

**POH HUAT RESOURCES HOLDINGS BERHAD**  
**Condensed Consolidated Income Statement**  
**For The Three-Month Period Ended 30 April 2009**

(These figures have not been audited)

	3 months ended		6 months ended	
	30-Apr-09 RM	30-Apr-08 RM	30-Apr-09 RM	30-Apr-08 RM
Revenue	65,365,444	82,067,773	170,038,715	182,910,090
Cost of sales	(56,108,187)	(73,617,894)	(145,212,894)	(160,035,739)
Gross profit	<u>9,257,257</u>	<u>8,449,879</u>	<u>24,825,821</u>	<u>22,874,351</u>
Other income/ (Expenses)	(57,950)	117,430	683,590	418,854
Selling and distribution expenses	(4,116,357)	(4,613,734)	(8,717,505)	(9,228,804)
Administrative expenses	(3,447,834)	(3,229,643)	(6,998,246)	(6,868,648)
Other operating (expenses) / Income	764,931	(879,147)	764,154	(1,173,796)
Profit from operations	<u>2,400,047</u>	<u>(155,215)</u>	<u>10,557,815</u>	<u>6,021,957</u>
Finance costs	(577,476)	(799,677)	(1,462,947)	(1,784,911)
Profit before tax	<u>1,822,571</u>	<u>(954,892)</u>	<u>9,094,868</u>	<u>4,237,046</u>
Income tax expense	(329,163)	(523,998)	(316,936)	(873,330)
Profit for the period	<b><u>1,493,408</u></b>	<b><u>(1,478,890)</u></b>	<b><u>8,777,932</u></b>	<b><u>3,363,716</u></b>
Attributable to :				
Equity holders of the parent	1,325,814	(1,710,350)	8,611,566	3,047,767
Minority interest	167,594	231,460	166,366	315,949
	<b><u>1,493,408</u></b>	<b><u>(1,478,890)</u></b>	<b><u>8,777,932</u></b>	<b><u>3,363,716</u></b>
Earnings per share attributable to equity holders of the parent :				
Basic (sen)	1.52	(1.96)	9.87	3.49
Diluted (sen)	1.52	(1.96)	9.87	3.49

**(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31st October 2008)**

# POH HUAT RESOURCES HOLDINGS BERHAD

## Condensed Consolidated Balance Sheet

As At 30 April 2009

(These figures have not been audited)

	As At 30-Apr-09 RM	As At 31-Oct-08 RM (restated)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	122,875,561	133,324,203
Prepaid lease payments	17,701,494	17,482,653
Intangible assets	296,147	296,148
Deferred tax assets		157,417
	<u>140,873,202</u>	<u>151,260,421</u>
<b>Current assets</b>		
Inventories	50,698,320	71,064,367
Trade and other receivables	38,997,515	44,932,756
Deposits, cash and bank balances	12,010,823	20,424,148
	<u>101,706,658</u>	<u>136,421,271</u>
<b>TOTAL ASSETS</b>	<b><u>242,579,860</u></b>	<b><u>287,681,692</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	87,220,850	87,220,850
Reserves	49,162,148	42,719,880
	<u>136,382,998</u>	<u>129,940,730</u>
<b>Minority interest</b>	1,891,098	1,629,139
<b>Total Equity</b>	<u>138,274,096</u>	<u>131,569,869</u>
<b>Non-current liabilities</b>		
Borrowings	5,894,031	3,187,652
Deferred tax liabilities	6,731,000	6,731,000
	<u>12,625,031</u>	<u>9,918,652</u>
<b>Current liabilities</b>		
Trade and other payables	56,876,478	97,441,435
Borrowings	33,506,769	47,261,703
Taxation	1,297,486	1,490,033
	<u>91,680,733</u>	<u>146,193,171</u>
<b>Total Liabilities</b>	<u>104,305,764</u>	<u>156,111,823</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>242,579,860</u></b>	<b><u>287,681,692</u></b>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31st October 2008)

**POH HUAT RESOURCES HOLDINGS BERHAD**  
**Condensed Consolidated Statement of Changes in Equity**  
**For The Six-Month Period Ended 30 April 2009**

(These figures have not been audited)

	Attributable to Equity Holders of the Parent						Minority Interest	Total Equity	
	Non-Distributable			Distributable	Total				
	Share Capital RM	Share Premium RM	Capital Reserve RM	Merger Deficit RM	Translation Reserve RM	Retained Profits RM	Total RM	RM	RM
<b>As at 1 Nov 2007</b>	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
	87,220,850	144,495	6,644,380	(28,849,998)	(4,299,072)	60,538,911	121,399,566	1,874,311	123,273,877
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)	-		-
Share-based payment							-		-
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>-</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>
<b>As at 1 Nov 2008</b>	87,220,850	144,495	6,808,380		87,281	35,679,724	129,940,730	1,629,139	131,569,869
Issue of new shares pursuant to exercise of Warrants							-		-
Profit for the period						8,611,566	8,611,566	166,366	8,777,932
Adoption of FRS 3							-		-
Share-based payment							-		-
Dividend paid							-		-
Translation adjustment					(2,169,298)		(2,169,298)	95,593	(2,073,705)
<b>As At 30 April 2009</b>	<b>87,220,850</b>	<b>144,495</b>	<b>6,808,380</b>	<b>-</b>	<b>(2,082,017)</b>	<b>44,291,290</b>	<b>136,382,998</b>	<b>1,891,098</b>	<b>138,274,096</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 2008)

**POH HUAT RESOURCES HOLDINGS BERHAD****Condensed Consolidated Cash Flow Statement****For The Six-Month Period Ended 30 April 2009**

(These figures have not been audited)

	6 months ended	
	30-Apr-09	30-Apr-08
	RM	RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,094,868	4,237,046
Adjustment for :-		
Depreciation	4,341,124	4,549,582
Fixed assets written off	6,757,029	-
Other non-cash items	95,593	(285,038)
Interest expense	993,760	1,227,844
Interest income	(133,410)	(421,123)
<b>Operating profit before working capital changes</b>	<b>21,148,964</b>	<b>9,308,311</b>
Changes in working capital		
Inventories	20,366,047	11,258,723
Trade and other receivables	5,935,241	(12,328,171)
Trade and other payables	(40,564,957)	(2,495,648)
<b>Cash generated from operations</b>	<b>6,885,295</b>	<b>5,743,215</b>
Interest paid	(993,760)	(1,227,844)
Interest received	133,410	421,123
Tax paid	(509,483)	(972,759)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>5,515,462</b>	<b>3,963,735</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(710,934)	(13,485,822)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(710,934)</b>	<b>(13,485,822)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net movements in borrowings	(11,048,555)	6,127
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(11,048,555)</b>	<b>6,127</b>
Effect on exchange rate changes	(2,169,298)	(1,060,954)
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(8,413,325)</b>	<b>(10,576,914)</b>
Cash & cash equivalents at beginning of financial year	20,424,148	37,649,605
<b>CASH &amp; CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>12,010,823</b>	<b>27,072,691</b>
<b>Cash &amp; cash equivalents comprise the followings :</b>		
Deposits, bank and cash balances	12,010,823	27,072,691
Fixed deposit pledged to bank as collateral	-	-
	<b>12,010,823</b>	<b>27,072,691</b>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31st October 2008)

## **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 2008.

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 2008.

### **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 2008

### **A3. AUDITOR’S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditor’s report on the financial statements for the year ended 31 October 2008 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

The Company has not issued any shares, debts or convertible securities during the financial quarter under review.

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 2009.

## 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>Year to Date</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	79,373	5,873
Vietnam	84,723	4,056
South Africa	4,643	340
China	1,300	(1,174)
	-----	-----
<b>Total</b>	<b>170,039</b>	<b>9,095</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 2009 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 2009.

**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 2008.

**A14. CAPITAL COMMITMENT**

As at 30 April 2009, there are no capital commitments incurred by the Group.

**A15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

As at 30 April 2009, 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 2009 declined to RM65.37 million compared to the RM82.07 million recorded in the previous year's corresponding quarter ended 30 April 2008. The lower turnover achieved during the quarter coincides with the height of the global economic crisis. Shipment of furniture was significantly lower for all operating subsidiaries.

The above notwithstanding, the gross profit of the Group was higher at RM9.26 million for the current quarter under review compared to RM8.45 million in the previous corresponding period. The 6 months cumulative gross profit was also higher at RM24.83 million compared to RM22.87 million in the previous corresponding 6 months ended 30 April 2008. The better results were attributable to the Group's emphasis on higher efficiency, cost/product re-engineering and better control on manufacturing overheads.

The Group achieved a profit before taxation of RM1.82 million compared to a loss of RM0.95 million in the previous corresponding quarter. The 6 months profit before tax rose significantly to RM 9.09 million compared to RM4.24 million achieved in the previous corresponding 6 months ended 30 April 2008. The better bottom line was in line with the better gross margin as well as the lower selling and distribution costs in line with lower shipment of furniture.

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

The Group's turnover of RM65.37 million achieved during the quarter under review was significantly lower than the turnover of RM104.67 million for the preceding quarter ended 31 January 2009. The lower turnover is attributable generally to the lower furniture shipment during the current quarter at the height of the global economic crisis and the seasonal low period due to the Chinese New Year and Tet festivity.

In line with the lower shipment, the Group's gross margin dropped significantly from RM15.57 million in the preceding quarter to RM9.26 million in the current quarter under review. The proportionally higher operational overhead and the lower Ringgit sales proceeds realised due to the weakening of USD vis-à-vis the Ringgit during the quarter also contributed in significant erosion of profit margin. The operating results from Vietnam were also affected by the loss of capacity and additional labour costs brought about by the fire incident.

The tough operating conditions notwithstanding, the Group still manages a commendable before taxation of RM1.82 million compared to a profit before taxation of RM7.27 million registered in the preceding quarter ended 31 January 2009.



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

While we feel the full brunt of the global slowdown, there are signs of the economic situation stabilising. The stimulus packages put in place by most economies in last couple of months have shown some positive effects in allaying fears of worsening conditions. Recent increases in pending sale of completed properties and new housing signals suggest a turning point for the property market in the US. Stability in the financial markets and recovery in stock markets worldwide also point towards a possible recovery in the real economy in the near future.

In recent months, we have experienced some meaningful improvement in our order books. While we are unable to confirm a sustained recovery of consumer demand, we are cautiously optimistic that the worst is behind us and we look forward to better performance for the remaining quarters of the year.

**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	329	317
Deferred tax expenses	-	-
	-----	-----
	329	317
	=====	=====

**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 2009.

**B7. QUOTED SECURITIES**

There was no purchase or disposal of quoted securities for the financial quarter ended 30 April 2009.

**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 2009 RM'000</b>
Secured Short Term Borrowings		33,507
Secured Long Term Borrowings		5,894
		-----
		39,401
		=====
Currency denominations:		
US Dollar	(USD' 000)	11,622
Vietnam Dong	(VND' 000,000)	8,055
South Africa Rand	(ZAR' 000)	Nil
		-----
Total Ringgit equivalent	(RM' 000)	19,677
Ringgit borrowings	(RM' 000)	19,724
		-----
		39,401
		=====

**B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no financial instruments with off balance sheet during the financial quarter ended 30 April 2009.

**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 2009

### **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)	1,326	8,612
Weighted average number of shares	('000 shares)	87,220	87,220
Basic earnings per share	(sen)	1.52	9.87

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

The Company has no convertible securities in issue and hence, computation of diluted earnings per share has not been presented.

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

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

29 June 2009  
Muar, Johor Darul Takzim