

**POH KONG HOLDINGS BERHAD** (Registration No : 200201018476)  
**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT 30.4.2023 RM'000</b>	<b>AS AT 31.7.2022 RM'000 <i>(Audited)</i></b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	85,621	85,108
Right of use assets	47,261	63,570
Investment properties	21,293	10,487
Investment in an associate	7,895	7,895
Other investments	228	228
Goodwill on consolidation	1,485	1,485
Deferred tax assets	18,138	16,696
	<b>181,921</b>	<b>185,469</b>
<b>CURRENT ASSETS</b>		
Inventories	758,517	643,906
Trade and other receivables	8,132	8,028
Deposits and prepayments	12,455	10,091
Current tax assets	649	842
Fixed deposits placed with licensed banks	12,753	15,503
Cash and bank balances	16,977	18,959
	<b>809,483</b>	<b>697,329</b>
<b>TOTAL ASSETS</b>	<b>991,404</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	548,804	481,374
<b>TOTAL EQUITY</b>	<b>753,980</b>	<b>686,550</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	13,790	37,657
Deferred tax liabilities	14,189	14,189
	<b>27,979</b>	<b>51,846</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	25,972	7,266
Deposits and accruals	9,834	9,256
Contract liabilities	9,941	9,554
Dividend payables	-	4,104
Provision for restoration costs	400	400
Amount due to ultimate holding company	1,323	1,315
Amount due to directors (Note 1)	3,532	2,394
Short-term borrowings	151,268	98,276
Current tax liabilities	7,175	11,837
	<b>209,445</b>	<b>144,402</b>
<b>TOTAL LIABILITIES</b>	<b>237,424</b>	<b>196,248</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>991,404</b>	<b>882,798</b>

Net assets per share attributable to owners of the Company (RM)

1.84

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 THIRD QUARTER ENDED 30 APRIL 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30.4.2023 RM'000	QUARTER ENDED 30.4.2022 RM'000	PERIOD ENDED 30.4.2023 RM'000	PERIOD ENDED 30.4.2022 RM'000
Revenue	380,709	366,201	1,154,908	947,952
Other operating income	319	421	2,735	3,221
Operating expenses	(336,057)	(328,819)	(1,056,939)	(865,736)
Profit from operations	44,971	37,803	100,704	85,437
Finance income	148	119	374	290
Finance costs	(3,173)	(2,343)	(6,577)	(5,739)
Profit before tax	41,946	35,579	94,501	79,988
Income tax expense	(10,529)	(7,988)	(21,736)	(17,630)
Profit after tax	31,417	27,591	72,765	62,358
Other comprehensive expense	-	-	-	-
Total Comprehensive Income	31,417	27,591	72,765	62,358
Profit after tax attributable to:				
Owners of the Company	31,417	27,591	72,765	62,358
Non-controlling Interests	-	-	-	-
	31,417	27,591	72,765	62,358
Total comprehensive income attributable to:				
Owners of the Company	31,417	27,591	72,765	62,358
Non-controlling Interests	-	-	-	-
	31,417	27,591	72,765	62,358
Earnings per share attributable to				
Owners of the Company				
- basic (sen)	7.66	6.72	17.73	15.20
- diluted (sen)	7.66	6.72	17.73	15.20

(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 THIRD QUARTER ENDED 30 APRIL 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<u>Attributable to owners of the Company</u>			
	Share capital	Revaluation reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000
<b>At 1 August 2021</b>	205,176	41,747	355,251	602,174
Profit for the financial year	-	-	62,358	62,358
Dividends	-	-	(4,924)	(4,924)
<b>At 30 April 2022</b>	<u>205,176</u>	<u>41,747</u>	<u>412,685</u>	<u>659,608</u>
<b>At 1 August 2022</b>	205,176	42,959	438,415	686,550
Profit for the financial year	-	-	72,765	72,765
Dividends	-	-	(5,335)	(5,335)
<b>At 30 April 2023</b>	<u>205,176</u>	<u>42,959</u>	<u>505,845</u>	<u>753,980</u>

(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 THIRD QUARTER ENDED 30 APRIL 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>CUMULATIVE QUARTER</b>	
	<b>PERIOD ENDED 30.4.2023 RM'000</b>	<b>PERIOD ENDED 30.4.2022 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	94,501	79,988
Adjustments for:		
Depreciation of property, plant and equipment and investment properties	5,669	6,138
Depreciation of right of use assets	16,309	15,864
Net gain on disposal of property, plant and equipment	(547)	(100)
Property, plant and equipment written off	-	64
Interest income	(374)	(290)
Interest expense	6,577	5,739
Operating profit before working capital changes	122,135	107,403
Inventories	(114,611)	(54,654)
Receivables	(2,468)	(8,458)
Payables	19,284	8,706
Contract liabilities	387	687
Net cash generated from operations	24,727	53,684
Tax paid	(27,612)	(15,207)
Net cash (used in) / generated from operating activities	(2,885)	38,477
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	374	290
Proceeds from disposal of property, plant and equipment	547	100
Purchase of property, plant and equipment	(5,677)	(3,796)
Net cash used in investing activities	(4,756)	(3,406)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(6,577)	(5,739)
Placement of fixed deposit	-	(3)
Net loans drawdown / (repayment)	34,794	10,409
Dividends paid	(9,438)	(4,924)
Increase / (decrease) in amount due to ultimate holding company	8	(26)
Increase / (decrease) in amount due to directors	1,138	(267)
Repayment of lease liabilities	(17,030)	(16,962)
Net cash generated from / (used in) financing activities	2,895	(17,512)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(4,746)	17,559
<b>OPENING CASH AND CASH EQUIVALENTS</b>	33,109	18,364
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	28,363	35,923
<b>Cash and cash equivalents comprise the following:</b>		
Fixed deposits with licensed banks	12,753	17,962
Bank overdraft	(14)	(212)
Cash and bank balances	16,977	19,485
	29,716	37,235
Less: - Fixed deposits pledged to licensed banks	(1,353)	(1,312)
	28,363	35,923

(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#/ 1 January 2024
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; and

On 10 March 2023, the Company paid a final single tier dividend of 1.30 sen on 410,351,752 ordinary shares amounting to RM5,334,573 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 30 April 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	33,175	715,329	199,448	-	947,952
Inter-segment Revenue	289,324	145,017	318,652	(752,993)	-
<b>Total Revenue</b>	<b>322,499</b>	<b>860,346</b>	<b>518,100</b>	<b>(752,993)</b>	<b>947,952</b>
Profit before taxation	13,013	68,050	19,225	(20,300)	79,988
Profit after taxation	9,889	51,701	18,906	(18,138)	62,358

**Results for financial periods ended 30 April 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	34,757	872,093	248,058	-	1,154,908
Inter-segment Revenue	388,777	191,419	416,096	(996,292)	-
Total Revenue	<u>423,534</u>	<u>1,063,512</u>	<u>664,154</u>	<u>(996,292)</u>	<u>1,154,908</u>
Profit before taxation	17,232	77,386	37,346	(37,463)	94,501
Profit after taxation	13,009	58,965	36,812	(36,021)	72,765

**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.

The acquisition has completed on 29 March 2023.

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**

In the current quarter under review, the Company has given additional corporate guarantee of RM10,000,000 in support of banking facility granted to a subsidiary company. As at 30 April 2023, 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 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 RM380.709 million as compared to the revenue in the corresponding quarter last year of RM366.201 million, an increase of RM14.508 million. The increase in revenue was due mainly to the increase 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 RM41.946 million as compared to the profit before tax of RM35.579 million in the corresponding quarter last year showed an increase of RM6.367 million. The higher revenue and the fluctuation of gold prices inevitably improved 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** (3rd Quarter FYE 2023 vs 2nd Quarter FYE 2023)

Financial Indicators:	Q3FYE2023	Q2FYE2023	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	380,709	403,836	(23,127)	-6%
Profit before taxation	41,946	32,494	9,452	29%
Profit after taxation	31,417	25,681	5,736	22%

Despite the lower revenue, the increase in gold price had improved profit margin from gold revenue during the quarter under review.

**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
	30.4.2023	30.4.2022	30.4.2023	30.4.2022
	RM'000	RM'000	RM'000	RM'000
Income taxation	11,259	9,565	23,178	19,328
Deferred taxation	(730)	(1,577)	(1,442)	(1,698)
	<u>10,529</u>	<u>7,988</u>	<u>21,736</u>	<u>17,630</u>

The effective tax rate for the current quarter was higher than the statutory tax rate due principally to certain expenses disallowed for tax purposes.



**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 30.4.2023 RM'000</b>	<b>Period Ended 30.4.2022 RM'000</b>
<b>Short-term Borrowings</b>		
<b>- Secured</b>		
Other bank borrowings	133,447	108,960
Lease liabilities	17,821	15,755
	<u>151,268</u>	<u>124,715</u>
<b>- Unsecured</b>		
Advance from Ultimate Holding Company	1,323	1,305
	<u>152,591</u>	<u>126,020</u>
<b>Long-term Borrowings</b>		
<b>- Secured</b>		
Other bank borrowings	10,492	23,319
Lease liabilities	3,298	2,602
	<u>13,790</u>	<u>25,921</u>
<b>Total</b>	<u>166,381</u>	<u>151,941</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 30.4.2023 RM'000</b>	<b>Quarter Ended 30.4.2022 RM'000</b>	<b>Period Ended 30.4.2023 RM'000</b>	<b>Period Ended 30.4.2022 RM'000</b>
Interest income	(148)	(119)	(374)	(290)
Net gain on disposal of property, plant and equipment	(97)	-	(547)	(100)
Property, plant and equipment written off	-	53	-	64
Interest expense	3,173	2,343	6,577	5,739
Depreciation of property, plant and equipment and investment property	1,877	2,030	5,669	6,138
Depreciation of right of use assets	5,290	5,660	16,309	15,864

**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**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Quarter Ended</b> <b>30.4.2023</b>	Quarter Ended 30.4.2022	<b>Period Ended</b> <b>30.4.2023</b>	Period Ended 30.4.2022
Profit after taxation for basic earnings per share (RM'000)	31,417	27,591	72,765	62,358
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
-basic (sen)	<u>7.66</u>	<u>6.72</u>	<u>17.73</u>	<u>15.20</u>
-diluted (sen)	<u>7.66</u>	<u>6.72</u>	<u>17.73</u>	<u>15.20</u>

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

Executive Chairman / Group Managing Director  
 28 June 2023  
 Petaling Jaya