

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31.7.2015 (Unaudited) RM'000	AS AT 31.7.2014 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	111,695	116,240
Other investments	528	528
Goodwill on consolidation	1,485	1,485
Deferred tax assets	6,694	5,828
	120,402	124,081
CURRENT ASSETS		
Inventories	551,284	608,455
Trade receivables	4,729	2,623
Non-trade receivables	17,935	14,880
Tax assets	2,218	3,060
Fixed deposits with licensed banks	210	8,110
Cash and bank balances	37,294	34,278
	613,670	671,406
Asset of disposal group classified as held for sale	-	231
TOTAL ASSETS	734,072	795,718
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	205,176	205,176
Reserves	253,277	243,705
TOTAL EQUITY	458,453	448,881
NON-CURRENT LIABILITIES		
Long-term borrowings	103,746	155,126
Deferred tax liabilities	10,886	10,013
	114,632	165,139
CURRENT LIABILITIES		
Trade payables	4,370	9,504
Non-trade payables	26,314	24,741
Advance from Ultimate Holding Company	1,239	1,220
Amount due to directors (Note 1)	2,267	2,216
Short-term borrowings	122,859	142,011
Tax payable	3,938	2,005
	160,987	181,697
Liability directly associated with disposal group classified as held for sale	-	1
TOTAL LIABILITIES	275,619	346,837
TOTAL EQUITY AND LIABILITIES	734,072	795,718
Net assets per share attributable to ordinary equity owners of the Company (RM)	1.12	1.09

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 2014)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.7.2015 RM'000	QUARTER ENDED 31.7.2014 RM'000	PERIOD ENDED 31.7.2015 RM'000 <i>(Unaudited)</i>	PERIOD ENDED 31.7.2014 RM'000 <i>(Audited)</i>
Revenue	184,959	208,633	805,714	798,937
Other operating income	254	591	2,076	2,160
Operating expenses	(183,223)	(196,916)	(769,840)	(765,453)
Profit from operations	1,990	12,308	37,950	35,644
Finance costs	(3,997)	(4,244)	(13,976)	(13,777)
(Loss) / Profit before taxation	(2,007)	8,064	23,974	21,867
Taxation	(3,038)	(5,064)	(10,298)	(8,557)
(Loss) / Profit after taxation	(5,045)	3,000	13,676	13,310
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	(5,045)	3,000	13,676	13,310
Attributable to:--				
Equity holders of the Company	(5,045)	3,000	13,676	13,310
Non-controlling Interests	-	-	-	-
	(5,045)	3,000	13,676	13,310
Earnings per share attributable to equity holders of the Company				
- basic (sen)	(1.23)	0.73	3.33	3.24
- diluted (sen)	(1.23)	0.73	3.33	3.24

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2015

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
At 1 August 2013	205,176	25,905	210,235	441,316
Total comprehensive income for the year	-	-	13,310	13,310
Dividend	-	-	(5,745)	(5,745)
At 31 July 2014	205,176	25,905	217,800	448,881
At 1 August 2014	205,176	25,905	217,800	448,881
Total comprehensive income for the year	-	-	13,676	13,676
Dividend	-	-	(4,104)	(4,104)
At 31 July 2015	205,176	25,905	227,372	458,453

(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 2014)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER	
	PERIOD	PERIOD
	ENDED	ENDED
	31.7.2015	31.7.2014
	RM'000	RM'000
	<i>(Unaudited)</i>	<i>(Audited)</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	23,974	21,867
Adjustments for:		
Depreciation of property, plant and equipment	9,957	10,383
Net gain on disposal of property, plant and equipment	(340)	(186)
Inventories loss	85	8
Property, plant and equipment written off	1,489	1,016
Short-term accumulating compensated absences	(64)	-
Dividend received	(150)	(300)
Impairment loss on property, plant and equipment	308	-
Gain on disposal of subsidiary company	(310)	-
Unrealised loss on foreign exchange	-	34
Reversal of allowance for impairment on receivables	(140)	(539)
Interest income	(133)	(218)
Interest expense	13,976	13,777
Operating profit before working capital changes	48,652	45,842
Inventories	57,086	(39,016)
Receivables	(5,161)	(2,091)
Payables	(3,497)	(12,443)
Amount due to directors	51	(1,384)
Net cash generated from / (used in) operations	97,131	(9,092)
Income tax refund	302	5,923
Income tax paid	(7,764)	(5,311)
Net cash generated from / (used in) operating activities	89,669	(8,480)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	133	218
Dividend received	150	300
Proceeds from disposal of property, plant and equipment	491	259
Proceeds from disposal of subsidiary company	505	-
Purchase of property, plant and equipment	(6,082)	(7,144)
Net cash used in investing activities	(4,803)	(6,367)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(13,976)	(13,777)
Net loans (repaid) / raised	(64,682)	35,818
Dividend paid	(4,104)	(5,745)
Increase in amount due to ultimate holding company	20	919
Repayment to finance lease creditors	(1,794)	(344)
Repayment to hire purchase creditors	(2,941)	(3,435)
Net cash (used in) / generated from financing activities	(87,477)	13,436
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,611)	(1,411)
OPENING CASH AND CASH EQUIVALENTS	37,918	39,329
CLOSING CASH AND CASH EQUIVALENTS	35,307	37,918
Cash and cash equivalents comprise the following:		
Fixed deposit with licensed banks	180	8,080
Cash and bank balances	37,294	34,278
Bank overdrafts	(167)	(4,440)
	37,307	37,918
Less: Sinking fund	(2,000)	-
	35,307	37,918

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2015**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 2014.

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 2014 except for the following new Malaysian Financial Reporting Standards ("MFRSs") and Amendments / Improvements to MFRSs that are issued but not yet effective for the Group:-

<u>New MFRSs</u>	<u>Effective for financial periods beginning on or after</u>
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
 <u>Amendments / Improvements to MFRSs</u>	
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2 Share-based Payment	1 July 2014
MFRS 3 Business Combinations	1 July 2014
MFRS 5 Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7 Financial Instruments: Disclosures	1 January 2016
MFRS 8 Operating Segments	1 July 2014
MFRS 10 Consolidated Financial Statements	1 January 2016
MFRS 11 Joint Arrangements	1 January 2016
MFRS 12 Disclosure of Interests in Other Entities	1 January 2016
MFRS 13 Fair Value Measurement	1 July 2014
MFRS 101 Presentation of Financial Statements	1 January 2016
MFRS 116 Property, Plant and Equipment	1 July 2014 / 1 January 2016
MFRS 119 Employee Benefits	1 July 2014 / 1 January 2016
MFRS 124 Related Party Disclosures	1 July 2014
MFRS 127 Separate Financial Statements	1 January 2016
MFRS 128 Investments in Associates and Joint Ventures	1 January 2016
MFRS 138 Intangible Assets	1 July 2014 / 1 January 2016
MFRS 140 Investment Property	1 July 2014
MFRS 141 Agriculture	1 January 2016

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.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2015**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 9 March 2015, the Company paid a First and Final Single Tier dividend of 1.40 sen per ordinary share amounting to RM4,103,517 in respect of financial year 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, precious stones and gold bullion

Others: Investment holding

Results for fourth quarter ended 31 July 2015

	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue	2,836	801,589	1,289		805,714
Inter-segment Revenue	252,049	98,900	74,243	(425,192)	-
Total Revenue	254,885	900,489	75,532	(425,192)	805,714
Profit before taxation	9,799	41,536	(6,740)	(20,621)	23,974
Profit after taxation	7,199	34,164	(6,064)	(21,623)	13,676

Results for fourth quarter ended 31 July 2014

	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue	182	797,267	1,488		798,937
Inter-segment Revenue	318,596	98,908	90,479	(507,983)	-
Total Revenue	318,778	896,175	91,967	(507,983)	798,937
Profit before taxation	9,248	7,161	2,740	2,718	21,867
Profit after taxation	6,985	920	4,317	1,088	13,310

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2015

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.

A11. Changes in the Composition of the Company

(i) On 26th August 2014, Poh Kong Jewellers Sdn. Bhd. ("PKJ"), a wholly owned subsidiary of Poh Kong Holdings Berhad had disposed the entire 180,000/- ordinary shares of RM1.00 each in Jungmax Property Sdn. Bhd. for a total consideration of RM540,000/-.

(ii) On 31st March 2015, PKJ acquired the entire 2 ordinary shares of RM1.00 each in Poh Kong Bullion Sdn. Bhd. (formerly known as Tranz Jewellery Sdn Bhd) ("PKBSB") from Dato' Choon Yee Seiong and Mr. Cheong Teck Chong for a total consideration of RM2.00. Upon completion of the acquisition, PKBSB became a wholly owned subsidiary of PKJ. The rationale for the acquisition is to streamline the Company's business operations on gold bullions and gold investment products.

Save as disclosed, 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.

As at 31 July 2015, 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 2015

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 RM184.959 million as compared to the revenue in the corresponding quarter last year of RM208.633 million; a decrease of RM23.674 million due mainly to a weak market sentiment after implementation of the Goods and Services Tax ("GST"), although we expect it will gradually normalise.

The major revenue contributors are gold jewellery and gold investment products during the quarter under review.

The Group's loss before tax in the current quarter at RM2.007 million as compared to the profit before tax of RM8.064 million in the corresponding quarter last year; a decrease of RM10.071 million. It was due to the decrease in sales volume and increase in operating expenses during the quarter under review.

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 2015 vs 3rd Quarter FYE 2015)

Financial Indicators:	Q4FYE2015	Q3FYE2015	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	184,959	210,348	(25,389)	-12%
(Loss) / Profit before taxation	(2,007)	11,320	(13,327)	-118%
(Loss) / Profit after taxation	(5,045)	7,928	(12,973)	-164%

The implementation of GST has dampened the market demand and therefore resulting in decrease in revenue during the quarter under review. The losses incurred due to the decrease in revenue and increase in operating expenses during the quarter under review.

B3. Current Year Prospects

2016 will be a year of economic challenges as Malaysians continue to be cautious in their spending and that poses the biggest challenge in the retail industry. To meet these challenges, the Group will continue to consolidate its business, realign business strategies, and undertake new initiatives to pursue sustainable growth and ultimately enhance profitability of the Group.

Despite uncertainties of a global economy and challenges faced in the retail industry, the Group maintains a positive long-term outlook.

Barring unforeseen circumstances, the Board of Directors is cautiously optimistic of the Group's performance for financial year ending 31 July 2016.

B4. Profit Forecast

The Group does not publish any profit forecast.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2015

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 31.7.2015	Quarter Ended 31.7.2014	Period Ended 31.7.2015	Period Ended 31.7.2014
	RM'000	RM'000	RM'000	RM'000
Income taxation	3,054	4,183	10,291	8,755
Deferred taxation	(16)	881	7	(198)
	<u>3,038</u>	<u>5,064</u>	<u>10,298</u>	<u>8,557</u>

The effective tax rate for the cumulative 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 as at 31 July 2015 are as follows:-

	RM'000
Short-term Borrowings	
- Secured	
Bank overdraft	167
Other bank borrowings	69,189
Islamic Medium Term Notes ("IMTN")	<u>50,000</u>
	<u>119,356</u>
- Unsecured	
Hire purchase and lease creditors	3,503
Advance from Ultimate Holding Company	<u>1,239</u>
	<u>124,098</u>
Long-term Borrowings	
- Secured	
Term loans	11,156
Islamic Medium Term Notes ("IMTN")	<u>90,000</u>
	<u>101,156</u>
- Unsecured	
Hire purchase and lease creditors	<u>2,590</u>
	<u>103,746</u>
Total	<u><u>227,844</u></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 31.7.2015 (RM'000)	Period Ended 31.7.2014 (RM'000)
Total retained earnings of the Company and its subsidiaries:		
- Realised	369,641	363,605
- Unrealised	<u>(4,192)</u>	<u>(4,219)</u>
	<u>365,449</u>	<u>359,386</u>
- Less: Consolidated adjustments	<u>(138,077)</u>	<u>(141,586)</u>
Total group retained profits as per consolidated accounts	<u><u>227,372</u></u>	<u><u>217,800</u></u>

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2015**B9. Profit Before Taxation**

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Quarter Ended 31.7.2015 RM'000	Quarter Ended 31.7.2014 RM'000	Period Ended 31.7.2015 RM'000	Period Ended 31.7.2014 RM'000
				<i>(Audited)</i>
Interest income	(93)	(4)	(133)	(218)
Dividend income	-	-	(150)	(300)
Net gain on disposal of property, plant and equipment	(50)	(23)	(340)	(186)
Interest expense	3,997	4,244	13,976	13,777
Impairment loss on property, plant and equipment	308	-	308	-
Depreciation and amortization	1,455	2,664	9,957	10,383
Reversal of allowance for impairment on receivables	(5)	(358)	(140)	(539)
Property, plant and equipment written off	1,008	250	1,489	1,016
Unrealised loss on foreign exchange	-	-	-	34
Inventories loss	85	50	85	8
Gain on disposal of subsidiary company	(2)	-	(310)	-

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 2015 (2014 : 1 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 2015 of 410,351,752 ordinary shares of RM0.50 each, the final dividend amounts to RM4,103,518 (2014 : RM4,103,518 net dividend was paid on 9 March 2015). 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 2016.

B12. Earnings Per Share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Quarter Ended 31.7.2015	Quarter Ended 31.7.2014	Period Ended 31.7.2015	Period Ended 31.7.2014
				<i>(Audited)</i>
(Loss) / Profit after taxation for basic earnings per share (RM'000)	(5,045)	3,000	13,676	13,310
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
-basic (sen)	(1.23)	0.73	3.33	3.24
-diluted (sen)	(1.23)	0.73	3.33	3.24

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

Executive Chairman / Group Managing Director

15 September 2015

Petaling Jaya