

**POH KONG HOLDINGS BERHAD** (Registration No : 200201018476)  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT 31.1.2023 RM'000</b>	<b>AS AT 31.7.2022 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	86,226	85,108
Right of use assets	52,551	63,570
Investment properties	10,150	10,487
Investment in an associate	7,895	7,895
Other investments	228	228
Goodwill on consolidation	1,485	1,485
Deferred tax assets	17,408	16,696
	<b>175,943</b>	<b>185,469</b>
<b>CURRENT ASSETS</b>		
Inventories	695,520	643,906
Trade and other receivables	3,896	8,028
Deposits and prepayments	16,845	10,091
Current tax assets	653	842
Fixed deposits placed with licensed banks	7,953	15,503
Cash and bank balances	46,910	18,959
	<b>771,777</b>	<b>697,329</b>
<b>TOTAL ASSETS</b>	<b>947,720</b>	<b>882,798</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	205,176	205,176
Reserves	517,387	481,374
<b>TOTAL EQUITY</b>	<b>722,563</b>	<b>686,550</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	31,891	37,657
Deferred tax liabilities	14,189	14,189
	<b>46,080</b>	<b>51,846</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	15,399	7,266
Deposits and accruals	13,108	9,256
Contract liabilities	8,597	9,554
Dividend payables	5,335	4,104
Provision for restoration costs	400	400
Amount due to ultimate holding company	1,318	1,315
Amount due to directors (Note 1)	3,219	2,394
Short-term borrowings	121,925	98,276
Current tax liabilities	9,776	11,837
	<b>179,077</b>	<b>144,402</b>
<b>TOTAL LIABILITIES</b>	<b>225,157</b>	<b>196,248</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>947,720</b>	<b>882,798</b>
Net assets per share attributable to owners of the Company (RM)	1.76	1.67

**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 2022)

**POH KONG HOLDINGS BERHAD** (Registration No : 200201018476)  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>QUARTER ENDED 31.1.2023</b> RM'000	<b>QUARTER ENDED 31.1.2022</b> RM'000	<b>PERIOD ENDED 31.1.2023</b> RM'000	<b>PERIOD ENDED 31.1.2022</b> RM'000
Revenue	403,836	406,457	774,199	581,751
Other operating income	1,647	1,376	2,416	2,800
Operating expenses	(371,782)	(369,023)	(720,882)	(536,917)
Profit from operations	33,701	38,810	55,733	47,634
Finance income	123	108	226	171
Finance costs	(1,330)	(2,140)	(3,404)	(3,396)
Profit before tax	32,494	36,778	52,555	44,409
Income tax expense	(6,813)	(7,430)	(11,207)	(9,642)
Profit after tax	25,681	29,348	41,348	34,767
Other comprehensive expense	-	-	-	-
Total Comprehensive Income	25,681	29,348	41,348	34,767
Profit after tax attributable to:				
Owners of the Company	25,681	29,348	41,348	34,767
Non-controlling Interests	-	-	-	-
	25,681	29,348	41,348	34,767
Total comprehensive income attributable to:				
Owners of the Company	25,681	29,348	41,348	34,767
Non-controlling Interests	-	-	-	-
	25,681	29,348	41,348	34,767
Earnings per share attributable to Owners of the Company				
- basic (sen)	6.26	7.15	10.08	8.47
- diluted (sen)	6.26	7.15	10.08	8.47

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2022)

**POH KONG HOLDINGS BERHAD** (Registration No : 200201018476)  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2023**

**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 2021</b>	205,176	41,747	355,251	602,174
Profit for the financial year	-	-	34,767	34,767
Dividends	-	-	(4,924)	(4,924)
<b>At 31 January 2022</b>	<b>205,176</b>	<b>41,747</b>	<b>385,094</b>	<b>632,017</b>
<b>At 1 August 2022</b>	205,176	42,959	438,415	686,550
Profit for the financial year	-	-	41,348	41,348
Dividends	-	-	(5,335)	(5,335)
<b>At 31 January 2023</b>	<b>205,176</b>	<b>42,959</b>	<b>474,428</b>	<b>722,563</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 2022)

**POH KONG HOLDINGS BERHAD (Registration No : 200201018476)  
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>CUMULATIVE QUARTER</b>	
	<b>PERIOD ENDED 31.1.2023 RM'000</b>	<b>PERIOD ENDED 31.1.2022 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	52,555	44,409
Adjustments for:		
Depreciation of property, plant and equipment and investment properties	3,792	4,108
Depreciation of right of use assets	11,019	10,204
Net gain on disposal of property, plant and equipment	(450)	(100)
Property, plant and equipment written off	-	11
Interest income	(226)	(171)
Interest expense	3,404	3,396
Operating profit before working capital changes	70,094	61,857
Inventories	(51,614)	(24,726)
Receivables	(2,622)	(1,451)
Payables	11,985	8,948
Contract liabilities	(957)	(37)
Net cash generated from operations	26,886	44,591
Tax paid	(13,790)	(11,128)
Net cash generated from operating activities	<u>13,096</u>	<u>33,463</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	226	171
Proceeds from disposal of property, plant and equipment	450	100
Placement of fixed deposit	-	(3)
Purchase of property, plant and equipment	(3,758)	(1,997)
Net cash used in investing activities	(3,082)	(1,729)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(3,404)	(3,396)
Net loans repayment	29,455	17,510
Dividends paid	(4,103)	-
Increase / (decrease) in amount due to ultimate holding company	3	(31)
Increase / (decrease) in amount due to directors	825	(161)
Repayment of lease liabilities	(12,389)	(10,948)
Net cash generated from financing activities	<u>10,387</u>	<u>2,974</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>20,401</b>	<b>34,708</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b><u>33,109</u></b>	<b><u>18,364</u></b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b><u>53,510</u></b>	<b><u>53,072</u></b>
<b>Cash and cash equivalents comprise the following:</b>		
Fixed deposits with licensed banks	7,953	26,062
Bank overdraft	-	(13)
Cash and bank balances	46,910	28,335
	<u>54,863</u>	<u>54,384</u>
Less: - Fixed deposits pledged to licensed banks	(1,353)	(1,312)
	<u>53,510</u>	<u>53,072</u>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2022)

**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 2022.

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 2022.

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 2023#
MFRS 3 Business Combinations	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 2023#
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 15 Revenue from Contracts with Customers	1 January 2023#
MFRS 16 Leases	1 January 2024
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 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 2023#
MFRS 138 Intangible Assets	1 January 2023#
MFRS 140 Investment Property	1 January 2023#

# 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**

On 30 November 2022, the Company paid an interim single tier dividend of 1 sen on 410,351,752 ordinary shares amounting to RM4,103,518 in respect of financial year ended 31 July 2022.

**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 January 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	15,554	442,011	124,186	-	581,751
Inter-segment Revenue	178,069	78,959	210,830	(467,858)	-
<b>Total Revenue</b>	<b>193,623</b>	<b>520,970</b>	<b>335,016</b>	<b>(467,858)</b>	<b>581,751</b>
Profit before taxation	5,147	36,994	16,073	(13,805)	44,409
Profit after taxation	3,911	28,102	15,974	(13,220)	34,767

**Results for financial periods ended 31 January 2023**

	<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	26,969	583,656	163,574	-	774,199
Inter-segment Revenue	252,455	117,629	299,124	(669,208)	-
Total Revenue	<u>279,424</u>	<u>701,285</u>	<u>462,698</u>	<u>(669,208)</u>	<u>774,199</u>
Profit before taxation	7,711	40,560	37,785	(33,501)	52,555
Profit after taxation	5,860	30,980	37,296	(32,788)	41,348

**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**

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 January 2023, 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 lower at RM403.836 million as compared to the revenue in the corresponding quarter last year of RM406.457 million, a decrease of RM2.621 million. The decrease in revenue was due mainly to a decrease in demand of gold investment products during the quarter under review.

The Group's profit before tax in the current quarter at RM32.494 million as compared to the profit before tax of RM36.778 million in the corresponding quarter last year showed a decrease of RM4.284 million. The lower revenue and the fluctuation of gold prices inevitably affected the Group's operating profits during the quarter under review.

The Group's revenue is largely derived from the retail segment.

**B2. Comparison with Preceding Quarter's Results** (2nd Quarter FYE 2023 vs 1st Quarter FYE 2023)

Financial Indicators:	Q2FYE2023	Q1FYE2023	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	403,836	370,363	33,473	9%
Profit before taxation	32,494	20,061	12,433	62%
Profit after taxation	25,681	15,667	10,014	64%

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**

We expect the Malaysian economy to further expand in the current year, driven mainly by a strong rebound in consumption. To sustain recovery, the government is attempting to address the economic impacts by gradually rebuilding fiscal buffers through increased revenue collection and greater spending efficiency.

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
	31.1.2023	31.1.2022	31.1.2023	31.1.2022
	RM'000	RM'000	RM'000	RM'000
Income taxation	7,053	7,678	11,919	9,763
Deferred taxation	(240)	(248)	(712)	(121)
	<u>6,813</u>	<u>7,430</u>	<u>11,207</u>	<u>9,642</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**

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 31.1.2023 RM'000</b>	<b>Period Ended 31.1.2022 RM'000</b>
<b>Short-term Borrowings</b>		
<b>- Secured</b>		
Other bank borrowings	116,240	113,110
Lease liabilities	5,685	15,888
	<u>121,925</u>	<u>128,998</u>
<b>- Unsecured</b>		
Advance from Ultimate Holding Company	1,318	1,300
	<u>123,243</u>	<u>130,298</u>
<b>Long-term Borrowings</b>		
<b>- Secured</b>		
Other bank borrowings	10,842	26,071
Lease liabilities	21,049	8,483
	<u>31,891</u>	<u>34,554</u>
<b>Total</b>	<u>155,134</u>	<u>164,852</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 31.1.2023 RM'000</b>	<b>Quarter Ended 31.1.2022 RM'000</b>	<b>Period Ended 31.1.2023 RM'000</b>	<b>Period Ended 31.1.2022 RM'000</b>
Interest income	(123)	(108)	(226)	(171)
Net gain on disposal of property, plant and equipment	(158)	(4)	(450)	(100)
Property, plant and equipment written off	-	11	-	11
Interest expense	1,330	2,140	3,404	3,396
Depreciation of property, plant and equipment and investment property	1,877	2,050	3,792	4,108
Depreciation of right of use assets	5,654	4,983	11,019	10,204

**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**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Quarter Ended 31.1.2023</b>	<b>Quarter Ended 31.1.2022</b>	<b>Period Ended 31.1.2023</b>	<b>Period Ended 31.1.2022</b>
Profit after taxation for basic earnings per share (RM'000)	25,681	29,348	41,348	34,767
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
-basic (sen)	6.26	7.15	10.08	8.47
-diluted (sen)	6.26	7.15	10.08	8.47

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

Executive Chairman / Group Managing Director

21 March 2023

Petaling Jaya