

POH HUAT RESOURCES HOLDINGS BERHAD

Condensed Consolidated Income Statement

For The Six-Month Period Ended 30 April 2010

(These figures have not been audited)

	3 months ended		6 months ended	
	30-Apr-10 RM	30-Apr-09 RM	30-Apr-10 RM	30-Apr-09 RM
Revenue	74,247,056	65,365,444	158,649,091	170,038,715
Cost of sales	(63,618,334)	(56,108,187)	(137,229,470)	(145,212,894)
Gross profit	10,628,722	9,257,257	21,419,621	24,825,821
Other income / (expenses)	182,946	218,878	361,835	479,254
Selling and distribution expenses	(4,388,719)	(4,116,357)	(9,097,127)	(8,717,504)
Administrative expenses	(3,552,985)	(3,447,834)	(7,359,194)	(6,998,246)
Other operating income / (expenses)	(925,751)	488,103	164,422	968,490
Profit from operations	1,944,213	2,400,047	5,489,557	10,557,815
Finance costs	(510,064)	(577,476)	(1,083,429)	(1,462,947)
Profit before tax	1,434,149	1,822,571	4,406,128	9,094,868
Income tax expense	(372,825)	(329,163)	(800,488)	(316,936)
Profit for the period	1,061,324	1,493,408	3,605,640	8,777,932
Attributable to :				
Equity holders of the parent	969,933	1,325,814	3,536,858	8,611,566
Minority interest	91,391	167,594	68,782	166,366
	1,061,324	1,493,408	3,605,640	8,777,932
Earnings per share attributable to equity holders of the parent :				
Basic (sen)	0.86	1.52	3.12	9.87
Diluted (sen)	0.86	1.52	3.12	9.87

(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 30 April 2010

(These figures have not been audited)

	As At 30-Apr-10 RM	As At 31-Oct-09 RM (restated)
ASSETS		
Non-current assets		
Property, plant and equipment	117,400,877	125,105,994
Prepaid lease payments	16,354,573	16,903,535
Intangible assets	296,148	296,148
Deferred tax assets	0	23,749
	<u>134,051,598</u>	<u>142,329,426</u>
Current assets		
Inventories	58,001,766	53,547,030
Trade and other receivables	31,865,863	28,815,335
Deposits, cash and bank balances	17,615,717	16,759,093
	<u>107,483,346</u>	<u>99,121,458</u>
TOTAL ASSETS	<u>241,534,944</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	15,052,323	20,040,284
	<u>128,439,428</u>	<u>133,427,389</u>
Minority interest	<u>2,246,760</u>	<u>2,224,916</u>
Total Equity	<u>130,686,188</u>	<u>135,652,305</u>
Non-current liabilities		
Bank Borrowings	4,585,208	4,673,998
Deferred tax liabilities	6,481,000	6,481,000
	<u>11,066,208</u>	<u>11,154,998</u>
Current liabilities		
Trade and other payables	61,583,807	65,604,429
Bank Borrowings	36,988,240	27,510,307
Tax Payable	1,210,501	1,528,845
	<u>99,782,548</u>	<u>94,643,581</u>
Total Liabilities	<u>110,848,756</u>	<u>105,798,579</u>
TOTAL EQUITY AND LIABILITIES	<u>241,534,944</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 Six-Month Period Ended 30 April 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					8,611,566	8,611,566	166,366	8,777,932
Translation adjustment				(2,169,298)		(2,169,298)	95,593	(2,073,705)
At 30 April 2009	87,220,850	144,495	6,808,380	(2,082,017)	44,291,290	136,382,998	1,891,098	138,274,096
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					3,536,858	3,536,858	68,782	3,605,640
Translation adjustment				(8,524,819)		(8,524,819)	(46,938)	(8,571,757)
At 30 April 2010	113,387,105	-	6,787,594	(13,580,033)	21,844,762	128,439,428	2,246,760	130,686,188

(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 Six-Month Period Ended 30 April 2010

(These figures have not been audited)

	6 months ended	
	30-Apr-10	30-Apr-09
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,406,128	9,094,868
Adjustment for :-		
Amortisation of prepaid lease payments	134,521	135,355
Depreciation	4,326,764	4,205,769
Fixed assets written off	14,339	6,757,029
Other non-cash items	(46,938)	95,593
Interest expense	689,310	993,760
Interest income	(44,198)	(133,410)
Operating profit before working capital changes	9,479,926	21,148,964
Changes in working capital		
Inventories	(4,454,736)	20,366,047
Trade and other receivables	(3,050,528)	5,935,241
Trade and other payables	(4,020,622)	(40,564,957)
Cash generated from operations	(2,045,960)	6,885,295
Interest paid	(689,310)	(993,760)
Interest received	44,198	133,410
Tax paid	(1,118,832)	(509,483)
NET CASH FLOW FROM OPERATING ACTIVITIES	(3,809,904)	5,515,462
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,418,344)	(710,934)
NET CASH USED IN INVESTING ACTIVITIES	(4,418,344)	(710,934)
CASH FLOW FROM FINANCING ACTIVITIES		
Net movements in borrowings	9,389,143	(11,048,555)
Proceed from issuance of shares	-	-
Dividend paid	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	9,389,143	(11,048,555)
Effect on exchange rate changes	(304,271)	(2,169,298)
NET CHANGE IN CASH & CASH EQUIVALENTS	856,624	(8,413,325)
Cash & cash equivalents at beginning of financial year	16,759,093	20,424,148
CASH & CASH EQUIVALENTS AT END OF FINANCIAL YEAR	17,615,717	12,010,823
Cash & cash equivalents comprise the followings :		
Deposits, bank and cash balances	17,615,717	12,010,823
Fixed deposit pledged to bank as collateral	-	-
	17,615,717	12,010,823

(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 30 April 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	74,847	716
Vietnam	79,107	4,741
South Africa	4,044	140
China	651	(1,191)
	-----	-----
Total	158,649	4,406
	=====	=====

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

On 31 May 2010, one of the factory buildings belonging to Poh Huat Furniture Industries Vietnam Joint Stock Company, a major subsidiary of the Company, was destroyed in a fire incident. The factory building, located in the Group's manufacturing facilities Dong Nai, Vietnam comprises 2 contiguous blocks of warehouse measuring approximately 20,000 sq meters were used for warehousing of finished goods inventory. Factory buildings and the inventories of finished goods were damaged.

The factory buildings, electrical and ancillary installations and the inventories of finished goods are insured. The Company is currently working with its insurers and adjusters to ascertain the actual extent and quantum of the damage caused by the fire. The book value of the assets and stocks destroyed by the fire is approximately USD5.00 million.

Save for the above, there were no materials events subsequent to the period ended 30 April 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 30 April 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 30 April 2010, there are no capital commitments incurred by the Group.

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

As at 30 April 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 30 April 2010 increased to RM74.25 million compared to the RM65.37 million recorded in the previous year's corresponding quarter ended 30 April 2009. The increase in turnover is attributable to the increase in shipment of furniture from both the Malaysian and Vietnamese operations despite the continued weaknesses in the global economic conditions.

In line with the higher turnover, gross profit increased substantially from RM9.26 million for the previous corresponding period ended 30 April 2009 to RM10.63 million for the current quarter under review.

The higher gross profit notwithstanding, the Group profit before taxation was lower at RM1.43 million compared to profit before tax of RM1.82 million achieved in the previous corresponding quarter ended 30 April 2009. The lower profit before taxation was attributable mainly to the foreign exchange loss of RM0.89 million realised during the quarter under review compared to a realised foreign exchange gain of RM0.48 million in the previous corresponding period.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's turnover of RM74.25 million achieved during the quarter under review was lower than the turnover of RM84.40 million for the preceding quarter ended 31 January 2010. The lower turnover is attributable to the lower levels of production and shipment of furniture during the festive month of February 2010.

Notwithstanding the lower sales, gross profits continued to be healthy at RM10.63 million compared to RM10.79 million achieved in the preceding quarter. The higher margin is attributable to the shipment of higher value items from our Vietnamese operations during the quarter.

Notwithstanding the strong manufacturing results, the profit before taxation was lower at RM1.43 million compared to RM2.97 million achieved in the preceding quarter ended 31 January 2010. The lower profit level is attributable to the exchange loss of RM0.89 million realised during the quarter under review compared to a realised foreign exchange gain of RM0.96 million in the preceding quarter.

The Vietnamese operations again contributed the bulk of the profits whilst the Malaysian and South Africa operations remained to be profitable during the quarter under review. However the China operation incurred a loss during the quarter.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

The global outlook for the current year continues to be uncertain. The unfolding of the debt crisis in certain members of the European Union has again destabilised global markets and put a damper on investors and consumers' confidence. In the US employment and housing data have also slowed in the recent months. There are now concerns that developed nations can no longer support large scale monetary and fiscal stimulus policy and economic recovery will take much longer as they work out their debt problems.

Operationally, the recent fire incident in Dong Nai plant will likely have an unfavourable impact on the Group due to the loss of sales/profits arising from the finished goods being destroyed as the insurance compensation for these business losses will likely materialise only in the next financial year. The book value of the assets destroyed is estimated to be approximately USD5.00 million.

The above notwithstanding, the Group remained confident of the recovery of the global furniture trade. The Group continued to enjoy sustained orders from existing and new customers, thus ensuring high production levels at both the Malaysian and Vietnamese operations. The business interruption arising from the fire incident in Dong Nai, Vietnam has been minimum as the Dong Nai plant resumed full operations two (2) days after the fire incident and is currently operating 2 shifts to increase production.

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	373	800
Deferred tax expenses	-	-
	-----	-----
	373	800
	=====	=====

B6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments and/or properties during the financial quarter ended 30 April 2010.

B7. QUOTED SECURITIES

There was no purchase or disposal of quoted securities for the financial quarter ended 30 April 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 30 April 2010 RM'000
Secured Short Term Borrowings		36,988
Secured Long Term Borrowings		4,585

		41,573
		=====
Currency denominations:		
US Dollar	(USD' 000) 4,394	13,989
Vietnam Dong	(VND' 000,000) 880	148
South Africa Rand	(ZAR' 000) 8,760	3,795

Total Ringgit equivalent	(RM' 000)	17,932
Ringgit borrowings	(RM' 000)	23,641

		41,573
		=====

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no financial instruments with off balance sheet during the financial quarter ended 30 April 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 30 April 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)	970	3,537
Weighted average number of shares	('000 shares)	113,387	113,387
Basic earnings per share	(sen)	0.86	3.12

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

26 June 2010
Muar, Johor Darul Takzim