |
| Non-controlling Interests | - | - | - | - |
| | 22,025 | 4,977 | 116,924 | 78,441 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 23,283 | 5,292 | 118,182 | 80,717 |
| Non-controlling Interests | - | - | - | - |
| | 23,283 | 5,292 | 118,182 | 80,717 |
| Earnings per share attributable to | | | | |
| Owners of the Company | | | | |
| - basic (sen) | 5.37 | 1.21 | 28.49 | 19.12 |
| - diluted (sen) | 5.37 | 1.21 | 28.49 | 19.12 |

(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 FOURTH QUARTER ENDED 31 JULY 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 | - | - | 78,441 | 78,441 |
| Other comprehensive income | - | 2,276 | - | 2,276 |
| Dividends | - | - | (5,335) | (5,335) |
| At 31 July 2023 | 205,176 | 45,235 | 511,521 | 761,932 |
| At 1 August 2023 | 205,176 | 45,235 | 511,521 | 761,932 |
| Profit for the financial year | - | - | 116,924 | 116,924 |
| Other comprehensive income | - | 1,258 | - | 1,258 |
| Dividends | - | - | (8,207) | (8,207) |
| At 31 July 2024 | 205,176 | 46,493 | 620,238 | 871,907 |

(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 FOURTH QUARTER ENDED 31 JULY 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | CUMULATIVE QUARTER | |
|---|--|--|
| | PERIOD ENDED 31.7.2024 RM'000 | PERIOD ENDED 31.7.2023 RM'000 (Audited) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 156,573 | 108,214 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment and investment properties | 7,961 | 8,093 |
| Depreciation of right of use assets | 25,115 | 23,191 |
| Net gain on disposal of property, plant and equipment | (386) | (630) |
| Share of results of an associates | (858) | (477) |
| Gain on termination of lease | - | (1,258) |
| Written off of property, plant and equipment | 64 | 205 |
| Impairment loss on investment properties, trade receivables | - | 4,821 |
| Reversal of Impairment loss on trade receivables, inventories | - | (347) |
| Interest income | (552) | (530) |
| Interest expense | 9,344 | 8,853 |
| Operating profit before working capital changes | 197,261 | 150,135 |
| Inventories | (89,993) | (110,994) |
| Receivables | 984 | 2,773 |
| Payables | 10,851 | 7,403 |
| Contract liabilities | (1,727) | (1,784) |
| Net cash generated from operations | 117,376 | 47,533 |
| Tax paid | (35,248) | (31,920) |
| Net cash generated from operating activities | 82,128 | 15,613 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 552 | 530 |
| Dividend received | 450 | 450 |
| Placement of fixed deposits | (30) | (41) |
| Acquisition of a subsidiary, net of cash acquired | - | (11,294) |
| Proceeds from disposal of property, plant and equipment | 387 | 635 |
| Purchase of property, plant and equipment | (4,208) | (4,375) |
| Net cash used in investing activities | (2,849) | (14,095) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (9,344) | (5,828) |
| Net loans drawdown | (27,577) | 30,867 |
| Dividends paid | (8,207) | (9,438) |
| Increase in amount due to ultimate holding company | 12 | (12) |
| Increase in amount due to directors | 1,189 | 2,055 |
| Repayment of lease liabilities | (28,270) | (25,434) |
| Net cash used in financing activities | (72,197) | (7,790) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 7,082 | (6,272) |
| OPENING CASH AND CASH EQUIVALENTS | 26,837 | 33,109 |
| CLOSING CASH AND CASH EQUIVALENTS | 33,919 | 26,837 |
| Cash and cash equivalents comprise the following: | | |
| Fixed deposits with licensed banks | 8,024 | 13,794 |
| Bank overdraft | - | - |
| Cash and bank balances | 27,319 | 14,437 |
| | 35,343 | 28,231 |
| Less: - Fixed deposits pledged to licensed banks | (1,424) | (1,394) |
| | 33,919 | 26,837 |

(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 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.

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 31 July 2023

| | Manufacturing Division RM'000 | Trading Division RM'000 | Others RM'000 | Elimination RM'000 | Group RM'000 |
|------------------------|--|--|--------------------------|-------------------------------|-------------------------|
| Revenue | 47,408 | 1,123,070 | 300,091 | - | 1,470,569 |
| Inter-segment Revenue | 483,386 | 252,087 | 514,366 | (1,249,839) | - |
| Total Revenue | <u>530,794</u> | <u>1,375,157</u> | <u>814,457</u> | <u>(1,249,839)</u> | <u>1,470,569</u> |
| Profit before taxation | 27,797 | 85,166 | 40,527 | (45,276) | 108,214 |
| Profit after taxation | 20,938 | 63,679 | 36,535 | (42,711) | 78,441 |

| | Results for financial periods ended 31 July 2024 | | | | |
|------------------------|--|------------------|---------|-------------|-----------|
| | Manufacturing Division | Trading Division | Others | Elimination | Group |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 34,229 | 1,268,214 | 339,435 | - | 1,641,878 |
| Inter-segment Revenue | 508,680 | 281,705 | 504,831 | (1,295,216) | - |
| Total Revenue | 542,909 | 1,549,919 | 844,266 | (1,295,216) | 1,641,878 |
| Profit before taxation | 38,094 | 114,125 | 39,943 | (35,589) | 156,573 |
| Profit after taxation | 28,817 | 85,666 | 36,311 | (33,870) | 116,924 |

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 31 July 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 RM3,830,106 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 RM342.472 million as compared to the revenue in the corresponding quarter last year of RM315.661 million, an increase of RM26.811 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 RM33.813 million as compared to the profit before tax of RM12.949 million in the corresponding quarter last year showed an increase of RM20.864 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 (4th Quarter FYE 2024 vs 3rd Quarter FYE 2024)

| Financial Indicators: | Q4FYE2024 | Q3FYE2024 | Variance | Variance |
|------------------------|-----------|-----------|-----------|----------|
| | RM('000) | RM('000) | RM('000) | (%) |
| Revenue | 342,472 | 519,608 | (177,136) | -34% |
| Profit before taxation | 33,813 | 61,766 | (27,953) | -45% |
| Profit after taxation | 22,025 | 47,646 | (25,621) | -54% |

The decrease in profit was due mainly to the lower revenue in the current quarter under review as compared with the preceding quarter.

B3. Current Year Prospects

The Malaysian economy is expected to be resilient in this year and 2025, growing amid expansion in all sectors and better prospects in global trade. This optimistic outlook is supported by robust domestic consumption, increased consumer spending driven by withdrawals from the Employees Provident Fund's (EPF) Akaun Fleksibel and heightened government expenditure.

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 2025.

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 |
| | 31.7.2024 | 31.7.2023 | 31.7.2024 | 31.7.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income taxation | 10,608 | 4,555 | 38,208 | 29,197 |
| Deferred taxation | 1,180 | 3,417 | 1,441 | 576 |
| | <u>11,788</u> | <u>7,972</u> | <u>39,649</u> | <u>29,773</u> |

The effective tax rate for the current quarter 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 are as follows:

| | Period Ended 31.7.2024 RM'000 | Period Ended 31.7.2023 RM'000 |
|---------------------------------------|--|--|
| Short-term Borrowings | | |
| - Secured | | |
| Other bank borrowings | 104,852 | 120,370 |
| Lease liabilities | 25,279 | 22,447 |
| | <u>130,131</u> | <u>142,817</u> |
| - Unsecured | | |
| Advance from Ultimate Holding Company | 1,315 | 1,303 |
| | <u>131,446</u> | <u>144,120</u> |
| Long-term Borrowings | | |
| - Secured | | |
| Other bank borrowings | 6,025 | 8,124 |
| Lease liabilities | 17,549 | 24,720 |
| | <u>23,574</u> | <u>32,844</u> |
| Total | <u>155,020</u> | <u>176,964</u> |

B8. Profit Before Taxation

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

| | Individual Quarter | | Cumulative Quarter | |
|---|---|---|--|--|
| | Quarter Ended 31.7.2024 RM'000 | Quarter Ended 31.7.2023 RM'000 | Period Ended 31.7.2024 RM'000 | Period Ended 31.7.2023 RM'000 |
| Depreciation of property, plant and equipment and investment properties | 2,149 | 3,364 | 7,961 | 8,093 |
| Depreciation of right of use assets | 9,041 | 8,441 | 25,115 | 23,191 |
| Net gain on disposal of property, plant and equipment | (152) | (83) | (386) | (630) |
| Share of results of an associates | (858) | (477) | (858) | (477) |
| Gain on termination of lease | - | (1,258) | - | (1,258) |
| Written off of property, plant and equipment | 60 | 15 | 64 | 205 |
| Impairment loss on investment properties, trade receivables | - | 4,821 | - | 4,821 |
| Reversal of Impairment loss on trade receivables, inventories | - | (347) | - | (347) |
| Interest income | (161) | (156) | (552) | (530) |
| Interest expense | 2,768 | 2,426 | 9,344 | 8,853 |

B9. Material Litigation

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

B10. Dividend

The Board of Directors recommend a final single tier dividend of 3 sen per ordinary share in respect of the financial year ended 31 July 2024 (2023: 2 sen single tier dividend per ordinary share). The proposed final dividend will be subject to shareholders' approval at the forthcoming Annual General Meeting to be held on a date to be announced later.

The date of book closure of the Record of Depositors for determining the proposed final single tier dividend entitlements and the date of payment will be announced at a later date. Based on the outstanding issued and paid-up capital as at 31 July 2024 of 410,351,752 ordinary shares, the final dividend amounts to RM12,310,552 (2023: RM8,207,035 net dividend was paid on 11 March 2024). Such dividend, if approved by the shareholders will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 July 2025.

B11. Earnings Per Share

| | <u>Individual Quarter</u> | | <u>Cumulative Quarter</u> | |
|---|--------------------------------|-------------------------|-------------------------------|------------------------|
| | Quarter Ended 31.7.2024 | Quarter Ended 31.7.2023 | Period Ended 31.7.2024 | Period Ended 31.7.2023 |
| Profit after taxation for basic earnings per share (RM'000) | 22,025 | 4,977 | 116,924 | 78,441 |
| Weighted average number of ordinary shares in issue ('000) | 410,352 | 410,352 | 410,352 | 410,352 |
| -basic (sen) | <u>5.37</u> | <u>1.21</u> | <u>28.49</u> | <u>19.12</u> |
| -diluted (sen) | <u>5.37</u> | <u>1.21</u> | <u>28.49</u> | <u>19.12</u> |

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

Executive Chairman / Group Managing Director
24 September 2024
Petaling Jaya