

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

	<b>AS AT 31.7.2014 (Unaudited) RM'000</b>	<b>AS AT 31.7.2013 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	116,240	119,254
Investment property	231	240
Other investments	528	528
Goodwill on consolidation	1,485	1,485
Deferred tax assets	5,828	6,335
	124,312	127,842
<b>CURRENT ASSETS</b>		
Inventories	608,455	569,447
Trade receivables	2,646	1,506
Non-trade receivables	17,219	13,505
Tax assets	3,392	10,714
Fixed deposits with licensed banks	8,110	18,026
Cash and bank balances	34,278	22,306
	674,100	635,504
<b>TOTAL ASSETS</b>	<b>798,412</b>	<b>763,346</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share Capital	205,176	205,176
Reserves	243,457	237,340
<b>TOTAL EQUITY</b>	448,633	442,516
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	154,701	140,480
Deferred tax liabilities	10,013	10,717
	164,714	151,197
<b>CURRENT LIABILITIES</b>		
Trade payables	8,728	13,329
Non-trade payables	29,098	33,362
Advance from Ultimate Holding Company	300	300
Amount due to directors (Note 1)	2,216	3,599
Short-term borrowings	142,436	118,648
Provision for taxation	2,287	395
	185,065	169,633
<b>TOTAL LIABILITIES</b>	349,779	320,830
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>798,412</b>	<b>763,346</b>
Net assets per share attributable to ordinary equity owners of the Company (RM)	1.09	1.08

**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 2013)

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2014

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.7.2014 RM'000	QUARTER ENDED 31.7.2013 RM'000	PERIOD ENDED 31.7.2014 RM'000 <i>(Unaudited)</i>	PERIOD ENDED 31.7.2013 RM'000 <i>(Audited)</i>
Revenue	208,633	304,062	798,793	975,784
Other operating income	591	673	2,003	1,162
Operating expenses	(196,916)	(296,511)	(764,009)	(922,349)
Profit from operations	12,308	8,224	36,787	54,597
Finance costs	(4,244)	(3,521)	(15,218)	(14,022)
Profit before taxation	8,064	4,703	21,569	40,575
Taxation	(5,064)	4,004	(8,507)	(6,606)
Profit after taxation	3,000	8,707	13,062	33,969
Other Comprehensive Income	-	-	-	22,884
Total Comprehensive Income	3,000	8,707	13,062	56,853
Attributable to:--				
Equity holders of the Company	3,000	8,707	13,062	33,969
Non-controlling Interests	-	-	-	-
	3,000	8,707	13,062	33,969
Earnings per share attributable to equity holders of the Company				
- basic (sen)	0.73	2.12	3.18	8.28
- diluted (sen)	0.73	2.12	3.18	8.28

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2013)

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

	<u>Attributable to equity holders of the Company</u>			
	<u>Share Capital</u>	<u>Non-distributable Revaluation Reserve</u>	<u>Distributable Retained Profits</u>	<u>Total equity</u>
	RM'000	RM'000	RM'000	RM'000
<b>At 1 August 2012</b>	205,176	4,221	182,421	<b>391,818</b>
Total comprehensive income for the year	-	-	33,969	<b>33,969</b>
Other comprehensive income for the year	-	22,884	-	<b>22,884</b>
Dividend	-	-	(6,155)	<b>(6,155)</b>
<b>At 31 July 2013</b>	<b>205,176</b>	<b>27,105</b>	<b>210,235</b>	<b>442,516</b>
<b>At 1 August 2013</b>	205,176	27,105	210,235	<b>442,516</b>
Total comprehensive income for the year	-	-	13,062	<b>13,062</b>
Revaluation surplus	-	(1,200)	-	<b>(1,200)</b>
Dividend	-	-	(5,745)	<b>(5,745)</b>
<b>At 31 July 2014</b>	<b>205,176</b>	<b>25,905</b>	<b>217,552</b>	<b>448,633</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 2013)

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2014

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>CUMULATIVE QUARTER</b>	
	<b>PERIOD ENDED 31.7.2014 RM'000 (Unaudited)</b>	<b>PERIOD ENDED 31.7.2013 RM'000 (Audited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	21,569	40,575
Adjustments for:		
Depreciation of property, plant and equipment	10,381	10,050
Gain on disposal of property, plant and equipment	(191)	(269)
Loss on disposal of property, plant and equipment	5	30
Property, plant and equipment written off	1,008	641
Short-term accumulating compensated absences	225	-
Dividend received	(300)	(300)
Inventories loss	50	261
Allowance for impairment on receivables	-	595
Reversal of allowance for impairment on receivables	(539)	-
Interest income	(67)	(300)
Interest expense	15,218	14,022
Operating profit before working capital changes	47,359	65,305
Inventories	(39,058)	(20,498)
Receivables	(4,315)	(682)
Payables	(8,437)	(20,498)
Amount due to directors	(1,383)	488
Net cash (used in) / generated from operations	(5,834)	24,115
Income tax paid	(5,310)	(18,955)
Income tax refund	5,923	842
Net cash (used in) / generated from operating activities	(5,221)	6,002
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	67	300
Dividend received	300	300
Fixed deposits withdrawn	-	3,881
Proceeds from disposal of property, plant and equipment	247	260
Purchase of property, plant and equipment	(8,284)	(6,882)
Net cash used in investing activities	(7,670)	(2,141)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(15,218)	(14,022)
Net loans raised	36,222	45,094
Dividend paid	(5,745)	(6,155)
Repayment to lease creditors	(2,397)	(2,480)
Repayment to hire purchase creditors	(1,381)	(1,788)
Net cash generated from financing activities	11,481	20,649
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,410)	24,510
<b>OPENING CASH AND CASH EQUIVALENTS</b>	39,329	14,819
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	37,919	39,329
<b>Cash and cash equivalents comprise the following:</b>		
Fixed deposit with licensed banks	8,080	17,996
Cash and bank balances	34,278	22,306
Bank overdrafts	(4,439)	(973)
	37,919	39,329

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2013)

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 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 2013.

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 2013 except for the following new Malaysian Financial Reporting Standards ("MFRSs") and amendments / improvements to MFRSs that have been issued but not yet effective for the Group:-

	Effective for financial periods beginning on or after
<u>New MFRS</u>	
MFRS 9      Financial Instruments	To be announced by MASB
<u>Amendments / Improvements to MFRSs</u>	
MFRS 10      Consolidated Financial Statements	1 January 2014
MFRS 12      Disclosure of Interests in Other Entities	1 January 2014
MFRS 127      Separate Financial Statements	1 January 2014
MFRS 132      Financial Instruments: Presentation	1 January 2014

The adoption of the above New MFRS and Amendments / Improvements to MFRSs 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 Cyclicity of Operations**

It was a traditional 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 7 March 2014, the Company paid a First and Final Single Tier dividend of 1.40 sen per ordinary share amounting to RM5,744,925 in respect of the financial year ended 31 July 2013.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2014****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 second quarter ended 31 July 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	38	797,267	1,488	-	798,793
Inter-segment Revenue	318,740	98,908	83,806	(501,454)	-
<b>Total Revenue</b>	<b>318,778</b>	<b>896,175</b>	<b>85,294</b>	<b>(501,454)</b>	<b>798,793</b>
Profit before taxation	9,248	10,149	(3,372)	5,544	21,569
Profit after taxation	6,985	3,958	(1,794)	3,913	13,062

**Results for second quarter ended 31 July 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	191	972,087	3,506	-	975,784
Inter-segment Revenue	410,443	459,468	89,614	(959,525)	-
<b>Total Revenue</b>	<b>410,634</b>	<b>1,431,555</b>	<b>93,120</b>	<b>(959,525)</b>	<b>975,784</b>
Profit before taxation	9,914	27,712	(1,168)	4,117	40,575
Profit after taxation	7,435	20,468	(2,648)	8,714	33,969

**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.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2014**

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**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**

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.

In addition to the above, the Company has granted additional corporate guarantees of RM11,900,000 in the first quarter. As at 31 July 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 FOURTH QUARTER ENDED 31 JULY 2014****B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS****B1. Review of Performance**

The Group's revenue for the fourth quarter under review was lower at RM208.633 million as compared to the revenue in the corresponding quarter last year of RM304.062 million; a decrease of RM95.429 million due to the absence of gold rush and weak market sentiment.

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 RM8.064 million was higher as compared to the profit before tax of RM4.703 million in the corresponding quarter last year; an increase of RM3.361 million. The increase in profit before tax was due mainly to the improvement in gross profit margin as compared to corresponding quarter last year.

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 (4th Quarter FYE 2014 vs 3rd Quarter FYE 2014)**

Financial Indicators:	Q4FYE2014	Q3FYE2014	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	208,633	183,121	25,512	14%
Profit before taxation	8,064	5,635	2,429	43%
Profit after taxation	3,000	4,125	(1,125)	-27%

The increase of demand in gold jewellery was driven by the celebration of Hari Raya which fell in this quarter under review. The stabilisation of gold price had improved gross profit margin during the quarter under review.

**B3. Current Year Prospects**

The Group will continue its drive to build a larger market share by enhancing and differentiating its product offerings to larger and targeted market segments and to search for right products at favourable price points and mix to add value to consumers. Towards this purpose, the Group is actively evaluating various initiatives and opportunities to attract new customers and retain existing customers through the introduction of new product designs and enhanced customer service.

Moving forward, the volatility in gold price and the implementation of the Goods and Services Tax (GST) on 1 April 2015 and barring unforeseen circumstances, the Board of Directors remains 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 FOURTH QUARTER ENDED 31 JULY 2014**

**B5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	31.7.2014	31.7.2013	31.7.2014	31.7.2013
	RM'000	RM'000	RM'000	RM'000
Income taxation	4,183	5	8,704	11,916
Deferred taxation	881	(4,009)	(197)	(5,310)
	<u>5,064</u>	<u>(4,004)</u>	<u>8,507</u>	<u>6,606</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 July 2014 are as follows:-

	RM'000
<b>Short-term Borrowings</b>	
- <b>Secured</b>	
Bank overdraft	4,439
Other bank borrowings	<u>136,019</u>
	140,458
- <b>Unsecured</b>	
Hire purchase and lease creditors	1,978
Advance from Ultimate Holding Company	<u>300</u>
	142,736
<b>Long-term Borrowings</b>	
- <b>Secured</b>	
Term loans	11,813
Islamic Medium Term Notes ("IMTN")	<u>140,000</u>
	151,813
- <b>Unsecured</b>	
Hire purchase and lease creditors	<u>2,888</u>
	154,701
<b>Total</b>	<u>297,437</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.

	Period Ended	Period Ended
	31.7.2014	31.7.2013
	(RM'000)	(RM'000)
Total retained earnings of the Company and its subsidiaries:		
- Realised	362,682	357,111
- Unrealised	<u>(197)</u>	<u>1,529</u>
	362,485	358,640
- Less: Consolidated adjustments	<u>(144,933)</u>	<u>(148,405)</u>
Total group retained earnings as per consolidated accounts	<u>217,552</u>	<u>210,235</u>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 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</b>	<b>Quarter Ended</b>	<b>Period Ended</b>	<b>Period Ended</b>
	<b>31.7.2014</b>	<b>31.7.2013</b>	<b>31.7.2014</b>	<b>31.7.2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	(4)	(254)	(67)	(300)
Dividend income	-	-	(300)	(300)
Gain on disposal of property, plant and equipment	(23)	(152)	(191)	(269)
Loss on disposal of property, plant and equipment	-	-	5	30
Interest expense	4,244	2,781	15,218	14,022
Depreciation and amortization	2,664	2,490	10,381	10,050
Reversal of allowance for impairment on receivables	(358)	-	(539)	-
Allowance for impairment on receivables	-	(98)	-	595
Property, plant and equipment written off	250	229	1,008	641
Inventories loss	50	257	50	261

**B10. Material Litigation**

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

**B11. Dividend**

The Board of Directors recommend a first and final single tier dividend of 1 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 July 2014 (2013 : 1.40 sen single tier dividend per ordinary share of RM0.50 each). The proposed 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 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 2014 of 410,351,752 ordinary shares of RM0.50 each, the final dividend amounts to RM4,103,518 (2013 : RM5,744,925 net dividend was paid on 7 March 2014). Such dividend, if approved by shareholders will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 July 2015.

**B12. Earnings Per Share**

	<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>31.7.2014</b>	<b>31.7.2013</b>	<b>31.7.2014</b>	<b>31.7.2013</b>
Profit after taxation for basic earnings per share (RM'000)	3,000	8,707	13,062	33,969
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
-basic (sen)	0.73	2.12	3.18	8.28
-diluted (sen)	0.73	2.12	3.18	8.28

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

Executive Chairman / Group Managing Director

22 September 2014

Petaling Jaya