

## POH HUAT RESOURCES HOLDINGS BERHAD

### Condensed Consolidated Income Statement

For The Nine-Month Period Ended 31 July 2010

(These figures have not been audited)

	3 months ended		9 months ended	
	31-Jul-10 RM	31-Jul-09 RM	31-Jul-10 RM	31-Jul-09 RM
Revenue	89,808,035	79,576,248	248,457,126	249,614,963
Cost of sales	(75,157,512)	(68,112,639)	(212,386,982)	(213,325,533)
Gross profit	14,650,523	11,463,609	36,070,144	36,289,430
Other income / (expenses)	165,691	196,320	527,526	675,575
Selling and distribution expenses	(4,958,925)	(4,001,915)	(14,056,052)	(12,719,419)
Administrative expenses	(3,930,909)	(3,540,878)	(11,290,103)	(10,539,125)
Other operating income / (expenses)	507,991	(123,748)	672,413	844,742
Profit from operations	6,434,371	3,993,388	11,923,928	14,551,203
Finance costs	(661,149)	(547,835)	(1,744,578)	(2,010,782)
Profit before tax	5,773,222	3,445,553	10,179,350	12,540,421
Income tax expense	(378,676)	(176,042)	(1,179,164)	(492,978)
Profit for the period	<b>5,394,546</b>	<b>3,269,511</b>	<b>9,000,186</b>	<b>12,047,443</b>
Attributable to :				
Equity holders of the parent	5,395,913	3,325,885	8,932,771	11,937,451
Minority interest	(1,367)	(56,374)	67,415	109,992
	<b>5,394,546</b>	<b>3,269,511</b>	<b>9,000,186</b>	<b>12,047,443</b>
Earnings per share attributable to equity holders of the parent :				
Basic (sen)	4.76	3.81	7.88	13.69
Diluted (sen)	4.76	3.81	7.88	13.69

**(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 July 2010**

(These figures have not been audited)

	<b>As At 31-Jul-10 RM</b>	<b>As At 31-Oct-09 RM (restated)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	114,398,388	125,105,994
Prepaid lease payments	16,399,203	16,903,535
Intangible assets	296,148	296,148
Deferred tax assets	0	23,749
	<u>131,093,739</u>	<u>142,329,426</u>
<b>Current assets</b>		
Inventories	61,159,437	53,547,030
Trade and other receivables	45,441,544	28,815,335
Deposits, cash and bank balances	21,866,638	16,759,093
	<u>128,467,619</u>	<u>99,121,458</u>
<b>TOTAL ASSETS</b>	<b><u>259,561,358</u></b>	<b><u>241,450,884</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	113,387,105	113,387,105
Reserves	18,523,690	20,040,284
	<u>131,910,795</u>	<u>133,427,389</u>
<b>Minority interest</b>	<u>2,265,448</u>	<u>2,224,916</u>
<b>Total Equity</b>	<u>134,176,243</u>	<u>135,652,305</u>
<b>Non-current liabilities</b>		
Bank Borrowings	4,573,359	4,673,998
Deferred tax liabilities	6,481,000	6,481,000
	<u>11,054,359</u>	<u>11,154,998</u>
<b>Current liabilities</b>		
Trade and other payables	74,329,569	65,604,429
Bank Borrowings	39,771,511	27,510,307
Tax Payable	229,676	1,528,845
	<u>114,330,756</u>	<u>94,643,581</u>
<b>Total Liabilities</b>	<u>125,385,115</u>	<u>105,798,579</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>259,561,358</u></b>	<b><u>241,450,884</u></b>

(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 Nine-Month Period Ended 31 July 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					11,937,451	11,937,451	109,992	12,047,443
Dividend Paid					(1,308,322)	(1,308,322)		(1,308,322)
Translation adjustment				(2,523,782)		(2,523,782)	270,031	(2,253,751)
<b>At 31 July 2009</b>	<b>87,220,850</b>	<b>144,495</b>	<b>6,808,380</b>	<b>(2,436,501)</b>	<b>46,308,853</b>	<b>138,046,077</b>	<b>2,009,162</b>	<b>140,055,239</b>
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					8,932,771	8,932,771	67,415	9,000,186
Dividend Paid					(1,700,803)	(1,700,803)		(1,700,803)
Translation adjustment				(8,748,562)		(8,748,562)	(26,883)	(8,775,445)
<b>At 31 July 2010</b>	<b>113,387,105</b>	<b>-</b>	<b>6,787,594</b>	<b>(13,803,776)</b>	<b>25,539,872</b>	<b>131,910,795</b>	<b>2,265,448</b>	<b>134,176,243</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 2009)

# POH HUAT RESOURCES HOLDINGS BERHAD

## Condensed Consolidated Cash Flow Statement

For The Nine-Month Period Ended 31 July 2010

(These figures have not been audited)

	9 months ended	
	31-Jul-10	31-Jul-09
	RM	RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	10,179,350	12,540,421
Adjustment for :-		
Amortisation of prepaid lease payments	201,596	202,964
Depreciation	6,488,090	6,177,851
Fixed assets written off	14,339	6,757,029
Other non-cash items	(26,883)	270,031
Interest expense	1,138,753	1,321,526
Interest income	(65,258)	(186,516)
Operating profit before working capital changes	17,929,987	27,083,306
Changes in working capital		
Inventories	(7,612,407)	16,545,910
Trade and other receivables	(16,626,209)	6,104,889
Trade and other payables	8,725,140	(32,700,047)
Cash generated from operations	2,416,511	17,034,058
Interest paid	(1,138,753)	(1,321,526)
Interest received	65,258	186,516
Tax paid	(2,478,333)	(1,002,327)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(1,135,317)</b>	<b>14,896,721</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,755,287)	(5,415,466)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(3,755,287)</b>	<b>(5,415,466)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net movements in borrowings	12,160,565	(7,205,742)
Proceed from issuance of shares	-	-
Dividend paid	(1,700,803)	(1,308,322)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>10,459,762</b>	<b>(8,514,064)</b>
Effect on exchange rate changes	(461,613)	(2,523,782)
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	<b>5,107,545</b>	<b>(1,556,591)</b>
Cash & cash equivalents at beginning of financial year	16,759,093	20,424,148
<b>CASH &amp; CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>21,866,638</b>	<b>18,867,557</b>
<b>Cash &amp; cash equivalents comprise the followings :</b>		
Deposits, bank and cash balances	21,866,638	18,867,557
Fixed deposit pledged to bank as collateral	-	-
	<b>21,866,638</b>	<b>18,867,557</b>

(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**

The Company had on 21 May 2010 paid dividends totalling RM1,700,803 being the first and final taxable dividend of 2% less 25% tax for the financial year 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:-

	<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	121,210	841
Vietnam	119,251	11,143
South Africa	6,328	138
China	1,668	(1,943)
	-----	-----
<b>Total</b>	<b>248,457</b>	<b>10,179</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 31 July 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 July 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 July 2010, there are no capital commitments incurred by the Group.

**A15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

As at 31 July 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 July 2010 increased to RM89.81 million compared to RM79.58 million recorded in the previous year's corresponding quarter ended 31 July 2009. The increase in turnover is driven mainly by the increase in shipment of furniture from Malaysia. The total turnover achieved by the other subsidiaries was marginally lower compared to the previous corresponding period.

In line with the higher turnover, gross profit increased substantially from RM11.46 million for the previous corresponding period ended 31 July 2009 to RM14.65 million for the current quarter under review. The higher profit margin for the current quarter was mainly attributable to the better product mix and the improvements in production efficiency from the full operations of the 2 factories in Vietnam.

The Group's profit before taxation for the quarter under review was also higher at RM5.77 million compared to RM3.45 million in the previous year's corresponding quarter ended 31 July 2009. Again the Vietnamese operations contributed the bulk of the profits with a pre tax profit of RM6.40 million. The Malaysian operations managed to turnaround with a profit before taxation of RM0.25 million in the current quarter. The Group however sustained losses in its South African and China operations.

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

The Group's turnover for quarter under review was also significantly higher at RM89.81 million compared to the turnover of RM74.25 million for the preceding quarter ended 30 April 2010. The improved performance was attributable mainly to the significantly higher turnover achieved by both the Malaysian and Vietnamese operations. Shipment to the US from both the Malaysian and Vietnamese operations increased during the quarter despite weaker economic conditions in the US.

In line with the higher turnover, the Group achieved a significantly higher profit before taxation RM5.77 million compared to RM1.43 million achieved in the preceding quarter ended 30 April 2010. Vietnam again contributed the most to the improved performance with a substantial higher profit before taxation of RM6.40 million. During the quarter under review, China registered a lower level of loss whilst the profitability of the Malaysian and South Africa subsidiaries deteriorated slightly lower compared to those achieved in the preceding quarter.



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

Recent economic indicators from the US, Europe and rest of the world suggest a certain level of stability in the global economy. US registered strong productivity improvements as workers in the US work longer hours. Expected increases in home sales and purchase of durable goods for the month of August 2010 also suggest that the worst may be over for the US market. The debt crisis in Europe has also abated after governments in the EU undertook austerity measures to reign in government spending and budget deficits.

These positive developments notwithstanding, the global economy continue to face headwind with high unemployment rate, resources overhang and general weak consumer confidence in the Western economies. Global recovery is expected to be slow as affected economies continue to work their way out economic crisis.

With the risk of the global economy slipping back into recession now lower, the Group is optimistic of a good level of performance of for remaining quarter ending 31 October 2010. Going forward, the Group continued to enjoy sustained level of orders for both its subsidiaries in Malaysia and Vietnam and is working earnestly to improve the performance of its China and South African subsidiaries.

### **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	379	1,179
Deferred tax expenses	-	-
	-----	-----
	379	1,179
	=====	=====

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

There were no sales of unquoted investments and/or properties during the financial quarter ended 31 July 2010.

**B7. QUOTED SECURITIES**

There was no purchase or disposal of quoted securities for the financial quarter ended 31 July 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**

		<b>As at 31 July 2010 RM'000</b>
Secured Short Term Borrowings		39,772
Secured Long Term Borrowings		4,573
		-----
		44,345
		=====
Currency denominations:		
US Dollar	(USD' 000) 5,359	17,052
Vietnam Dong	(VND' 000,000) 1,654	276
South Africa Rand	(ZAR' 000) 8,667	3,788
		-----
Total Ringgit equivalent	(RM' 000)	21,116
Ringgit borrowings	(RM' 000)	23,229
		-----
		44,345
		=====

**B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

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

		<b>Quarter Under Review</b>	<b>Year To Date</b>
Net Profit	(RM'000)	5,396	8,933
Weighted average number of shares	('000 shares)	113,387	113,387
Basic earnings per share	(sen)	4.76	7.88

### ***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

28 September 2010  
Muar, Johor Darul Takzim