

POH HUAT RESOURCES HOLDINGS BERHAD
Condensed Consolidated Income Statement
For The Twelve-Month Period Ended 31 October 2009

(These figures have not been audited)

	<u>3 months ended</u>		<u>12 months ended</u>	
	31-Oct-09 RM	31-Oct-08 RM	31-Oct-09 RM	31-Oct-08 RM
Revenue	80,169,183	105,754,151	329,784,147	385,239,398
Cost of sales	<u>(73,999,736)</u>	<u>(94,312,987)</u>	<u>(287,325,269)</u>	<u>(339,193,172)</u>
Gross profit	6,169,447	11,441,164	42,458,878	46,046,226
Other income	941,399	1,572,034	1,836,671	2,315,155
Selling and distribution expenses	(3,959,335)	(5,390,360)	(16,678,754)	(19,254,969)
Administrative expenses	(3,851,138)	(4,262,886)	(14,390,262)	(14,588,104)
Other operating Income / (expenses)	1,716,705	69,020	2,341,749	(865,736)
Profit from operations	<u>1,017,078</u>	<u>3,428,972</u>	<u>15,568,282</u>	<u>13,652,572</u>
Finance costs	(622,212)	(489,765)	(2,632,994)	(3,316,656)
Profit before tax	<u>394,866</u>	<u>2,939,207</u>	<u>12,935,288</u>	<u>10,335,916</u>
Income tax expense	(1,832,196)	(1,522,594)	(2,325,174)	(2,967,683)
Profit for the period	<u>(1,437,330)</u>	<u>1,416,613</u>	<u>10,610,114</u>	<u>7,368,233</u>
Attributable to :				
Equity holders of the parent	(1,537,224)	1,555,818	10,400,228	7,008,652
Minority interest	99,894	(139,205)	209,886	359,581
	<u>(1,437,330)</u>	<u>1,416,613</u>	<u>10,610,114</u>	<u>7,368,233</u>
Earnings per share attributable to equity holders of the parent :				
Basic (sen)	(1.50)	1.78	10.89	8.04
Diluted (sen)	(1.50)	1.78	10.89	8.04

(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 31 October 2009**

(These figures have not been audited)

	As At 31-Oct-09 RM	As At 31-Oct-08 RM (restated)
ASSETS		
Non-current assets		
Property, plant and equipment	128,616,766	133,324,203
Prepaid lease payments	13,798,909	17,482,653
Intangible assets	296,147	296,148
Deferred tax assets	23,749	157,417
	<u>142,735,571</u>	<u>151,260,421</u>
Current assets		
Inventories	53,547,031	71,064,367
Trade and other receivables	28,954,385	44,932,756
Deposits, cash and bank balances	16,270,613	20,424,148
	<u>98,772,029</u>	<u>136,421,271</u>
TOTAL ASSETS	<u>241,507,600</u>	<u>287,681,692</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	113,387,105	87,220,850
Reserves	20,442,341	42,719,880
	<u>133,829,446</u>	<u>129,940,730</u>
Minority interest	<u>2,223,584</u>	<u>1,629,139</u>
Total Equity	<u>136,053,030</u>	<u>131,569,869</u>
Non-current liabilities		
Borrowings	5,663,688	3,187,652
Deferred tax liabilities	6,481,000	6,731,000
	<u>12,144,688</u>	<u>9,918,652</u>
Current liabilities		
Trade and other payables	65,146,614	97,441,435
Borrowings	26,634,422	47,261,703
Taxation	1,528,846	1,490,033
	<u>93,309,882</u>	<u>146,193,171</u>
Total Liabilities	<u>105,454,570</u>	<u>156,111,823</u>
TOTAL EQUITY AND LIABILITIES	<u>241,507,600</u>	<u>287,681,692</u>

(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 Twelve-Month Period Ended 31 October 2009

(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
As at 1 Nov 2008	87,220,100	144,495	6,623,594	(28,849,998)	(4,299,072)	60,538,911	121,378,030	1,874,311	123,252,341
Issue of new shares pursuant to exercise of rights	750						750		750
	87,220,850	144,495	6,623,594	(28,849,998)	(4,299,072)	60,538,911	121,378,780	1,874,311	123,253,091
Profit for the period						7,008,652	7,008,652	359,581	7,368,233
Adoption of FRS 3				28,849,998		(28,849,998)	-		-
Share-based payment			20,786			20,786	20,786		20,786
Dividend paid						(3,017,841)	(3,017,841)		(3,017,841)
Effect of changes in tax rates			164,000			164,000	164,000		164,000
Translation adjustment					4,386,353		4,386,353	(604,753)	3,781,600
As At 31 October 2008	87,220,850	144,495	6,808,380	-	87,281	35,679,724	129,940,730	1,629,139	131,569,869
As at 1 Nov 2008	87,220,850	144,495	6,808,380		87,281	35,679,724	129,940,730	1,629,139	131,569,869
Bonus Issue	26,166,255					(26,166,255)	-		-
Profit for the period						10,400,228	10,400,228	209,886	10,610,114
Adoption of FRS 3							-		-
Share-based payment							-		-
Share-option lapsed		(144,495)	(20,786)			165,281	-		-
Dividend paid						(1,308,322)	(1,308,322)		(1,308,322)
Translation adjustment					(5,203,190)		(5,203,190)	384,559	(4,818,631)
As At 31 October 2009	113,387,105	-	6,787,594	-	(5,115,909)	18,770,656	133,829,446	2,223,584	136,053,030

(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 Twelve-Month Period Ended 31 October 2009**

(These figures have not been audited)

	12 months ended	
	31-Oct-09	31-Oct-08
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	12,935,288	10,335,916
Adjustment for :-		
Depreciation	8,795,343	8,437,356
Amortisation of prepaid lease payments	270,434	307,701
Fixed assets written off	6,757,029	207,568
Other non-cash items	384,559	337,624
Interest expense	1,759,518	2,678,667
Interest income	(209,588)	(642,095)
Operating profit before working capital changes	30,692,583	21,662,737
Changes in working capital		
Inventories	17,517,336	(2,749,911)
Trade and other receivables	15,978,371	(12,644,502)
Trade and other payables	(32,544,821)	5,052,514
Cash generated from operations	31,643,469	11,320,838
Interest paid	(1,759,518)	(2,678,667)
Interest received	209,588	642,095
Tax paid	(2,286,361)	(1,591,211)
NET CASH FLOW FROM OPERATING ACTIVITIES	27,807,178	7,693,055
CASH FLOW FROM INVESTING ACTIVITIES		
Net purchase of fixed assets	(7,297,956)	(18,515,945)
NET CASH USED IN INVESTING ACTIVITIES	(7,297,956)	(18,515,945)
CASH FLOW FROM FINANCING ACTIVITIES		
Net movements in borrowings	(18,151,245)	(3,235,398)
Dividends paid	(1,308,322)	(3,017,841)
Proceed from issuance of shares	-	750
NET CASH FLOW FROM FINANCING ACTIVITIES	(19,459,567)	(6,252,489)
Effect on exchange rate changes	(5,203,190)	586,893
NET CHANGE IN CASH & CASH EQUIVALENTS	(4,153,535)	(16,488,486)
Cash & cash equivalents at beginning of financial year	20,424,148	36,755,773
CASH & CASH EQUIVALENTS AT END OF FINANCIAL YEAR	16,270,613	20,267,287
Cash & cash equivalents comprise the followings :		
Deposits, bank and cash balances	16,270,613	20,424,148
Bank overdraft	-	(156,861.00)
	16,270,613	20,267,287

(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

Pursuant to the implementation of the bonus issues on 8 September 2009, the following shares were issued during the financial quarter ended 31 October 2009:-

	No. of shares of RM1.00 each
Bonus issue	26,166,255

Save for the above, the Company has not issued any other shares or debt 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 October 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:-

	Turnover Year to Date RM'000	Profit / (Loss) Before Tax Year to Date RM'000
Malaysia	149,702	3,597
Vietnam	168,432	12,212
South Africa	9,530	506
China	2,120	(3,380)
	-----	-----
Total	329,784	12,935
	=====	=====

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 October 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 31 October 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 31 October 2009, there are no capital commitments incurred by the Group.

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

As at 31 October 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 31 October 2009 was lower at RM80.17 million compared to the RM105.75 million in the previous year's corresponding quarter ended 31 October 2008. The lower turnover was in line with to the reduced furniture demand, consistent with the global slowdown and subdued housing sector in most economies.

On the manufacturing side, the Group's operations in Vietnam have, for the first time surpassed the Malaysian operations with a cumulative turnover of RM168.43 million for the year ended 31 October 2009. The Malaysian operations registered a lower turnover of RM149.70 million for the same financial year.

In line with the lower turnover, the Group's gross profit dropped to RM6.17 million compared to a gross profit of RM11.44 million for the previous corresponding period ended 31 October 2008. Given the lower manufacturing margins, the Group's profit before taxation for the quarter under review was lower at RM0.39 million compared to RM2.94 million for the previous corresponding quarter ended 31 October 2008. The lower bottom line is attributable mainly to disproportionately higher manufacturing overheads as a result of the lower shipment of furniture, particularly for the Group's operations in Malaysia and China.

The Group's profit before taxation for the full year ended 31 October 2009 was however higher at RM12.94 million compared to RM10.34 million a year ago. The Group's operation in Vietnam again led the way with a sterling profit before taxation of RM12.21 million, more than double the level achieved in the previous year. This helped mitigate the losses sustained by the Group's China operations. The Malaysian operations continued to be profitable for the financial year.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's turnover of RM80.17 million achieved during the quarter under review was marginally higher than the turnover of RM79.58 million for the preceding quarter ended 31 July 2009. Shipments of furniture from Vietnam and Malaysia were essential at the same levels as those achieved in the preceding quarter.

The Group's profit before taxation was however lower at RM0.39 million compared to a profit before taxation of RM3.45 million registered in the preceding quarter ended 31 July 2009. The lower profit was attributable to losses sustained by the Malaysian and China operations, again due to the disproportionately higher manufacturing overheads incurred by these subsidiaries during the period under review. The Group operations' in Vietnam continued to register commendable results for the quarter under review with profit before taxation of RM3.81 million underlining the sustained recovery from the fire incident in November 2008.

The Group sustained a net loss of RM1.44 million for the current quarter due to the disproportionately higher tax of RM1.83 million incurred for the profits made by the Vietnamese and South Africa subsidiaries for which no group tax relieve is available.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

Notwithstanding reports of recuperation, there are still uncertainties in the world economy recovery. However the Group is optimistic to remain profitable albeit the challenging time ahead.

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

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

B5. TAXATION

	Quarter Under Review RM'000	Year To Date RM'000
Current income tax expenses	1,957	2,450
Deferred tax expenses	(125)	(125)
	-----	-----
	1,832	2,325
	=====	=====

B6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments and/or properties for the financial quarter ended 31 October 2009.

B7. QUOTED SECURITIES

There was no purchase or disposal of quoted securities for the financial quarter ended 31 October 2009.

B8. STATUS OF CORPORATE PROPOSALS / UTILISATION OF PROCEEDS

During the financial quarter under review, the Company completed the implementation of the following:-

- the listing of and quotation for the 26,166,255 bonus shares on the BURSA

Save for the above, there were no corporate proposals or utilisation of proceeds announced but not completed as at the date of the report.

B9. GROUP'S BORROWINGS

		As at 31 October 2009 RM'000
Secured Short Term Borrowings		26,634
Secured Long Term Borrowings		5,664

		32,298
		=====
Currency denominations:		
US Dollar	(USD' 000) 1,752	5,977
Vietnam Dong	(VND' 000,000) 22,079	4,217
South Africa Rand	(ZAR' 000) 9,126	4,034

Total Ringgit equivalent	(RM' 000)	14,228
Ringgit borrowings	(RM' 000)	18,070

		32,298
		=====

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group has no other outstanding off balance sheet financial instruments at the end of financial quarter other than the following contracts to sell forward US Dollars in relation to the Group's confirmed sales.

Currency	Outstanding Contract In USD'000	Average Exchange Rate	Equivalent In RM'000	Expiry Month
US Dollar	500	3.6467	1,823	Dec 2009
US Dollar	500	3.6440	1,822	Jan 2010
US Dollar	500	3.6404	1,820	Feb 2010
	-----		-----	
	1,500		5,465	
	=====		=====	

The related accounting policies for the off balance sheet financial instruments are as disclosed in the audited financial statements for the year ended 31 October 2008.

B11. MATERIAL LITIGATION

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

B12. DIVIDEND

For the financial year ended 31 October 2009 the Directors have recommended a first and final gross dividend of 2% for the shareholders' approval at the forthcoming Annual General Meeting of the Company.

a. Type of dividend	:	First and final
b. Amount per share	:	2 sen (gross)
c. Previous corresponding period	:	2 sen (gross)
d. Total dividend for the financial year	:	2 sen (gross)

The dividend entitlement and payment dates for the proposed dividend will be determined, and thereafter announced at a later date.

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.

		Quarter Under Review	Year To Date
Net Profit	(RM'000)	(1,537)	10,400
Weighted average number of shares	('000 shares)	102,579	95,465
Basic earnings per share	(sen)	(1.50)	10.89

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

21 December 2009
Muar, Johor Darul Takzim