

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31.10.2024 RM'000	AS AT 31.7.2024 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	91,836	92,156
Right of use assets	56,727	62,478
Investment properties	17,329	17,518
Investment in an associate	8,330	8,330
Other investments	228	228
Goodwill on consolidation	1,485	1,485
Deferred tax assets	15,411	15,661
	191,346	197,856
CURRENT ASSETS		
Inventories	865,593	845,142
Trade and other receivables	5,817	2,824
Deposits and prepayments	12,618	11,364
Current tax assets	574	522
Fixed deposits placed with licensed banks	9,936	8,024
Cash and bank balances	21,965	27,319
	916,503	895,195
TOTAL ASSETS	1,107,849	1,093,051
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	205,176	205,176
Reserves	687,999	666,658
TOTAL EQUITY	893,175	871,834
NON-CURRENT LIABILITIES		
Long-term borrowings	16,583	23,574
Deferred tax liabilities	17,086	17,086
	33,669	40,660
CURRENT LIABILITIES		
Trade and other payables	23,358	13,155
Deposits and accruals	16,696	11,931
Contract liabilities	7,375	6,043
Provision for restoration costs	400	400
Amount due to ultimate holding company	1,315	1,321
Amount due to directors (Note 1)	5,406	5,432
Short-term borrowings	114,809	130,130
Current tax liabilities	11,646	12,145
	181,005	180,557
TOTAL LIABILITIES	214,674	221,217
TOTAL EQUITY AND LIABILITIES	1,107,849	1,093,051
Net assets per share attributable to owners of the Company (RM)	2.18	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 FIRST QUARTER ENDED 31 OCTOBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.10.2024 RM'000	QUARTER ENDED 31.10.2023 RM'000	PERIOD ENDED 31.10.2024 RM'000	PERIOD ENDED 31.10.2023 RM'000
Revenue	329,275	355,980	329,275	355,980
Cost of sales	(254,821)	(285,550)	(254,821)	(285,550)
Gross profit	74,454	70,430	74,454	70,430
Other income	1,814	755	1,814	755
Operating expenses	(47,279)	(44,310)	(47,279)	(44,310)
Operating profit	28,989	26,875	28,989	26,875
Finance income	82	91	82	91
Finance costs	(1,687)	(2,369)	(1,687)	(2,369)
Profit before tax	27,384	24,597	27,384	24,597
Income tax expense	(6,043)	(5,594)	(6,043)	(5,594)
Profit after tax	21,341	19,003	21,341	19,003
Other comprehensive income	-	-	-	-
Total Comprehensive Income	21,341	19,003	21,341	19,003
Profit after tax attributable to:				
Owners of the Company	21,341	19,003	21,341	19,003
Non-controlling Interests	-	-	-	-
	21,341	19,003	21,341	19,003
Total comprehensive income attributable to:				
Owners of the Company	21,341	19,003	21,341	19,003
Non-controlling Interests	-	-	-	-
	21,341	19,003	21,341	19,003
Earnings per share attributable to				
Owners of the Company				
- basic (sen)	5.20	4.63	5.20	4.63
- diluted (sen)	5.20	4.63	5.20	4.63

(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 FIRST QUARTER ENDED 31 OCTOBER 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 2023	205,176	45,235	511,521	761,932
Profit for the financial year	-	-	19,003	19,003
At 31 October 2023	205,176	45,235	530,524	780,935
At 1 August 2024	205,176	46,420	620,238	871,834
Profit for the financial year	-	-	21,341	21,341
At 31 October 2024	205,176	46,420	641,579	893,175

(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 FIRST QUARTER ENDED 31 OCTOBER 2024**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER	
	PERIOD	PERIOD
	ENDED	ENDED
	31.10.2024	31.10.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	27,384	24,597
Adjustments for:		
Depreciation of property, plant and equipment and investment properties	1,882	1,895
Depreciation of right of use assets	5,877	5,626
Net gain on disposal of property, plant and equipment	(60)	(53)
Written off of property, plant and equipment	-	4
Interest income	(82)	(91)
Interest expense	1,687	2,369
Operating profit before working capital changes	36,688	34,347
Inventories	(20,451)	(58,253)
Receivables	(4,247)	(2,775)
Payables	14,968	27,930
Contract liabilities	1,332	1,777
Net cash generated from operations	28,290	3,026
Tax paid	(6,342)	(4,949)
Net cash generated from/ (used in) operating activities	21,948	(1,923)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	82	91
Proceeds from disposal of property, plant and equipment	60	53
Purchase of property, plant and equipment	(881)	(3,814)
Net cash used in investing activities	(739)	(3,670)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,687)	(2,369)
Net loans drawdown	(16,864)	13,962
Uplift of fixed deposit	1,188	-
Decrease in amount due to ultimate holding company	(6)	(1)
Increase in amount due to directors	(26)	719
Repayment of lease liabilities	(7,058)	(6,090)
Net cash (used in) / generated from financing activities	(24,453)	6,221
NET INCREASE IN CASH AND CASH EQUIVALENTS	(3,244)	628
OPENING CASH AND CASH EQUIVALENTS	33,919	26,837
CLOSING CASH AND CASH EQUIVALENTS	30,675	27,465
Cash and cash equivalents comprise the following:		
Fixed deposits with licensed banks	9,936	7,994
Bank overdraft	(990)	-
Cash and bank balances	21,965	20,865
	30,911	28,859
Less: - Fixed deposits pledged to licensed banks	(236)	(1,394)
	30,675	27,465

(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
<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 2024/ 1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ 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/ 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 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

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 October 2023				
	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue	11,980	264,098	79,902	-	355,980
Inter-segment Revenue	121,366	64,253	162,076	(347,695)	-
Total Revenue	<u>133,346</u>	<u>328,351</u>	<u>241,978</u>	<u>(347,695)</u>	<u>355,980</u>
Profit before taxation	4,425	16,021	31,150	(26,999)	24,597
Profit after taxation	3,363	12,176	30,867	(27,403)	19,003

Results for financial periods ended 31 October 2024

	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue	6,425	260,507	62,343	-	329,275
Inter-segment Revenue	106,418	59,878	129,958	(296,254)	-
Total Revenue	112,843	320,385	192,301	(296,254)	329,275
Profit before taxation	4,668	20,007	41,026	(38,317)	27,384
Profit after taxation	3,548	15,458	40,903	(38,568)	21,341

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 October 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 lower at RM329.275 million as compared to the revenue in the corresponding quarter last year of RM355.980 million, a decrease of RM26.705 million. The decrease in revenue was due mainly to the decrease 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 RM27.384 million as compared to the profit before tax of RM24.597 million in the corresponding quarter last year showed an increase of RM2.787 million. Despite a decrease in revenue, 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 (1st Quarter FYE 2025 vs 4th Quarter FYE 2024)

Financial Indicators:	Q1FYE2025	Q4FYE2024	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	329,275	342,472	(13,197)	-4%
Profit before taxation	27,384	33,813	(6,429)	-19%
Profit after taxation	21,341	22,025	(684)	-3%

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. 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 31.10.2024 RM'000	Quarter Ended 31.10.2023 RM'000	Period Ended 31.10.2024 RM'000	Period Ended 31.10.2023 RM'000
Income taxation	5,793	5,190	5,793	5,190
Deferred taxation	250	404	250	404
	<u>6,043</u>	<u>5,594</u>	<u>6,043</u>	<u>5,594</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 31.10.2024 RM'000	Period Ended 31.10.2023 RM'000
Short-term Borrowings		
- Secured		
Other bank borrowings	89,414	139,154
Lease liabilities	25,395	20,378
	<u>114,809</u>	<u>159,532</u>
- Unsecured		
Advance from Ultimate Holding Company	1,315	1,302
	<u>116,124</u>	<u>160,834</u>
Long-term Borrowings		
- Secured		
Other bank borrowings	5,589	7,199
Lease liabilities	10,994	16,802
	<u>16,583</u>	<u>24,001</u>
Total	<u>132,707</u>	<u>184,835</u>

B8. Profit Before Taxation

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

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 31.10.2024 RM'000	Quarter Ended 31.10.2023 RM'000	Period Ended 31.10.2024 RM'000	Period Ended 31.10.2023 RM'000
Interest income	(82)	(91)	(82)	(91)
Net gain on disposal of property, plant and equipment	(60)	(53)	(60)	(53)
Property, plant and equipment written off	-	4	-	4
Interest expense	1,687	2,369	1,687	2,369
Depreciation of property, plant and equipment and investment property	1,882	1,895	1,882	1,895
Depreciation of right of use assets	5,877	5,626	5,877	5,626

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

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 31.10.2024	Quarter Ended 31.10.2023	Period Ended 31.10.2024	Period Ended 31.10.2023
Profit after taxation for basic earnings per share (RM'000)	21,341	19,003	21,341	19,003
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
-basic (sen)	5.20	4.63	5.20	4.63
-diluted (sen)	5.20	4.63	5.20	4.63

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

Executive Chairman / Group Managing Director
 17 December 2024
 Petaling Jaya