

POH KONG HOLDINGS BERHAD (Registration No : 200201018476)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | AS AT 31.1.2025 RM'000 | AS AT 31.7.2024 RM'000 <i>(Audited)</i> |
|---|---|---|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 93,450 | 92,156 |
| Right of use assets | 51,448 | 62,478 |
| Investment properties | 17,140 | 17,518 |
| Investment in an associate | 8,330 | 8,330 |
| Other investments | 228 | 228 |
| Goodwill on consolidation | 1,485 | 1,485 |
| Deferred tax assets | 17,302 | 15,661 |
| | 189,383 | 197,856 |
| CURRENT ASSETS | | |
| Inventories | 921,591 | 845,142 |
| Trade and other receivables | 8,189 | 2,824 |
| Deposits and prepayments | 12,180 | 11,364 |
| Current tax assets | 706 | 522 |
| Fixed deposits placed with licensed banks | 21,337 | 8,024 |
| Cash and bank balances | 44,570 | 27,319 |
| | 1,008,573 | 895,195 |
| TOTAL ASSETS | 1,197,956 | 1,093,051 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 205,176 | 205,176 |
| Reserves | 705,288 | 666,658 |
| TOTAL EQUITY | 910,464 | 871,834 |
| NON-CURRENT LIABILITIES | | |
| Long-term borrowings | 10,241 | 23,574 |
| Deferred tax liabilities | 17,086 | 17,086 |
| | 27,327 | 40,660 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 33,651 | 13,155 |
| Deposits and accruals | 14,978 | 11,931 |
| Contract liabilities | 15,473 | 6,043 |
| Provision for restoration costs | 400 | 400 |
| Amount due to ultimate holding company | 1,304 | 1,321 |
| Amount due to directors (Note 1) | 5,867 | 5,432 |
| Dividend payables | 12,311 | - |
| Short-term borrowings | 160,264 | 130,130 |
| Current tax liabilities | 15,917 | 12,145 |
| | 260,165 | 180,557 |
| TOTAL LIABILITIES | 287,492 | 221,217 |
| TOTAL EQUITY AND LIABILITIES | 1,197,956 | 1,093,051 |
| Net assets per share attributable to owners of the Company (RM) | 2.22 | 2.12 |

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 2024)

POH KONG HOLDINGS BERHAD (Registration No : 200201018476)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|---|---|
| | QUARTER ENDED 31.1.2025 RM'000 | QUARTER ENDED 31.1.2024 RM'000 | PERIOD ENDED 31.1.2025 RM'000 | PERIOD ENDED 31.1.2024 RM'000 |
| Revenue | 459,514 | 423,818 | 788,789 | 779,798 |
| Cost of sales | (359,893) | (331,443) | (614,714) | (616,993) |
| Gross profit | 99,621 | 92,375 | 174,075 | 162,805 |
| Other income | 1,397 | 1,710 | 3,211 | 2,465 |
| Operating expenses | (60,802) | (55,403) | (108,081) | (99,713) |
| Operating profit | 40,216 | 38,682 | 69,205 | 65,557 |
| Finance income | 128 | 110 | 210 | 201 |
| Finance costs | (2,513) | (2,395) | (4,200) | (4,764) |
| Profit before tax | 37,831 | 36,397 | 65,215 | 60,994 |
| Income tax expense | (8,231) | (8,147) | (14,274) | (13,741) |
| Profit after tax | 29,600 | 28,250 | 50,941 | 47,253 |
| Other comprehensive income | - | - | - | - |
| Total Comprehensive Income | 29,600 | 28,250 | 50,941 | 47,253 |
| Profit after tax attributable to: | | | | |
| Owners of the Company | 29,600 | 28,250 | 50,941 | 47,253 |
| Non-controlling Interests | - | - | - | - |
| | 29,600 | 28,250 | 50,941 | 47,253 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 29,600 | 28,250 | 50,941 | 47,253 |
| Non-controlling Interests | - | - | - | - |
| | 29,600 | 28,250 | 50,941 | 47,253 |
| Earnings per share attributable to | | | | |
| Owners of the Company | | | | |
| - basic (sen) | 7.21 | 6.88 | 12.41 | 11.52 |
| - diluted (sen) | 7.21 | 6.88 | 12.41 | 11.52 |

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2024)

POH KONG HOLDINGS BERHAD (Registration No : 200201018476)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2025

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 2023 | 205,176 | 45,235 | 511,521 | 761,932 |
| Profit for the financial year | - | - | 47,253 | 47,253 |
| Dividends | - | - | (8,207) | (8,207) |
| At 31 January 2024 | 205,176 | 45,235 | 550,567 | 800,978 |
| At 1 August 2024 | 205,176 | 46,420 | 620,238 | 871,834 |
| Profit for the financial year | - | - | 50,941 | 50,941 |
| Dividends | - | - | (12,311) | (12,311) |
| At 31 January 2025 | 205,176 | 46,420 | 658,868 | 910,464 |

(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 2024)

**POH KONG HOLDINGS BERHAD (Registration No : 200201018476)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2025**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | CUMULATIVE QUARTER | |
|---|---------------------------|------------------|
| | PERIOD | PERIOD |
| | ENDED | ENDED |
| | 31.1.2025 | 31.1.2024 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 65,215 | 60,994 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment and investment properties | 3,921 | 3,857 |
| Depreciation of right of use assets | 11,156 | 10,895 |
| Net gain on disposal of property, plant and equipment | (81) | (194) |
| Written off of property, plant and equipment | - | 4 |
| Interest income | (210) | (201) |
| Interest expense | 4,200 | 4,764 |
| Operating profit before working capital changes | 84,201 | 80,119 |
| Inventories | (76,449) | (103,570) |
| Receivables | (6,181) | (9,604) |
| Payables | 23,543 | 42,899 |
| Contract liabilities | 9,430 | 2,045 |
| Net cash generated from operations | 34,544 | 11,889 |
| Tax paid | (12,326) | (9,314) |
| Net cash generated from operating activities | 22,218 | 2,575 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 210 | 201 |
| Proceeds from disposal of property, plant and equipment | 81 | 194 |
| Purchase of property, plant and equipment | (4,276) | (5,919) |
| Net cash used in investing activities | (3,985) | (5,524) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (4,200) | (4,764) |
| Net loans drawdown | 40,958 | 21,874 |
| Net movement of fixed deposits | (10,212) | - |
| Decrease in amount due to ultimate holding company | (17) | 4 |
| Increase in amount due to directors | 435 | 805 |
| Repayment of lease liabilities | (13,617) | (10,186) |
| Net cash generated from financing activities | 13,347 | 7,733 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 31,580 | 4,784 |
| OPENING CASH AND CASH EQUIVALENTS | 33,919 | 26,837 |
| CLOSING CASH AND CASH EQUIVALENTS | 65,499 | 31,621 |
| Cash and cash equivalents comprise the following: | | |
| Fixed deposits with licensed banks | 21,337 | 14,994 |
| Bank overdraft | (172) | (63) |
| Cash and bank balances | 44,570 | 18,084 |
| | 65,735 | 33,015 |
| Less: - Fixed deposits pledged to licensed banks | (236) | (1,394) |
| | 65,499 | 31,621 |

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2024)

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 2024.

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 2024.

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

| <u>New MFRS</u> | | <u>Effective for financial periods beginning on or after</u> |
|--------------------------------|--|--|
| MFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| MFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| <u>Amendments to MFRSs</u> | | |
| MFRS 1 | First-time Adoption of Malaysian Financial Reporting Standards | 1 January 2026 |
| MFRS 7 | Financial Instruments: Disclosures | 1 January 2026 |
| MFRS 9 | Financial Instruments | 1 January 2026 |
| MFRS 10 | Consolidated Financial Statements | 1 January 2026/ Deferred |
| MFRS 107 | Statement of Cash Flows | 1 January 2026 |
| MFRS 121 | The Effects of Changes in Foreign Exchange Rate | 1 January 2025 |
| MFRS 128 | Investments in Associates and Joint Ventures | Deferred |

The Group and the Company plan to adopt the above applicable new MFRS and 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

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, precious stones and gold bullion

Others: Investment holding and supplying gold bullion

Results for financial periods ended 31 January 2024

| | Manufacturing Division RM'000 | Trading Division RM'000 | Others RM'000 | Elimination RM'000 | Group RM'000 |
|------------------------|--|--|--------------------------|-------------------------------|-------------------------|
| Revenue | 20,541 | 584,374 | 174,883 | - | 779,798 |
| Inter-segment Revenue | 268,196 | 133,351 | 294,848 | (696,395) | - |
| Total Revenue | <u>288,737</u> | <u>717,725</u> | <u>469,731</u> | <u>(696,395)</u> | <u>779,798</u> |
| Profit before taxation | 13,921 | 43,242 | 33,738 | (29,907) | 60,994 |
| Profit after taxation | 10,580 | 32,863 | 33,401 | (29,591) | 47,253 |

Results for financial periods ended 31 January 2025

| | Manufacturing Division RM'000 | Trading Division RM'000 | Others RM'000 | Elimination RM'000 | Group RM'000 |
|------------------------|--|--|--------------------------|-------------------------------|-------------------------|
| Revenue | 10,958 | 610,712 | 167,119 | - | 788,789 |
| Inter-segment Revenue | 269,476 | 133,929 | 275,742 | (679,147) | - |
| Total Revenue | 280,434 | 744,641 | 442,861 | (679,147) | 788,789 |
| Profit before taxation | 18,247 | 48,598 | 44,335 | (45,965) | 65,215 |
| Profit after taxation | 13,868 | 37,192 | 44,207 | (44,326) | 50,941 |

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 January 2025, 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 RM459.514 million as compared to the revenue in the corresponding quarter last year of RM423.818 million, an increase of RM35.696 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 RM37.831 million as compared to the profit before tax of RM36.397 million in the corresponding quarter last year showed an increase of RM1.434 million. The increase in revenue and the 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 (2nd Quarter FYE 2025 vs 1st Quarter FYE 2025)

| Financial Indicators: | Q2FYE2025 | Q1FYE2025 | Variance | Variance |
|------------------------|-----------|-----------|----------|----------|
| | RM('000) | RM('000) | RM('000) | (%) |
| Revenue | 459,514 | 329,275 | 130,239 | 40% |
| Profit before taxation | 37,831 | 27,384 | 10,447 | 38% |
| Profit after taxation | 29,600 | 21,341 | 8,259 | 39% |

The increase in profit was due mainly to the higher 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. Under Budget 2025, "Prospering the Rakyat" is a strategic tenet that underpins all public policy and programme interventions. The increase in effective demand as a result of these socio economic responses works in favour of the Group. With increased household income, demand for gold and gold products is expected to increase.

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 |
| | 31.1.2025 | 31.1.2024 | 31.1.2025 | 31.1.2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income taxation | 10,122 | 8,233 | 15,915 | 13,423 |
| Deferred taxation | (1,891) | (86) | (1,641) | 318 |
| | <u>8,231</u> | <u>8,147</u> | <u>14,274</u> | <u>13,741</u> |

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 31.1.2025 RM'000 | Period Ended 31.1.2024 RM'000 |
|---------------------------------------|--|--|
| Short-term Borrowings | | |
| - Secured | | |
| Other bank borrowings | 135,347 | 143,148 |
| Lease liabilities | 24,917 | 22,438 |
| | <u>160,264</u> | <u>165,586</u> |
| - Unsecured | | |
| Advance from Ultimate Holding Company | 1,304 | 1,306 |
| | <u>161,568</u> | <u>166,892</u> |
| Long-term Borrowings | | |
| - Secured | | |
| Other bank borrowings | 5,259 | 7,242 |
| Lease liabilities | 4,982 | 14,583 |
| | <u>10,241</u> | <u>21,825</u> |
| Total | <u>171,809</u> | <u>188,717</u> |

B8. Profit Before Taxation

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

| | Individual Quarter | | Cumulative Quarter | |
|---|---|---|--|--|
| | Quarter Ended 31.1.2025 RM'000 | Quarter Ended 31.1.2024 RM'000 | Period Ended 31.1.2025 RM'000 | Period Ended 31.1.2024 RM'000 |
| Interest income | (128) | (110) | (210) | (201) |
| Net gain on disposal of property, plant and equipment | (21) | (141) | (81) | (194) |
| Property, plant and equipment written off | - | - | - | 4 |
| Interest expense | 2,513 | 2,395 | 4,200 | 4,764 |
| Depreciation of property, plant and equipment and investment property | 2,039 | 1,962 | 3,921 | 3,857 |
| Depreciation of right of use assets | 5,279 | 5,269 | 11,156 | 10,895 |

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 31.1.2025 | Quarter Ended 31.1.2024 | Period Ended 31.1.2025 | Period Ended 31.1.2024 |
| Profit after taxation for basic earnings per share (RM'000) | 29,600 | 28,250 | 50,941 | 47,253 |
| Weighted average number of ordinary shares in issue ('000) | 410,352 | 410,352 | 410,352 | 410,352 |
| -basic (sen) | <u>7.21</u> | <u>6.88</u> | <u>12.41</u> | <u>11.52</u> |
| -diluted (sen) | <u>7.21</u> | <u>6.88</u> | <u>12.41</u> | <u>11.52</u> |

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

Executive Chairman / Group Managing Director

19 March 2025

Petaling Jaya