

**POH KONG HOLDINGS BERHAD** (Registration No : 200201018476)  
**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT</b> <b>31.7.2022</b> <b>RM'000</b>	<b>AS AT</b> <b>31.7.2021</b> <b>RM'000</b> <i>(Audited)</i>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	91,898	92,280
Right of use assets	56,674	53,042
Investment properties	10,534	12,709
Investment in an associate	7,895	7,765
Other investments	228	228
Goodwill on consolidation	1,485	1,485
Deferred tax assets	16,696	11,849
	<b>185,410</b>	<b>179,358</b>
<b>CURRENT ASSETS</b>		
Inventories	643,905	594,777
Trade and other receivables	8,021	2,890
Deposits and prepayments	10,091	10,792
Current tax assets	842	835
Fixed deposits placed with licensed banks	15,503	10,259
Cash and bank balances	18,959	9,414
	<b>697,321</b>	<b>628,967</b>
<b>TOTAL ASSETS</b>	<b>882,731</b>	<b>808,325</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	205,176	205,176
Reserves	481,224	396,998
<b>TOTAL EQUITY</b>	<b>686,400</b>	<b>602,174</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	37,602	46,124
Deferred tax liabilities	14,208	13,970
	<b>51,810</b>	<b>60,094</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	7,228	11,016
Deposits and accruals	9,288	6,699
Contract liabilities	9,554	9,225
Dividend payables	4,103	-
Provision for restoration costs	400	400
Amount due to ultimate holding company	1,315	1,331
Amount due to directors (Note 1)	2,394	1,894
Short-term borrowings	98,330	110,854
Current tax liabilities	11,909	4,638
	<b>144,521</b>	<b>146,057</b>
<b>TOTAL LIABILITIES</b>	<b>196,331</b>	<b>206,151</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>882,731</b>	<b>808,325</b>
Net assets per share attributable to owners of the Company (RM)	1.67	1.47

**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 2021)

**POH KONG HOLDINGS BERHAD** (Registration No : 200201018476)  
**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.7.2022 RM'000	QUARTER ENDED 31.7.2021 RM'000	PERIOD ENDED 31.7.2022 RM'000	PERIOD ENDED 31.7.2021 RM'000 <i>(Audited)</i>
Revenue	414,657	85,622	1,362,609	903,100
Other operating income	2,213	3,436	5,434	6,166
Operating expenses	(379,676)	(100,963)	(1,245,412)	(849,034)
Profit/ (Loss) from operations	37,194	(11,905)	122,631	60,232
Finance income	176	94	466	370
Finance costs	(1,432)	(955)	(7,171)	(8,153)
Share of results of an associate, net of tax	730	368	730	368
Profit/ (Loss) before tax	36,668	(12,398)	116,656	52,817
Income tax expense	(6,830)	(863)	(24,460)	(16,056)
Profit/ (Loss) after tax	29,838	(13,261)	92,196	36,761
Other comprehensive expense	1,057	112	1,057	112
Total Comprehensive Income/ (Loss)	30,895	(13,149)	93,253	36,873
Profit/ (Loss) after tax attributable to:				
Owners of the Company	29,838	(13,261)	92,196	36,761
Non-controlling Interests	-	-	-	-
	29,838	(13,261)	92,196	36,761
Total comprehensive income/ (Loss) attributable to:				
Owners of the Company	30,895	(13,149)	93,253	36,873
Non-controlling Interests	-	-	-	-
	30,895	(13,149)	93,253	36,873
Earnings per share attributable to				
Owners of the Company				
- basic (sen)	7.27	(3.23)	22.47	8.96
- diluted (sen)	7.27	(3.23)	22.47	8.96

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2021)

**POH KONG HOLDINGS BERHAD (Registration No : 200201018476)  
QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2022****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Attributable to owners of the Company</b>			
	<b>Share capital</b>	<b>Revaluation reserve</b>	<b>Retained earnings</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 2020</b>	205,176	41,635	323,414	570,225
Profit for the financial year	-	-	36,761	36,761
Other comprehensive income	-	112	-	112
Dividends	-	-	(4,924)	(4,924)
<b>At 31 July 2021</b>	<b>205,176</b>	<b>41,747</b>	<b>355,251</b>	<b>602,174</b>
<b>At 1 August 2021</b>	205,176	41,747	355,251	602,174
Profit for the financial year	-	-	92,196	92,196
Other comprehensive income	-	1,057	-	1,057
Dividends	-	-	(9,027)	(9,027)
<b>At 31 July 2022</b>	<b>205,176</b>	<b>42,804</b>	<b>438,420</b>	<b>686,400</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 2021)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>CUMULATIVE QUARTER</b>	
	<b>PERIOD</b>	<b>PERIOD</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>31.7.2022</b>	<b>31.7.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
		<i>(Audited)</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	116,656	52,817
Adjustments for:		
Depreciation of property, plant and equipment and investment properties	8,211	7,636
Depreciation of right of use assets	21,377	22,189
Bad debts written off	-	2
Receivables written off	30	-
Rent concession income	-	(3,227)
Net gain on disposal of property, plant and equipment	(374)	(65)
Impairment loss on investment properties	-	954
(Reversal) / Impairment loss on trade receivables	(73)	122
Reversal written down of inventory	-	(109)
Share of results of an associate	(730)	(368)
Unrealised gain on foreign exchange	(17)	(45)
Property, plant and equipment written off	99	99
Inventory written off	-	13
Loss on dissolution of subsidiaries	-	64
Interest income	(466)	(370)
Interest expense	7,171	8,153
Operating profit before working capital changes	151,884	87,865
Inventories	(49,128)	(45,768)
Receivables	(4,348)	1,541
Payables	(1,199)	1,614
Contract liabilities	329	2,170
Net cash generated from operations	97,538	47,422
Tax paid	(22,049)	(17,188)
Net cash generated from operating activities	75,489	30,234
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	466	370
Dividend received	600	900
Net outflows arising from dissolution of subsidiaries	-	(64)
Proceeds from disposal of property, plant and equipment	374	70
Placement of fixed deposit	(44)	(25)
Purchase of investment property	(440)	-
Purchase of property, plant and equipment	(4,034)	(1,412)
Net cash used in investing activities	(3,078)	(161)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(7,171)	(8,153)
Net loans repayment	(24,717)	(11,739)
Dividend paid	(4,924)	(4,924)
(Decrease) / Increase in amount due to ultimate holding company	(16)	15
Increase / (Decrease) in amount due to directors	500	(231)
Repayment of lease liabilities	(21,338)	(19,825)
Net cash used in financing activities	(57,666)	(44,857)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	14,745	(14,784)
<b>OPENING CASH AND CASH EQUIVALENTS</b>	18,364	33,148
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	33,109	18,364
<b>Cash and cash equivalents comprise the following:</b>		
Fixed deposits with licensed banks	15,503	10,259
Cash and bank balances	18,959	9,414
	34,462	19,673
Less: - Fixed deposits pledged to licensed banks	(1,353)	(1,309)
	33,109	18,364

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2021)

**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 2021.

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 2021.

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

<u>New MFRS</u>	<u>Effective for financial periods beginning on or after</u>
MFRS 17 Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>	
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/ 1 January 2023#
MFRS 3 Business Combinations	1 January 2022/ 1 January 2023#
MFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7 Financial Instruments: Disclosures	1 January 2023#
MFRS 9 Financial Instruments	1 January 2022^/ 1 January 2023#
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 15 Revenue from Contracts with Customers	1 January 2023#
MFRS 16 Leases	1 January 2022^
MFRS 17 Insurance Contracts	1 January 2023
MFRS 101 Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107 Statements of Cash Flows	1 January 2023#
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112 Income Taxes	1 January 2023
MFRS 116 Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119 Employee Benefits	1 January 2023#
MFRS 128 Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132 Financial instruments: Presentation	1 January 2023#
MFRS 136 Impairment of Assets	1 January 2023#
MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138 Intangible Assets	1 January 2023#
MFRS 140 Investment Property	1 January 2023#
MFRS 141 Agriculture	1 January 2022^

<sup>^</sup>The Annual Improvements to MFRS Standards 2018-2020

<sup>#</sup> Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

The Group and the Company plan to adopt the above applicable new MFRS and Amendments/Improvements 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 July 2021**

	<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	36,785	690,048	176,267	-	903,100
Inter-segment Revenue	287,645	157,135	275,630	(720,410)	-
<b>Total Revenue</b>	<b>324,430</b>	<b>847,183</b>	<b>451,897</b>	<b>(720,410)</b>	<b>903,100</b>
Profit before taxation	9,134	63,206	25,972	(45,495)	52,817
Profit after taxation	6,562	52,482	23,172	(45,455)	36,761

**Results for financial periods ended 31 July 2022**

	<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	40,657	1,038,002	283,950	-	1,362,609
Inter-segment Revenue	402,351	223,539	457,008	(1,082,898)	-
<b>Total Revenue</b>	<b>443,008</b>	<b>1,261,541</b>	<b>740,958</b>	<b>(1,082,898)</b>	<b>1,362,609</b>
Profit before taxation	18,089	102,680	20,706	(24,819)	116,656
Profit after taxation	13,582	78,133	22,071	(21,590)	92,196

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

Land and buildings classified as property, plant and equipment of the Group have been revalued in July 2022. Based on the valuation reports prepared by PA International Property Consultants Sdn. Bhd., a registered independent valuer, the fair value of the Group's land and buildings is RM88,910,000. The carrying amount of the properties as at 31 July 2022 was RM87,502,651. The revaluation surplus was incorporated in the financial statements for the financial year ended 31 July 2022.

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**

The Group and the Company has assessed and concluded that the COVID-19 outbreak has no material adverse effect on the financial statements for the financial year ended 31 July 2022. The Group and the Company will continue to monitor and take appropriate measures to minimise the impact of the pandemic on its operations.

Save as disclosed, there was no subsequent material event as at the date of this quarterly report.

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

On 2 September 2022, Poh Kong Properties Sdn. Bhd. ("PKP"), a wholly owned subsidiary of Poh Kong Holdings Bhd. had entered into a Share Sales Agreement ("SSA") with the Vendors, namely Nagasundaram A/L Rengaswamy Pillai and Gomathy A/P Subramanyam, the shareholders holding 100% of the issued and paid-up share capital of The Lotus Corporation Berhad ("TLCB") and TLCB, to acquire all the shares of TLCB.

TLCB is the registered owner of two pieces of leasehold properties held under PN 7184 Lot 2 Sekyen 25 Bandar Petaling Jaya Daerah Petaling Negeri Selangor with the address at No. 4, Jalan 52/4, Section 52, 46200 Petaling Jaya, Selangor and HSD 165239 (Formerly QTR 106) PT 25 Bandar Petaling Jaya Daerah Petaling Negeri Selangor with the address at No. 25, Jalan 52/2, Section 52, 46200 Petaling Jaya, Selangor each measuring approximately 174.1875 square metres together with a three storey shop-lot erected thereon ("the said Properties") for a total purchase consideration of RM11,350,000.

Pursuant to certain terms and conditions of the SSA, the Vendors shall sell the Shares to PKP free from all encumbrances but subject to all terms and conditions of the SSA.

Save as disclosed above, 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 2022, a total of RM237,394,660 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 RM414.657 million as compared to the revenue in the corresponding quarter last year of RM366.201 million, an increase of RM48.456 million. Last year, the revenue was affected by a nationwide lockdown effective from 1 June 2021 and our retail business was only allowed to reopen on 16 August 2021. The Group leveraged on the rising demand for gold jewellery and gold investment products which came with the rebound of the economy, resulting in a higher revenue during the quarter under review.

The Group's profit before tax in the current quarter at RM36.668 million as compared to the loss before tax of RM35.579 million in the corresponding quarter last year showed an increase of RM72.247 million. The higher revenue 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 2022 vs 3rd Quarter FYE 2022)

Financial Indicators:	Q4FYE2022	Q3FYE2022	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	414,657	366,201	48,456	13%
Profit before taxation	36,668	35,579	1,089	3%
Profit after taxation	29,838	27,591	2,247	8%

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 re-opening of the economy will undoubtedly be reflected by a gradual recovery, with higher global growth which provides a further lift to the overall economy. The Group will continuously monitor the impact of the current uncertainties of 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 2023.

**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
	31.7.2022	31.7.2021	31.7.2022	31.7.2021
	RM'000	RM'000	RM'000	RM'000
Income taxation	9,741	(1,391)	29,069	14,054
Deferred taxation	(2,911)	2,254	(4,609)	2,002
	6,830	863	24,460	16,056

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**

Save as disclosed in Note A11, 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:

	<b>Period Ended 31.7.2022 RM'000</b>	<b>Period Ended 31.7.2021 RM'000 (Audited)</b>
<b>Short-term Borrowings</b>		
<b>- Secured</b>		
Other bank borrowings	80,729	94,668
Lease liabilities	17,601	16,186
	<u>98,330</u>	<u>110,854</u>
<b>- Unsecured</b>		
Advance from Ultimate Holding Company	1,315	1,331
	<u>99,645</u>	<u>112,185</u>
<b>Long-term Borrowings</b>		
<b>- Secured</b>		
Other bank borrowings	16,898	27,676
Lease liabilities	20,704	18,448
	<u>37,602</u>	<u>46,124</u>
<b>Total</b>	<u>137,247</u>	<u>158,309</u>

**B8. Profit Before Taxation**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Quarter Ended 31.7.2022 RM'000</b>	<b>Quarter Ended 31.7.2021 RM'000</b>	<b>Period Ended 31.7.2022 RM'000</b>	<b>Period Ended 31.7.2021 RM'000 (Audited)</b>
Interest income	(176)	(94)	(466)	(370)
Bad debts written off	-	2	-	2
Net gain on disposal of property, plant and equipment	(274)	(4)	(374)	(65)
Loss on dissolution of subsidiaries	-	-	-	64
Interest expense	1,432	975	7,171	8,153
Depreciation of property, plant and equipment and investment property	2,073	2,238	8,211	7,636
Depreciation of right of use assets	5,513	5,459	21,377	22,189
Reversal of written down of inventory	-	(109)	-	(109)
Property, plant and equipment written off	35	-	99	99
Inventories written off	-	13	-	13
Receivables written off	30	-	30	-
(Reversal) /Impairment loss on receivables	(73)	122	(73)	122
Impairment loss on investment properties	-	954	-	954
Share of results of an associate	(730)	(368)	(730)	(368)
Rent concession income	-	(3,227)	-	(3,227)
Unrealised gain on foreign exchange	(17)	(46)	(17)	(45)

**B9. Material Litigation**

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

**B10. Dividend**

On 27 September 2022, the Board of Directors has declared a first interim single tier dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 July 2022, amounting to RM4,103,518, will be payable on 30 November 2022 to Depositors registered in the Record of Depositors at the close of business on 1 November 2022.

A depositor shall qualify for entitlement only in respect of:

(i) Shares transferred to the Depositor's Securities Account before 4.30 pm on 1 November 2022 in respect of ordinary transfers; and

(ii) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

In addition, the Board of Directors also recommend a final single tier dividend of 1.30 sen per ordinary share in respect of the financial year ended 31 July 2022 (2021: 1.20 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 2022 of 410,351,752 ordinary shares, the final dividend amounts to RM5,334,573 (2021: RM4,924,221 net dividend was paid on 18 March 2022). 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 2023.

**B11. Earnings Per Share**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Quarter Ended 31.7.2022</b>	Quarter Ended 31.7.2021	<b>Period Ended 31.7.2022</b>	Period Ended 31.7.2021
Profit/ (Loss) after taxation for basic earnings per share (RM'000)	29,838	(13,261)	92,196	36,761
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
-basic (sen)	<u>7.27</u>	<u>(3.23)</u>	<u>22.47</u>	<u>8.96</u>
-diluted (sen)	<u>7.27</u>	<u>(3.23)</u>	<u>22.47</u>	<u>8.96</u>

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

Executive Chairman / Group Managing Director  
 27 September 2022  
 Petaling Jaya