

**POH HUAT RESOURCES HOLDINGS BERHAD**  
**Condensed Consolidated Income Statement**  
**For The Three-Month Period Ended 30 April 2008**

(These figures have not been audited)

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30-Apr-08</b>	<b>30-Apr-07</b>	<b>30-Apr-08</b>	<b>30-Apr-07</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue	82,067,773	92,316,101	182,910,090	194,663,539
Cost of sales	(73,617,894)	(81,777,996)	(160,035,739)	(168,773,367)
Gross profit	<u>8,449,879</u>	<u>10,538,105</u>	<u>22,874,351</u>	<u>25,890,172</u>
Other income	117,430	285,214	418,854	302,501
Selling and distribution expenses	(4,613,734)	(4,763,295)	(9,228,804)	(9,399,759)
Administrative expenses	(3,229,643)	(3,464,204)	(6,868,648)	(6,731,710)
Other operating expenses	(879,147)	(564,460)	(1,173,796)	(1,654,983)
Profit from operations	<u>(155,215)</u>	<u>2,031,360</u>	<u>6,021,957</u>	<u>8,406,221</u>
Finance costs	(799,677)	(990,563)	(1,784,911)	(2,247,048)
Profit before tax	<u>(954,892)</u>	<u>1,040,797</u>	<u>4,237,046</u>	<u>6,159,173</u>
Income tax expense	(523,998)	(658,500)	(873,330)	(1,354,500)
Profit for the period	<b><u>(1,478,890)</u></b>	<b><u>382,297</u></b>	<b><u>3,363,716</u></b>	<b><u>4,804,673</u></b>
Attributable to :				
Equity holders of the parent	(1,710,350)	79,539	3,047,767	4,549,588
Minority interest	231,460	302,758	315,949	255,085
	<b><u>(1,478,890)</u></b>	<b><u>382,297</u></b>	<b><u>3,363,716</u></b>	<b><u>4,804,673</u></b>
Earnings per share attributable to equity holders of the parent :				
Basic (sen)	(1.96)	0.09	3.49	5.22
Diluted (sen)	(1.96)	0.09	3.49	5.22

**(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 30 April 2008

(These figures have not been audited)

	As At 30-Apr-08 RM	As At 31-Oct-07 RM (restated)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	123,072,741	114,380,129
Prepaid lease payments	17,664,930	17,421,302
Intangible assets	296,148	296,148
	<u>141,033,819</u>	<u>132,097,579</u>
<b>Current assets</b>		
Inventories	57,252,512	68,511,235
Trade and other receivables	44,458,838	32,130,667
Deposits, cash and bank balances	27,072,691	37,649,605
	<u>128,784,041</u>	<u>138,291,507</u>
<b>TOTAL ASSETS</b>	<b><u>269,817,860</u></b>	<b><u>270,389,086</u></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	36,165,529	34,178,716
	<u>123,386,379</u>	<u>121,398,816</u>
<b>Minority interest</b>	<u>1,904,472</u>	<u>1,874,311</u>
<b>Total Equity</b>	<b><u>125,290,851</u></b>	<b><u>123,273,127</u></b>
<b>Non-current liabilities</b>		
Borrowings	8,289,088	8,471,024
Deferred tax liabilities	6,398,000	6,398,000
	<u>14,687,088</u>	<u>14,869,024</u>
<b>Current liabilities</b>		
Trade and other payables	83,404,197	85,899,845
Borrowings	45,894,747	45,706,684
Taxation	540,977	640,406
	<u>129,839,921</u>	<u>132,246,935</u>
<b>Total Liabilities</b>	<b><u>144,527,009</u></b>	<b><u>147,115,959</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>269,817,860</u></b>	<b><u>270,389,086</u></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 Six-Month Period Ended 30 April 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						4,549,588	4,549,588	255,085	4,804,673
Share-based payment			20,786				20,786		20,786
Dividend paid							0		0
Translation adjustment					776,598		776,598		776,598
<b>As at 30 April 2007</b>	<b>87,220,100</b>	<b>144,495</b>	<b>6,573,380</b>	<b>(28,849,998)</b>	<b>(414,989)</b>	<b>49,887,207</b>	<b>114,560,195</b>	<b>1,561,872</b>	<b>116,122,067</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						3,047,767	3,047,767	315,949	3,363,716
Adoption of FRS 3				28,849,998		(28,849,998)	0		0
Share-based payment							0		0
Dividend paid							-		-
Translation adjustment					(1,060,954)		(1,060,954)	(285,788)	(1,346,742)
<b>As At 30 April 2008</b>	<b>87,220,850</b>	<b>144,495</b>	<b>6,644,380</b>	<b>0</b>	<b>(5,360,026)</b>	<b>34,736,680</b>	<b>123,386,379</b>	<b>1,904,472</b>	<b>125,290,851</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 Six-Month Period Ended 30 April 2008

(These figures have not been audited)

	6 months ended	
	30-Apr-08	30-Apr-07
	RM	RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,237,046	6,159,173
Adjustment for :-		
Depreciation	4,549,582	5,460,610
Amortisation of goodwill on consolidation	-	-
Other non-cash items	(285,038)	45,803
Interest expense	1,227,844	1,795,260
Interest income	(421,123)	(52,299)
Operating profit before working capital changes	9,308,311	13,408,547
Changes in working capital		
Inventories	11,258,723	7,814,895
Trade and other receivables	(12,328,171)	4,974,374
Trade and other payables	(2,495,648)	(8,059,989)
Cash generated from operations	5,743,215	18,137,827
Interest paid	(1,227,844)	(1,795,260)
Interest received	421,123	52,299
Tax paid	(972,759)	(1,354,500)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>3,963,735</b>	<b>15,040,366</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net purchase of fixed assets	(13,485,822)	(5,299,746)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(13,485,822)</b>	<b>(5,299,746)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net movements in borrowings	6,127	1,355,132
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>6,127</b>	<b>1,355,132</b>
Effect on exchange rate changes	(1,060,954)	776,598
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(10,576,914)</b>	<b>11,872,350</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>27,072,691</b>	<b>32,107,720</b>
<b>Cash &amp; cash equivalents comprise the followings :</b>		
Deposits, bank and cash balances	27,072,691	32,107,720
Fixed deposit pledged to bank as collateral	-	-
	<u>27,072,691</u>	<u>32,107,720</u>

(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.

### **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 30 April 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 30 April 2008, no new shares 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 30 April 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	96,437	1,704
Vietnam	80,920	2,271
South Africa	5,553	645
China	-	(383)
	-----	-----
<b>Total</b>	<b>182,910</b>	<b>4,237</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 30 April 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 30 April 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 30 April 2008, there are no capital commitments incurred by the Group.

**A15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

As at 30 April 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 30 April 2008 decreased to RM82.07 million compared to the RM92.32 million recorded in the previous year's corresponding quarter ended 30 April 2007. The lower turnover achieved during the quarter was mainly attributable both to the lower Ringgit sales proceeds for the Groups shipment of furniture and the Group's strategy of producing more affordable products in line with the uncertain market condition.

On the manufacturing side, the Group experienced marked increases in production costs as soaring energy and basic materials prices inevitably translate to higher prices for major raw materials used in our operations. Lower production volume also resulted in less efficient absorption of fixed overheads, thus lower profit margins.

Given the above, the gross profit of the Group decline from RM10.54 million for the previous corresponding period ended 30 April 2007 to RM8.45 million for the current quarter under review. As a result of the fall in gross margins, the Group incurred a loss before taxation of RM0.95 million compared to profit before tax of RM1.04 million achieved in the previous corresponding quarter ended 30 April 2007.

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

The Group's turnover of RM82.07 million achieved during the quarter under review was also lower than the turnover of RM100.84 million for the preceding quarter ended 31 January 2008. The lower turnover is again attributable both to the lower sales proceeds realised due to the weaker global scenario and the lower shipment of furniture due to the lesser number of production days during the Chinese New Year festive season.

In line with the lower turnover, the Group sustained a loss before taxation of RM0.95 million for the quarter under review compared to a profit before taxation of RM5.19 million registered in the preceding quarter ended 31 January 2008. As mentioned previously, the drop in profitability is attributable to the lower sales proceeds realised from the Group's shipment of furniture, the marked increase in raw material prices and the disproportionately higher manufacturing overheads due to the lower shipment of furniture and payment of bonuses during the quarter under review.



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

Global economic growth is expected to slow considerably or slip into recession in 2008 amidst concerns over consumption power and raising inflation. The global credit crisis, soaring energy costs and shortage of essential foodstuff point toward difficult times for the global community.

The Group expects considerable challenges in the global furniture trade amidst weaker global demand. New construction/housing and business starts in most developed nation, two of the key indicators in the demand for furniture, continued with its downward trend. The Group is actively pursuing alternatives with its customers, both in its products and manufacturing materials/processes, to ensure that the Group's operations remain viable during this challenging period.

**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	524	873
Deferred tax expenses	-	-
	-----	-----
	524	873
	=====	=====

For the financial quarter under review, the effective tax rate of the Group is higher than the statutory rate due to losses suffered by certain subsidiaries for which no group relief is available.

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

There were no sales of unquoted investments and/or properties for the financial quarter ended 30 April 2008.

**B7. QUOTED SECURITIES**

There was no purchase or disposal of quoted securities for the financial quarter ended 30 April 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 30 April 2008 RM'000</b>
Secured Short Term Borrowings		45,895
Secured Long Term Borrowings		8,289
		-----
		54,184
		=====
Currency denominations :		
US Dollar	(USD' 000)	7,278
Vietnam Dong	(VND' 000,000)	26,720
South Africa Rand	(ZAR' 000)	Nil
		-----
Total Ringgit equivalent	(RM' 000)	27,968
Ringgit borrowings	(RM' 000)	26,216
		-----
		54,184
		=====

**B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no financial instruments with off balance sheet during the financial quarter ended 30 April 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 30 April 2008

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

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

Basic earnings per share are 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 / (Loss)	(RM'000)	(1,710)	3,048
<b>Weighted average number of shares</b>	<b>('000 shares)</b>	87,221	87,221
Basic earnings/(loss) per share	(sen)	(1.96)	3.49

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

For the purpose of calculating diluted earnings per share, the weighted average numbers 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

23 June 2008  
Muar, Johor Darul Takzim