

POH HUAT RESOURCES HOLDINGS BERHAD

Condensed Consolidated Income Statement

For The Three-Month Period Ended 31 January 2010

(These figures have not been audited)

	3 months ended		3 months ended	
	31-Jan-10	31-Jan-09	31-Jan-10	31-Jan-09
	RM	RM	RM	RM
Revenue	84,402,035	104,673,272	84,402,035	104,673,272
Cost of sales	(73,611,136)	(89,104,707)	(73,611,136)	(89,104,707)
Gross profit	10,790,899	15,568,565	10,790,899	15,568,565
Other income	1,274,562	741,540	1,274,562	741,540
Selling and distribution expenses	(4,708,408)	(4,601,147)	(4,708,408)	(4,601,147)
Administrative expenses	(3,806,210)	(3,550,412)	(3,806,210)	(3,550,412)
Other operating expenses	(5,500)	(777)	(5,500)	(777)
Profit from operations	3,545,343	8,157,769	3,545,343	8,157,769
Finance costs	(573,365)	(885,471)	(573,365)	(885,471)
Profit before tax	2,971,978	7,272,298	2,971,978	7,272,298
Income tax expense	(427,663)	12,227	(427,663)	12,227
Profit for the period	2,544,315	7,284,525	2,544,315	7,284,525
Attributable to :				
Equity holders of the parent	2,566,924	7,285,753	2,566,924	7,285,753
Minority interest	(22,609)	(1,228)	(22,609)	(1,228)
	2,544,315	7,284,525	2,544,315	7,284,525
Earnings per share attributable to equity holders of the parent :				
Basic (sen)	2.26	8.35	2.26	8.35
Diluted (sen)	2.26	8.35	2.26	8.35

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31st October 2009)

POH HUAT RESOURCES HOLDINGS BERHAD

Condensed Consolidated Balance Sheet

As At 31 January 2010

(These figures have not been audited)

	As At 31-Jan-10 RM	As At 31-Oct-09 RM (restated)
ASSETS		
Non-current assets		
Property, plant and equipment	123,304,726	125,105,994
Prepaid lease payments	16,855,942	16,903,535
Intangible assets	296,148	296,148
Deferred tax assets	23,749	23,749
	<u>140,480,565</u>	<u>142,329,426</u>
Current assets		
Inventories	53,780,298	53,547,030
Trade and other receivables	33,727,664	28,815,335
Deposits, cash and bank balances	20,879,264	16,759,093
	<u>108,387,226</u>	<u>99,121,458</u>
TOTAL ASSETS	<u>248,867,791</u>	<u>241,450,884</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	113,387,105	113,387,105
Reserves	20,773,438	20,040,284
	<u>134,160,543</u>	<u>133,427,389</u>
Minority interest	<u>2,229,976</u>	<u>2,224,916</u>
Total Equity	<u>136,390,519</u>	<u>135,652,305</u>
Non-current liabilities		
Bank Borrowings	4,863,288	4,673,998
Deferred tax liabilities	6,481,000	6,481,000
	<u>11,344,288</u>	<u>11,154,998</u>
Current liabilities		
Trade and other payables	65,878,541	65,604,429
Bank Borrowings	33,920,997	27,510,307
Tax Payable	1,333,446	1,528,845
	<u>101,132,984</u>	<u>94,643,581</u>
Total Liabilities	<u>112,477,272</u>	<u>105,798,579</u>
TOTAL EQUITY AND LIABILITIES	<u>248,867,791</u>	<u>241,450,884</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31st October 2009)

POH HUAT RESOURCES HOLDINGS BERHAD

Condensed Consolidated Statement of Changes in Equity

For The Three-Month Period Ended 31 January 2010

(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	Translation Reserve RM	Retained Profits RM	Total RM	RM	RM
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
Profit for the period					7,285,753	7,285,753	(1,228)	7,284,525
Translation adjustment				(1,431,634)		(1,431,634)	(148,298)	(1,579,932)
At 31 January 2009	87,220,850	144,495	6,808,380	(1,344,353)	42,965,477	135,794,849	1,479,613	137,274,462
As at 1 Nov 2009	113,387,105	-	6,787,594	(5,055,214)	18,307,904	133,427,389	2,224,916	135,652,305
Profit for the period					2,566,924	2,566,924	(22,609)	2,544,315
Translation adjustment				(1,833,770)		(1,833,770)	27,669	(1,806,101)
At 31 January 2010	113,387,105	-	6,787,594	(6,888,984)	20,874,828	134,160,543	2,229,976	136,390,519

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st October 2009)

POH HUAT RESOURCES HOLDINGS BERHAD**Condensed Consolidated Cash Flow Statement****For The Three-Month Period Ended 31 January 2010**

(These figures have not been audited)

	3 months ended	
	31-Jan-10	31-Jan-09
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,971,978	7,272,298
Adjustment for :-		
Amortisation of prepaid lease payments	67,372	67,645
Depreciation	2,171,146	2,119,155
Fixed assets written off	-	6,701,997
Other non-cash items	27,669	(148,298)
Interest expense	368,126	609,054
Interest income	(19,389)	(75,708)
Operating profit before working capital changes	<u>5,586,902</u>	<u>16,546,143</u>
Changes in working capital		
Inventories	(233,268)	13,542,790
Trade and other receivables	(4,912,329)	1,925,236
Trade and other payables	274,112	(20,349,822)
Cash generated from operations	<u>715,417</u>	<u>11,664,347</u>
Interest paid	(368,126)	(609,054)
Interest received	19,389	75,708
Tax paid	(623,062)	(54,395)
NET CASH FLOW FROM OPERATING ACTIVITIES	(256,382)	11,076,606
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(389,657)	(1,071,017)
NET CASH USED IN INVESTING ACTIVITIES	(389,657)	(1,071,017)
CASH FLOW FROM FINANCING ACTIVITIES		
Net movements in borrowings	6,599,980	(9,140,583)
Proceed from issuance of shares	0	0
Dividend paid	0	0
NET CASH FLOW FROM FINANCING ACTIVITIES	6,599,980	(9,140,583)
Effect on exchange rate changes	(1,833,770)	(1,431,634)
NET CHANGE IN CASH & CASH EQUIVALENTS	4,120,171	(566,628)
Cash & cash equivalents at beginning of financial year	16,759,093	20,424,148
CASH & CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>20,879,264</u>	<u>19,857,520</u>
Cash & cash equivalents comprise the followings :		
Deposits, bank and cash balances	20,879,264	19,857,520
Fixed deposit pledged to bank as collateral	-	-
	<u>20,879,264</u>	<u>19,857,520</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31st October 2009)

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 2009.

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 2009.

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 2009.

A3. AUDITOR’S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor’s report on the financial statements for the year ended 31 October 2009 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 not been authorised by shareholders to re-purchase its own shares. As such, there are no shares being purchased, resold, cancelled or retained as treasury shares by the Company

A8. DIVIDENDS PAID

No dividends were paid for the quarter ended 31 January 2010.

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	Profit / (Loss)
	Year to Date	Before Tax
	RM'000	Year to Date
		RM'000
Malaysia	37,194	514
Vietnam	45,151	2,883
South Africa	1,847	(46)
China	210	(379)
	-----	-----
Total	84,402	2,972
	=====	=====

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 2010 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 2010.

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 2009.

A14. CAPITAL COMMITMENT

As at 31 January 2010, there are no capital commitments incurred by the Group.

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

As at 31 January 2010, 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 2010 decreased to RM84.40 million compared to the RM104.67 million recorded in the previous year's corresponding quarter ended 31 January 2009. The lower turnover was in line with the reduced furniture demand, consistent with the global economic slowdown and subdued housing sector in most economies.

In line with the lower turnover, the gross profit of the Group drop from RM15.57 million for the previous corresponding period ended 31 January 2009 to RM10.79 million for the current quarter under review. Notwithstanding the lower gross profit, the Malaysian and Vietnamese operations turned in commendable results with profit before taxation of RM0.51 million and RM2.88 million respectively. This helps mitigate the losses incurred by the South Africa and China subsidiaries.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's turnover of RM84.40 million achieved during the quarter under review was higher than the turnover of RM80.17 million for the preceding quarter ended 31 October 2009. The higher turnover was due to the gradual recovery in shipment of furniture to US market as distributors in the US increased orders toward the year end festive seasons.

The profit before taxation improved significantly from RM0.96 million in the preceding quarter to RM2.97 million in the current quarter. This improvement was largely due to higher level of factory utilisation, higher RM sales proceeds realised as a result of the stronger US Dollar exchange rate during the months of November and December 2009.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

Despite the implementation of various regulatory changes and economic stimulus packages, there are lingering uncertainties over the wellbeing of the world economy. High levels of unemployment, tight credit markets and concerns emanating from the Middle East will continue to dampen consumption and prolong the pace of recovery.

On the positive note, housing starts in the US, a key indicator for future demand of household finishing, have registered slow but sustained recovery over the last few months. Business confidence has **also** risen steadily in recent months, lead by improvement in the financial markets and upturn on manufacturing output.

While we do not expect a quick recovery, we are confident that the global economy and the furniture market will turn the corner. To prepare ourselves for better times ahead, we will continue with our efforts to tackle raising costs, improve manufacturing efficiency and actively pursue 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

	Quarter Under Review RM'000	Year To Date RM'000
Current income tax expenses	428	428
Deferred tax expenses	-	-
	-----	-----
	428	428
	=====	=====

B6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

On 7 December 2009, a wholly-owned subsidiary of the Company, Poh Huat International Sdn Bhd, entered into a Sale and Purchase agreement for the acquisition of 0.3794 hectare of freehold vacant land identified as GM No. 1483, Lot No. 110, Mukim Sungai Terap, District of Muar for total cash consideration of RM 380,000. The final payment was made on 2 March 2010.

B7. QUOTED SECURITIES

There was no purchase or disposal of quoted securities for the financial quarter ended 31 January 2010.

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

		As at 31 January 2010 RM'000
Secured Short Term Borrowings		33,921
Secured Long Term Borrowings		4,863

		38,784
		=====
Currency denominations:		
US Dollar	(USD' 000) 2,709	9,231
Vietnam Dong	(VND' 000,000) 21,138	3,910
South Africa Rand	(ZAR' 000) 8,980	4,018

Total Ringgit equivalent	(RM' 000)	17,159
Ringgit borrowings	(RM' 000)	21,625

		38,784
		=====

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no financial instruments with off balance sheet during the financial quarter ended 31 January 2010.

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 2010

B13. EARNINGS PER SHARE

Basic earnings per share

A 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)	2,567	2,567
Weighted average number of shares	('000 shares)	113,387	113,387
Basic earnings per share	(sen)	2.26	2.26

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 March 2010
Muar, Johor Darul Takzim