

**POH HUAT RESOURCES HOLDINGS BERHAD**  
**Condensed Consolidated Income Statement**  
**For The Three-Month Period Ended 31 January 2008**

(These figures have not been audited)

	3 months ended		3 months ended	
	31-Jan-08	31-Jan-07	31-Jan-08	31-Jan-07
	RM	RM	RM	RM
Revenue	100,842,317	102,347,438	100,842,317	102,347,438
Cost of sales	-86,417,845	-86,995,371	-86,417,845	-86,995,371
Gross profit	14,424,472	15,352,067	14,424,472	15,352,067
Other income	301,424	17,287	301,424	17,287
Selling and distribution expenses	-4,615,070	-4,636,464	-4,615,070	-4,636,464
Administrative expenses	-3,639,005	-3,267,506	-3,639,005	-3,267,506
Other operating expenses	-294,649	-1,090,523	-294,649	-1,090,523
Profit from operations	6,177,172	6,374,861	6,177,172	6,374,861
Finance costs	-985,234	-1,256,485	-985,234	-1,256,485
Profit before tax	5,191,938	5,118,376	5,191,938	5,118,376
Income tax expense	-349,332	-696,000	-349,332	-696,000
Profit for the period	<b>4,842,606</b>	<b>4,422,376</b>	<b>4,842,606</b>	<b>4,422,376</b>
Attributable to :				
Equity holders of the parent	4,758,118	4,470,049	4,758,118	4,470,049
Minority interest	84,488	-47,673	84,488	-47,673
	<b>4,842,606</b>	<b>4,422,376</b>	<b>4,842,606</b>	<b>4,422,376</b>
Earnings per share attributable to equity holders of the parent :				
Basic (sen)	5.46	5.13	5.46	5.13
Diluted (sen)	5.46	5.13	5.46	5.13

**(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31st October 2007)**

**POH HUAT RESOURCES HOLDINGS BERHAD**  
**Condensed Consolidated Balance Sheet**  
**As At 31 January 2008**

(These figures have not been audited)

	<b>As At 31-Jan-08 RM</b>	<b>As At 31-Oct-07 RM (restated)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	119,377,168	114,380,129
Prepaid lease payments	17,504,284	17,421,302
Intangible assets	296,148	296,148
	137,177,600	132,097,579
<b>Current assets</b>		
Inventories	61,106,777	68,511,235
Trade and other receivables	41,189,442	32,130,667
Deposits, cash and bank balances	27,397,351	37,649,605
	129,693,570	138,291,507
<b>TOTAL ASSETS</b>	<b>266,871,170</b>	<b>270,389,086</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	87,220,850	87,220,100
Reserves	38,086,129	34,178,716
	125,306,979	121,398,816
<b>Minority interest</b>	1,673,011	1,874,311
<b>Total Equity</b>	126,979,990	123,273,127
<b>Non-current liabilities</b>		
Borrowings	7,982,421	8,471,024
Deferred tax liabilities	6,398,000	6,398,000
	14,380,421	14,869,024
<b>Current liabilities</b>		
Trade and other payables	92,782,757	85,899,845
Borrowings	32,170,438	45,706,684
Taxation	557,564	640,406
	125,510,759	132,246,935
<b>Total Liabilities</b>	139,891,180	147,115,959
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>266,871,170</b>	<b>270,389,086</b>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31st October 2007)

**POH HUAT RESOURCES HOLDINGS BERHAD**  
**Condensed Consolidated Statement of Changes in Equity**  
**For The Three-Month Period Ended 31 January 2008**

(These figures have not been audited)

	Attributable to Equity Holders of the Parent						Minority Interest	Total Equity	
	Non-Distributable			Distributable					
	Share Capital RM	Share Premium RM	Capital Reserve RM	Merger Deficit RM	Translation Reserve RM	Retained Profits RM	Total RM	RM	RM
At 1 Nov 2006 (as previously stated)	87,220,100	144,495	6,633,467	-28,849,998	-1,191,587	45,256,746	109,213,223	1,306,787	110,520,010
Effect of adoption - FRS 3			-80,873			80,873	0		
At 1 Nov 2006 (Restated)	87,220,100	144,495	6,552,594	-28,849,998	-1,191,587	45,337,619	109,213,223	1,306,787	110,520,010
Profit for the period						4,470,049	4,470,049	-47,673	4,422,376
Share-based payment			20,786				20,786		20,786
Dividend paid							0		0
Translation adjustment					777,574		777,574		777,574
<b>At 31 January 2007</b>	<b>87,220,100</b>	<b>144,495</b>	<b>6,573,380</b>	<b>-28,849,998</b>	<b>-414,013</b>	<b>49,807,668</b>	<b>114,481,632</b>	<b>1,259,114</b>	<b>115,740,746</b>
As at 1 Nov 2007	87,220,100	144,495	6,644,380	-28,849,998	-4,299,072	60,538,911	121,398,816	1,874,311	123,273,127
Issue of new shares pursuant to exercise of Warrants	750						750		750
Profit for the period						4,758,118	4,758,118	84,488	4,842,606
Adoption of FRS 3				28,849,998		-28,849,998	0		0
Share-based payment							0		0
Dividend paid							-		-
Translation adjustment					-850,705		-850,705	-285,788	-1,136,493
<b>At 31 January 2008</b>	<b>87,220,850</b>	<b>144,495</b>	<b>6,644,380</b>	<b>0</b>	<b>-5,149,777</b>	<b>36,447,031</b>	<b>125,306,979</b>	<b>1,673,011</b>	<b>126,979,990</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st October 2007)

**POH HUAT RESOURCES HOLDINGS BERHAD**  
**Condensed Consolidated Cash Flow Statement**  
**For The Three-Month Period Ended 31 January 2008**

(These figures have not been audited)

	3 months ended	
	31-Jan-08	31-Jan-07
	RM	RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,191,938	5,118,376
Adjustment for :-		
Depreciation	2,320,182	2,723,123
Other non-cash items	-285,785	63,926
Interest expense	735,793	1,021,160
Interest income	-262,081	-17,741
Operating profit before working capital changes	7,700,047	8,908,844
Changes in working capital		
Inventories	7,404,458	1,528,094
Trade and other receivables	-9,058,778	4,253,782
Trade and other payables	6,882,912	2,468,471
Cash generated from operations	12,928,639	17,159,191
Interest paid	-735,793	-1,021,160
Interest received	262,081	17,741
Tax paid	-432,174	-696,000
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>12,022,753</b>	<b>15,459,772</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net purchase of fixed assets	-7,400,203	-3,765,057
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-7,400,203</b>	<b>-3,765,057</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net movements in borrowings	-14,024,849	-6,608,864
Issue of shares - exercise of warrant	750	0
Dividend paid	0	0
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-14,024,099</b>	<b>-6,608,864</b>
Effect on exchange rate changes	-850,705	777,574
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	<b>-10,252,254</b>	<b>5,863,425</b>
Cash & cash equivalents at beginning of financial year	37,649,605	20,235,370
<b>CASH &amp; CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>27,397,351</b>	<b>26,098,795</b>
<b>Cash &amp; cash equivalents comprise the followings :</b>		
Deposits, bank and cash balances	27,397,351	26,098,795
Fixed deposit pledged to bank as collateral	-	-
	27,397,351	26,098,795

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31st October 2007)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### A1. BASIS OF PREPARATION

The interim financial statements are unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standard Board and paragraph 9.22 and Appendix 9B of the Listing Requirements of the Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 October 2007.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 October 2007.

### A2. CHANGES IN ACCOUNTING POLICIES

#### Adoption of New Financial Reporting Standards

The significant accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 October 2007 except for the adoption of the new and revised Financial Reporting Standards (“FRS”) as stated below :

	<b>FRSs, Amendments to FRSs and Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
FRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendment to FRS 119	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investments in a Foreign Operation	1 July 2007
FRS 107	Cash Flow Statements	1 July 2007
FRS 111	Construction Contracts	1 July 2007
FRS 112	Income Taxes	1 July 2007
FRS 118	Revenue	1 July 2007
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 126	Accounting and Reporting by Retirement Benefits Plans	1 July 2007
FRS 129	Financial Reporting in Hyperinflationary Economies	1 July 2007
FRS 134	Interim Financial Reporting	1 July 2007
FRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 July 2007

The FRS 6 and FRS 111 are not relevant to the operation of the Group. The adoption of the remaining FRS above does not have any significant impact on the Group.

**A3. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditor's report on the financial statements for the year ended 31 October 2007 was not qualified.

**A4. SEASONAL OR CYCLICAL FACTORS**

The principal business operations of the Group has historically shown moderate seasonality, where production and sales of furniture are generally lower in the beginning of the calendar year due to the local festive period as well as the summer holiday in the middle of the year.

**A5. EXCEPTIONAL, EXTRAORDINARY OR UNUSUAL ITEM**

There was no item of exceptional, extraordinary or unusual in nature, size or incidence in the financial quarter under review.

**A6. CHANGES IN ESTIMATE**

Not applicable.

**A7. ISSUANCE, REPURCHASE AND CANCELLATION OF SHARES**

***ESOS***

During the financial quarter ended 31 January 2008, no new shares have been issued to eligible employees under the Poh Huat Employees' Share Option Scheme ("ESOS").

***Warrants 2003/2008***

During the financial quarter ended 31 January 2008, 750 new ordinary shares of RM1.00 each have been issued from the exercise of the Warrants 2003/2008 issued by the Company.

Save for the above, the Company has not issued any other shares, debts or convertible securities.

The Company has been authorised by shareholders to re-purchase its own shares but has not purchased any of its own shares during the financial year. As such, there are no shares being resold, cancelled or retained as treasury shares by the Company.

#### **A8. DIVIDENDS PAID**

No dividends were paid for the quarter ended 31 January 2008.

#### **A9. SEGMENTAL REPORTING**

No segmental reporting by activities is prepared as the Group is principally involved in a single line of business, namely the manufacture and sale of furniture.

The Group has overseas investments and operations. The year-to-date segmental report by geographical location is as follows:-

	<b>Turnover</b>	<b>Profit / (Loss)</b>
	<b>Year to Date</b>	<b>Before Tax</b>
	<b>RM'000</b>	<b>Year to Date</b>
		<b>RM'000</b>
Malaysia	54,072	3,116
Vietnam	43,973	2,071
South Africa	2,797	172
China	-	(167)
	-----	-----
<b>Total</b>	<b>100,842</b>	<b>5,192</b>
	=====	=====

#### **A10. CARRYING AMOUNT OF REVALUED ASSETS**

The carrying values of land and buildings have been brought forward, without amendments from the previous annual financial statements.

#### **A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD**

There were no material events subsequent to the period ended 31 January 2008 that have not been reflected in the financial statements of the interim period.

#### **A12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the current quarter ended 31 January 2008.

#### **A13. CHANGES IN CONTINGENT LIABILITIES / ASSETS**

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 October 2007.

**A14. CAPITAL COMMITMENT**

As at 31 January 2008, there are no capital commitments incurred by the Group.

**A15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

As at 31 January 2008, there are no significant related party transactions by the Group.



## **BMSB LISTING REQUIREMENTS**

### **B1. PERFORMANCE REVIEW**

The Group's revenue for the current quarter ended 31 January 2008 decreased to RM100.84 million compared to the RM102.35 million recorded in the previous year's corresponding quarter ended 31 January 2007. The slightly lower turnover achieved during the quarter was mainly attributable to the lower exchange rate used in translating sales of Vietnam operation into Malaysia Ringgit (RM) at group level. The Malaysian operations continued to do well with sustained growth in shipment and profitability.

The gross profit margin of the Group was slightly lowered from RM15.35 million for the previous corresponding period ended 31 January 2007 to RM14.42 million for the current quarter under review. The drop is due to depreciation of US Dollar against the Ringgit Malaysia. Despite the fall in margins, the Group's profit before taxation was higher at RM5.19 million compared to RM5.12 million achieved in the previous corresponding quarter ended 31 January 2007. The improvement is attributable to the lower finance costs and more efficient management of short-term idle funds.

### **B2. MATERIAL CHANGE IN PROFIT BEFORE TAXATION**

The profit before taxation for the quarter under review declined to RM5.19 million compared to profit before taxation of RM8.80 million registered in the preceding quarter ended 31 October 2007. The drop in profitability is due to the seasonal pattern of home furniture sales.

### **B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR**

The US sub-prime crisis and the weakening of its financial markets continued to have adverse repercussions on the property sector, consumer confidence and economic growth globally. The weaker consumer confidence and demand point toward slower global economic growth as exports and consumption patterns in most economies are likely to be subdued.

The above notwithstanding, the co-ordinated efforts of the US Federal Reserve and central banks in Canada and Europe to improve liquidity will help to contain a crisis of confidence in financial markets and pave way for the recovery of consumer confidence and demand.

Based on the orders from the US, Europe and the Middle East markets, the Group remains positive on its prospects for the current financial year. With the improvements achieved by our Vietnamese factories and the sustained orders for the Malaysian operations, the Group look forward to a sustained level of profitability for the financial year ending 31 October 2008.

**B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT**

There is no profit forecast issued for the current financial year under review.

**B5. TAXATION**

	<b>Quarter Under Review RM'000</b>	<b>Year To Date RM'000</b>
Current income tax expenses	349	349
Deferred tax expenses	-	-
	-----	-----
	349	349
	=====	=====

For the financial quarter under review, the effective tax rate of the Group is lower than the statutory rate due to tax incentive given to Malaysia and Vietnam subsidiaries.

**B6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

There were no sales of unquoted investments and/or properties for the financial quarter ended 31 January 2008.

**B7. QUOTED SECURITIES**

There was no purchase or disposal of quoted securities for the financial quarter ended 31 January 2008.

**B8. STATUS OF CORPORATE PROPOSALS / UTILISATION OF PROCEEDS**

There were no corporate proposals or utilisation of proceeds announced but not completed as at the date of the report.

**B9. GROUP'S BORROWINGS**

		<b>As at 31 January 2008 RM'000</b>
Secured Short Term Borrowings		32,170
Secured Long Term Borrowings		7,982
		-----
		40,152
		=====
Currency denominations :		
US Dollar	(USD' 000)	3,790
Vietnam Dong	(VND' 000,000)	14,911
South Africa Rand	(ZAR' 000)	Nil
		-----
Total Ringgit equivalent	(RM' 000)	15,390
Ringgit borrowings	(RM' 000)	24,762
		-----
		40,152
		=====

**B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no financial instruments with off balance sheet during the financial quarter ended 31 January 2008.

**B11. MATERIAL LITIGATION**

The Directors are not aware of any material litigation pending or threatened against the Group.

**B12. DIVIDEND**

No interim ordinary dividend had been declared for the financial period ended 31 January 2008

### **B13. EARNINGS PER SHARE**

#### ***Basic earnings per share***

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares in issue during the period.

		<b>Quarter Under Review</b>	<b>Year To Date</b>
Net Profit	(RM'000)	4,758	4,758
Weighted average number of shares	('000 shares)	87,220	87,220
Basic earnings per share	(sen)	5.46	5.46

#### ***Diluted earnings per share***

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issued during the quarter under review have been adjusted for the dilutive effects of all potential shares, i.e. Warrants 2003/2008 and the options under the ESOS.

During the quarter under review, the diluted earnings per share has not been presented as the conversion of each class of potential shares have anti-dilutive effect as the exercise price of the shares are above the average market value of the Company's shares.

For and on behalf of the Board  
**Poh Huat Resources Holdings Berhad**

**BOO CHIN LIONG**  
Independent Non-Executive Director  
Chairman  
Audit Committee

25 March 2008  
Muar, Johor Darul Takzim