

**POH KONG HOLDINGS BERHAD** (Registration No : 200201018476)  
**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT 31.7.2021 RM'000</b>	<b>AS AT 31.7.2020 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	92,021	94,948
Right of use assets	54,546	60,848
Investment properties	11,715	13,967
Investment in an associate	7,765	8,296
Other investments	228	228
Goodwill on consolidation	1,485	1,485
Deferred tax assets	11,849	14,161
	<b>179,609</b>	<b>193,933</b>
<b>CURRENT ASSETS</b>		
Inventories	594,777	548,914
Trade and other receivables	2,883	5,121
Deposits and prepayments	10,799	10,226
Current tax assets	835	953
Fixed deposits placed with licensed banks	10,259	23,235
Cash and bank balances	9,576	11,198
	<b>629,129</b>	<b>599,647</b>
<b>TOTAL ASSETS</b>	<b>808,738</b>	<b>793,580</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	205,176	205,176
Reserves	397,225	365,050
<b>TOTAL EQUITY</b>	<b>602,401</b>	<b>570,226</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	46,114	54,021
Deferred tax liabilities	13,995	14,257
	<b>60,109</b>	<b>68,278</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	11,016	9,472
Deposits and accruals	6,826	6,675
Contract liabilities	9,098	7,055
Provision for restoration costs	400	400
Amount due to ultimate holding company	1,331	1,316
Amount due to directors (Note 1)	1,894	2,125
Short-term borrowings	111,025	120,143
Current tax liabilities	4,638	7,890
	<b>146,228</b>	<b>155,076</b>
<b>TOTAL LIABILITIES</b>	<b>206,337</b>	<b>223,354</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>808,738</b>	<b>793,580</b>
Net assets per share attributable to owners of the Company (RM)	1.47	1.39

**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 2020)

**POH KONG HOLDINGS BERHAD** (Registration No : 200201018476)  
**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.7.2021 RM'000	QUARTER ENDED 31.7.2020 RM'000	PERIOD ENDED 31.7.2021 RM'000	PERIOD ENDED 31.7.2020 RM'000 <i>(Audited)</i>
Revenue	85,622	179,296	903,100	748,801
Other operating income	3,436	663	6,197	4,850
Operating expenses	(100,963)	(163,435)	(849,065)	(706,488)
Profit from operations	(11,905)	16,524	60,232	47,163
Finance income	94	95	370	534
Finance costs	(955)	(1,564)	(8,153)	(9,569)
Share of results of an associate, net of tax	368	848	368	848
(Loss) / Profit before tax	(12,398)	15,903	52,817	38,976
Income tax expense	(863)	(7,891)	(16,056)	(14,542)
(Loss) / Profit after tax	(13,261)	8,012	36,761	24,434
Other comprehensive expense	-	-	-	-
Total Comprehensive Income	(13,261)	8,012	36,761	24,434
Profit after tax attributable to:				
Owners of the Company	(13,261)	8,012	36,761	24,434
Non-controlling Interests	-	-	-	-
	(13,261)	8,012	36,761	24,434
Total comprehensive income attributable to:				
Owners of the Company	(13,261)	8,012	36,761	24,434
Non-controlling Interests	-	-	-	-
	(13,261)	8,012	36,761	24,434
Earnings per share attributable to				
Owners of the Company				
- basic (sen)	(3.23)	1.95	8.96	5.95
- diluted (sen)	(3.23)	1.95	8.96	5.95

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2020)

**POH KONG HOLDINGS BERHAD (Registration No : 200201018476)  
QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2021****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 2019</b>	205,176	41,635	303,905	550,716
Profit for the financial year	-	-	24,434	24,434
Dividends	-	-	(4,924)	(4,924)
<b>At 31 July 2020</b>	<b>205,176</b>	<b>41,635</b>	<b>323,415</b>	<b>570,226</b>
<b>At 1 August 2020</b>	205,176	41,635	323,414	570,225
Realisation of revaluation reserve	-	339	-	339
Profit for the financial year	-	-	36,761	36,761
Dividends	-	-	(4,924)	(4,924)
<b>At 31 July 2021</b>	<b>205,176</b>	<b>41,974</b>	<b>355,251</b>	<b>602,401</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 2020)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>CUMULATIVE QUARTER</b>	
	<b>PERIOD</b>	<b>PERIOD</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>31.7.2021</b>	<b>31.7.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
		<i>(Audited)</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	52,817	38,976
Adjustments for:		
Depreciation of property, plant and equipment and investment properties	7,795	7,370
Depreciation of right of use assets	22,030	24,410
Net gain on disposal of property, plant and equipment	(65)	(174)
Impairment loss on lease buildings	954	-
Net impairment loss on receivables	-	39
Write down of inventories	-	4,649
Property, plant and equipment written off	99	387
Inventories written off	-	88
Receivables written off	-	26
Share of results of an associate	(368)	(848)
Gain on lease modification	-	(16)
COVID-19 related rent concession income	(3,227)	(2,365)
Unrealised gain on foreign exchange	(2)	(2)
Loss on dissolution of subsidiaries	64	24
Interest income	(370)	(534)
Interest expense	8,173	9,569
Operating profit before working capital changes	87,900	81,599
Inventories	(45,863)	19,975
Receivables	1,665	(1,273)
Payables	1,695	(3,795)
Contract liabilities	2,043	294
Net cash generated from operations	47,440	96,800
Tax paid	(17,188)	(9,749)
Net cash generated from operating activities	30,252	87,051
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	370	534
Dividend received	900	300
Final distribution to dissolution of subsidiaries	(64)	(24)
Proceeds from disposal of property, plant and equipment	70	1,645
Purchase of property, plant and equipment	(1,889)	(3,943)
Net cash used in investing activities	(613)	(1,488)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(8,173)	(9,569)
Placement of fixed deposit	(24)	(37)
Net loans repayment	(11,739)	(45,055)
Dividend paid	(4,924)	(4,924)
Increase in amount due to ultimate holding company	15	20
Increase in amount due to directors	(231)	328
Repayment of lease liabilities	(19,347)	(21,186)
Net cash used in financing activities	(44,423)	(80,423)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(14,784)	5,140
<b>OPENING CASH AND CASH EQUIVALENTS</b>	33,148	28,008
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	18,364	33,148
<b>Cash and cash equivalents comprise the following:</b>		
Fixed deposits with licensed banks	10,259	23,235
Bank overdraft	(162)	-
Cash and bank balances	9,576	11,198
	19,673	34,433
Less: - Fixed deposits pledged to licensed banks	(1,309)	(1,285)
	18,364	33,148

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2020)

**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 2020.

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 2020.

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 4 Insurance Contracts	1 January 2021/ 1 January 2023
MFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7 Financial Instruments: Disclosures	1 January 2021/ 1 January 2023#
MFRS 9 Financial Instruments	1 January 2021/ 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 2021/ 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 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 139 Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140 Investment Property	1 January 2023#
MFRS 141 Agriculture	1 January 2022^

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

# 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**

Except for the events disclosed in Note B1 and B3, 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 2020**

	<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	25,798	607,183	115,820	-	748,801
Inter-segment Revenue	203,661	130,266	216,636	(550,563)	-
Total Revenue	<u>229,459</u>	<u>737,449</u>	<u>332,456</u>	<u>(550,563)</u>	<u>748,801</u>
Profit before taxation	8,599	30,764	945	(1,332)	38,976
Profit after taxation	6,093	22,988	(3,757)	(890)	24,434

	Results for financial periods ended 31 July 2021				
	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue	36,785	690,048	176,267	-	903,100
Inter-segment Revenue	287,645	157,135	275,630	(720,410)	-
Total Revenue	324,430	847,183	451,897	(720,410)	903,100
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

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

Land and buildings classified as property, plant and equipment of the Group have been revalued in July 2021. 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 RM86,220,000. The carrying amount of the properties as at 31 July 2021 was RM85,848,906. The revaluation surplus was incorporated in the financial statements for the financial year ended 31 July 2021.

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

On 15 June 2021, the government introduced the National Recovery Plan ("NRP"), the plan in four phases was formulated in providing a clear framework on relaxing the lockdown and the reopening of more economic sectors.

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

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 2021, a total of RM229,987,160 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 RM1,998,216 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 RM85.622 million as compared to the revenue in the corresponding quarter last year of RM179.296 million, a decrease of RM93.674 million. A nationwide total lockdown took place from 1 June 2021, namely FMCO or MCO3.0, and all sectors were not allowed to operate during this period except the essential economic and service sectors. The government further implemented a National Recovery Plan ("NRP"), the plan in four phases was formulated in providing a clear framework on relaxing the lockdown and the reopening of more economic sectors. Our business was only allowed to reopen on 16 August 2021. Hence this resulted in a sharp decrease in revenue during the quarter under review.

The Group's loss before tax in the current quarter at RM12.398 million as compared to the profit before tax of RM15.903 million in the corresponding quarter last year showed a decrease of RM28.301 million. The decrease in profit was due mainly to the lower revenue 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 2021 vs 3rd Quarter FYE 2021)**

Financial Indicators:	Q4FYE2021	Q3FYE2021	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	85,622	364,186	(278,564)	-76%
(Loss) / Profit before taxation	(12,398)	31,351	(43,749)	-140%
(Loss) / Profit after taxation	(13,261)	24,024	(37,285)	-155%

The decrease in profit was due mainly to the low revenue in the current quarter under review as compared with the preceding quarter.

**B3. Current Year Prospects**

The economic stimulus package and the low overnight policy rate ("OPR") mitigate the resultant negative impact of this prolonged pandemic and provided a more accommodative monetary environment in which to operate. In addition, along with the scheduled progress in the vaccine rollouts, Malaysia's economy is expected to return to positive growth.

The Group will continuously monitor the impact of these current uncertainties on its operations, financial obligations and performance while external factors are largely beyond our control. 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 2022.

**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
	31.7.2021	31.7.2020	31.7.2021	31.7.2020
	RM'000	RM'000	RM'000	RM'000
Income taxation	(1,391)	5,500	14,006	12,901
Deferred taxation	2,254	2,391	2,050	1,641
	863	7,891	16,056	14,542

The effective tax rate for the current and cumulative quarters 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 are as follows:

	<b>Period Ended 31.7.2021 RM'000</b>	<b>Period Ended 31.7.2020 RM'000</b>
<b>Short-term Borrowings</b>		
<b>- Secured</b>		
Other bank borrowings	94,829	100,002
Lease liabilities	<u>16,196</u>	<u>20,141</u>
	111,025	120,143
<b>- Unsecured</b>		
Advance from Ultimate Holding Company	<u>1,331</u>	<u>1,316</u>
	<u>112,356</u>	<u>121,459</u>
<b>Long-term Borrowings</b>		
<b>- Secured</b>		
Other bank borrowings	27,676	34,081
Lease liabilities	<u>18,438</u>	<u>19,940</u>
	<u>46,114</u>	<u>54,021</u>
<b>Total</b>	<u>158,470</u>	<u>175,480</u>

**B8. Profit Before Taxation**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Quarter Ended 31.7.2021 RM'000</b>	<b>Quarter Ended 31.7.2020 RM'000</b>	<b>Period Ended 31.7.2021 RM'000</b>	<b>Period Ended 31.7.2020 RM'000</b> <i>(Audited)</i>
Interest income	(94)	(127)	(370)	(534)
Net gain on disposal of property, plant and equipment	(4)	(105)	(65)	(174)
Loss on dissolution of subsidiaries	-	-	64	24
Interest expense	975	1,564	8,173	9,569
Depreciation of property, plant and equipment and investment property	2,238	2,504	7,795	7,370
Depreciation of right of use assets	5,459	7,033	22,030	24,410
Write down of inventories	-	4,649	-	4,649
Property, plant and equipment written off	-	64	99	387
Inventories written off	-	-	-	88
Receivables written off	-	-	-	26
Net impairment loss on receivables	-	-	-	39
Impairment loss on lease buildings	954	-	954	-
Share of results of an associate	(368)	(848)	(368)	(848)
Gain on lease modification	-	-	-	(16)
COVID-19 related rent concession income	(3,227)	-	(3,227)	(2,365)
Unrealised gain on foreign exchange	(2)	-	(2)	(2)

**B9. Material Litigation**

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

**B10. Dividend**

The Board of Directors recommend a first and final single tier dividend of 1.20 sen per ordinary share in respect of the financial year ended 31 July 2021 (2020: 1.20 sen single tier dividend per ordinary share). 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 2021 of 410,351,752 ordinary shares, the final dividend amounts to RM4,924,221 (2020 : RM4,924,221 net dividend was paid on 12 March 2021). 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 2022.

**B11. Earnings Per Share**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Quarter Ended 31.7.2021</b>	Quarter Ended 31.7.2020	<b>Period Ended 31.7.2021</b>	Period Ended 31.7.2020
(Loss) / Profit after taxation for basic earnings per share (RM'000)	(13,261)	8,012	36,761	24,434
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
-basic (sen)	<u>(3.23)</u>	<u>1.95</u>	<u>8.96</u>	<u>5.95</u>
-diluted (sen)	<u>(3.23)</u>	<u>1.95</u>	<u>8.96</u>	<u>5.95</u>

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

Executive Chairman / Group Managing Director  
 28 September 2021  
 Petaling Jaya