

POH KONG HOLDINGS BERHAD (Registration No : 200201018476)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31.1.2025 RM'000	AS AT 31.7.2024 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	93,450	92,156
Right of use assets	51,448	62,478
Investment properties	17,140	17,518
Investment in an associate	8,330	8,330
Other investments	228	228
Goodwill on consolidation	1,485	1,485
Deferred tax assets	17,302	15,661
	189,383	197,856
CURRENT ASSETS		
Inventories	921,591	845,142
Trade and other receivables	8,189	2,824
Deposits and prepayments	12,180	11,364
Current tax assets	706	522
Fixed deposits placed with licensed banks	21,337	8,024
Cash and bank balances	44,570	27,319
	1,008,573	895,195
TOTAL ASSETS	1,197,956	1,093,051
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	205,176	205,176
Reserves	705,288	666,658
TOTAL EQUITY	910,464	871,834
NON-CURRENT LIABILITIES		
Long-term borrowings	10,241	23,574
Deferred tax liabilities	17,086	17,086
	27,327	40,660
CURRENT LIABILITIES		
Trade and other payables	33,651	13,155
Deposits and accruals	14,978	11,931
Contract liabilities	15,473	6,043
Provision for restoration costs	400	400
Amount due to ultimate holding company	1,304	1,321
Amount due to directors (Note 1)	5,867	5,432
Dividend payables	12,311	-
Short-term borrowings	160,264	130,130
Current tax liabilities	15,917	12,145
	260,165	180,557
TOTAL LIABILITIES	287,492	221,217
TOTAL EQUITY AND LIABILITIES	1,197,956	1,093,051
Net assets per share attributable to owners of the Company (RM)	2.22	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)

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POH KONG HOLDINGS BERHAD (Registration No : 200201018476)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	31.1.2025	31.1.2024	31.1.2025	31.1.2024
	RM'000	RM'000	RM'000	RM'000
Revenue	459,514	423,818	788,789	779,798
Cost of sales	(359,893)	(331,443)	(614,714)	(616,993)
Gross profit	99,621	92,375	174,075	162,805
Other income	1,397	1,710	3,211	2,465
Operating expenses	(60,802)	(55,403)	(108,081)	(99,713)
Operating profit	40,216	38,682	69,205	65,557
Finance income	128	110	210	201
Finance costs	(2,513)	(2,395)	(4,200)	(4,764)
Profit before tax	37,831	36,397	65,215	60,994
Income tax expense	(8,231)	(8,147)	(14,274)	(13,741)
Profit after tax	29,600	28,250	50,941	47,253
Other comprehensive income	-	-	-	-
Total Comprehensive Income	29,600	28,250	50,941	47,253
Profit after tax attributable to:				
Owners of the Company	29,600	28,250	50,941	47,253
Non-controlling Interests	-	-	-	-
	29,600	28,250	50,941	47,253
Total comprehensive income attributable to:				
Owners of the Company	29,600	28,250	50,941	47,253
Non-controlling Interests	-	-	-	-
	29,600	28,250	50,941	47,253
Earnings per share attributable to				
Owners of the Company				
- basic (sen)	7.21	6.88	12.41	11.52
- diluted (sen)	7.21	6.88	12.41	11.52

(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 SECOND QUARTER ENDED 31 JANUARY 2025

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	-	-	47,253	47,253
Dividends	-	-	(8,207)	(8,207)
At 31 January 2024	205,176	45,235	550,567	800,978
At 1 August 2024	205,176	46,420	620,238	871,834
Profit for the financial year	-	-	50,941	50,941
Dividends	-	-	(12,311)	(12,311)
At 31 January 2025	205,176	46,420	658,868	910,464

(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)

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POH KONG HOLDINGS BERHAD (Registration No : 200201018476)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER	PERIOD	PERIOD
	ENDED	ENDED	ENDED
	31.1.2025	31.1.2024	31.1.2024
	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	65,215	60,994	
Adjustments for:			
Depreciation of property, plant and equipment and investment properties	3,921	3,857	
Depreciation of right of use assets	11,156	10,895	
Net gain on disposal of property, plant and equipment	(81)	(194)	
Written off of property, plant and equipment	-	4	
Interest income	(210)	(201)	
Interest expense	4,200	4,764	
Operating profit before working capital changes	84,201	80,119	
Inventories	(76,449)	(103,570)	
Receivables	(6,181)	(9,604)	
Payables	23,543	42,899	
Contract liabilities	9,430	2,045	
Net cash generated from operations	34,544	11,889	
Tax paid	(12,326)		(9,314)
Net cash generated from operating activities	22,218		2,575
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	210	201	
Proceeds from disposal of property, plant and equipment	81	194	
Purchase of property, plant and equipment	(4,276)	(5,919)	
Net cash used in investing activities	(3,985)	(5,524)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	(4,200)	(4,764)	
Net loans drawdown	40,958	21,874	
Net movement of fixed deposits	(10,212)	-	
Decrease in amount due to ultimate holding company	(17)	4	
Increase in amount due to directors	435	805	
Repayment of lease liabilities	(13,617)	(10,186)	
Net cash generated from financing activities	13,347		7,733
NET INCREASE IN CASH AND CASH EQUIVALENTS	31,580		4,784
OPENING CASH AND CASH EQUIVALENTS	33,919		26,837
CLOSING CASH AND CASH EQUIVALENTS	65,499		31,621
Cash and cash equivalents comprise the following:			
Fixed deposits with licensed banks	21,337	14,994	
Bank overdraft	(172)	(63)	
Cash and bank balances	44,570	18,084	
Less: - Fixed deposits pledged to licensed banks	65,735	33,015	
	(236)	(1,394)	
	65,499		31,621

(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:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	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 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statement of Cash Flows	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 Cyclicality 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

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 January 2024					
	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue	20,541	584,374	174,883	-	779,798
Inter-segment Revenue	268,196	133,351	294,848	(696,395)	-
Total Revenue	288,737	717,725	469,731	(696,395)	779,798
Profit before taxation	13,921	43,242	33,738	(29,907)	60,994
Profit after taxation	10,580	32,863	33,401	(29,591)	47,253

	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue	20,541	584,374	174,883	-	779,798
Inter-segment Revenue	268,196	133,351	294,848	(696,395)	-
Total Revenue	288,737	717,725	469,731	(696,395)	779,798
Profit before taxation	13,921	43,242	33,738	(29,907)	60,994
Profit after taxation	10,580	32,863	33,401	(29,591)	47,253

Results for financial periods ended 31 January 2025

	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue	10,958	610,712	167,119	-	788,789
Inter-segment Revenue	269,476	133,929	275,742	(679,147)	-
Total Revenue	280,434	744,641	442,861	(679,147)	788,789
Profit before taxation	18,247	48,598	44,335	(45,965)	65,215
Profit after taxation	13,868	37,192	44,207	(44,326)	50,941

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 January 2025, 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 higher at RM459.514 million as compared to the revenue in the corresponding quarter last year of RM423.818 million, an increase of RM35.696 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 RM37.831 million as compared to the profit before tax of RM36.397 million in the corresponding quarter last year showed an increase of RM1.434 million. The increase in revenue and 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 (2nd Quarter FYE 2025 vs 1st Quarter FYE 2025)

Financial Indicators:	Q2FY2025	Q1FY2025	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	459,514	329,275	130,239	40%
Profit before taxation	37,831	27,384	10,447	38%
Profit after taxation	29,600	21,341	8,259	39%

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

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	Quarter Ended	Period Ended	Period Ended
	31.1.2025	31.1.2024	31.1.2025	31.1.2024
	RM'000	RM'000	RM'000	RM'000
Income taxation	10,122	8,233	15,915	13,423
Deferred taxation	(1,891)	(86)	(1,641)	318
	8,231	8,147	14,274	13,741

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 31.1.2025 RM'000	Period Ended 31.1.2024 RM'000
<i>Short-term Borrowings</i>		
- <i>Secured</i>		
Other bank borrowings	135,347	143,148
Lease liabilities	<u>24,917</u>	<u>22,438</u>
	160,264	165,586
- <i>Unsecured</i>		
Advance from Ultimate Holding Company	1,304	1,306
	<u>161,568</u>	<u>166,892</u>
<i>Long-term Borrowings</i>		
- <i>Secured</i>		
Other bank borrowings	5,259	7,242
Lease liabilities	<u>4,982</u>	<u>14,583</u>
	10,241	21,825
Total	<u>171,809</u>	<u>188,717</u>

B8. Profit Before Taxation

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

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 31.1.2025 RM'000	Quarter Ended 31.1.2024 RM'000	Period Ended 31.1.2025 RM'000	Period Ended 31.1.2024 RM'000
Interest income	(128)	(110)	(210)	(201)
Net gain on disposal of property, plant and equipment	(21)	(141)	(81)	(194)
Property, plant and equipment written off	-	-	-	4
Interest expense	2,513	2,395	4,200	4,764
Depreciation of property, plant and equipment and investment property	2,039	1,962	3,921	3,857
Depreciation of right of use assets	5,279	5,269	11,156	10,895

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 31.1.2025	Quarter Ended 31.1.2024	Period Ended 31.1.2025	Period Ended 31.1.2024
Profit after taxation for basic earnings per share (RM'000)	29,600	28,250	50,941	47,253
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
-basic (sen)	7.21	6.88	12.41	11.52
-diluted (sen)	7.21	6.88	12.41	11.52

BY ORDER OF THE BOARD

DATO' CHOON YEE SEIONG
Executive Chairman / Group Managing Director
19 March 2025
Petaling Jaya