POH HUAT RESOURCES HOLDINGS BERHAD (443169-x)
Condensed Consolidated Statement of Comprehensive Income
For The Quarter Ended 31 January 2011 - Unaudited

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Jan-11	31-Jan-10 (restated)	31-Jan-11	31-Jan-10 (restated)
	RM	RM	RM	RM
Continuing Operations				
Revenue	94,039,357	84,402,035	94,039,357	84,402,035
Cost of Sales	(84,343,965)	(73,611,136)	(84,343,965)	(73,611,136)
Gross Profit	9,695,392	10,790,899	9,695,392	10,790,899
Selling and distribution expenses	(4,670,368)	(4,708,408)	(4,670,368)	(4,708,408)
Administration expenses	(4,262,000)	(3,806,210)	(4,262,000)	(3,806,210)
Finance costs	(527,209)	(573,365)	(527,209)	(573,365)
Other income / (expenses)	522,215	1,269,062	522,215	1,269,062
Profit / (Loss) before taxation	758,030	2,971,978	758,030	2,971,978
Income tax expenses	(175,062)	(427,663)	(175,062)	(427,663)
Profit / (Loss) for the period	**582,968**	**2,544,315**	**582,968**	**2,544,315**
Other Comprehensive Income net of tax	(1,508,446)	(1,806,101)	(1,508,446)	(1,806,101)
Total Comprehensive Income for the period	**(925,478)**	**738,214**	**(925,478)**	**738,214**
Profit / (Loss) attributable to :				
Owners of the Parent	653,519	2,566,924	653,519	2,566,924
Non-Controlling Interest	(70,551)	(22,609)	(70,551)	(22,609)
	582,968	**2,544,315**	**582,968**	**2,544,315**
Total Comprehensive Income attributable to :				
Owners of the Parent	(761,060)	733,154	(761,060)	733,154
Non-Controlling Interest	(164,418)	5,060	(164,418)	5,060
	(925,478)	**738,214**	**(925,478)**	**738,214**
Basic Earnings Per Share (in sen)	0.58	2.26	0.58	2.26

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2010)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-x)
Condensed Consolidated Statement of Financial Position - Unaudited
As At 31 January 2011

	Unaudited As At 31-Jan-11 RM	Audited As At 31-Oct-10 (restated) RM
ASSETS		
Non-current assets		
Property, plant and equipment	129,777,815	130,881,895
Intangible assets	296,148	296,148
	130,073,963	131,178,043
Current assets		
Inventories	51,298,401	58,622,835
Trade and other receivables	34,890,672	39,015,323
Deposits, cash and bank balances	15,320,600	23,265,280
	101,509,673	120,903,438
TOTAL ASSETS	**231,583,636**	**252,081,481**
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	113,387,105	113,387,105
Revaluation reserve	6,787,594	6,787,594
Translation reserve	(16,670,379)	(15,255,800)
Retained profits	27,985,687	27,332,168
	131,490,007	132,251,067
Non-controlling interest	2,131,367	2,295,785
TOTAL EQUITY	133,621,374	134,546,852
Non-current liabilities		
Bank borrowings	3,627,754	4,220,100
Deferred tax liabilities	6,680,000	6,680,000
	10,307,754	10,900,100
Current liabilities		
Trade and other payables	56,552,202	71,509,000
Bank borrowings	31,026,436	35,045,832
Tax payable	75,870	79,235
Dividend payable	-	462
	87,654,508	106,634,529
Total Liabilities	97,962,262	117,534,629
TOTAL EQUITY AND LIABILITIES	**231,583,636**	**252,081,481**

(The Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2010)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-x)
Condensed Consolidated Statement of Changes In Equity
For The Period Ended 31 January 2011 - Unaudited

	Attributable to Owners of the Parent						
	<------------------Non-distributable ---------------->			Distributable			
	Share Capital RM	**Revaluation Reserve RM**	**Translation Reserve RM**	**Retained Profits RM**	**Total RM**	**Non-Controlling Interest RM**	**Total Equity RM**
Balance as at 1 November 2009	113,387,105	6,787,594	(5,055,214)	18,307,904	133,427,389	2,224,916	135,652,305
Total comprehensive income for the period			(1,833,770)	2,566,924	733,154	5,060	738,214
Balance as 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
Balane as at 1 November 2010	113,387,105	6,787,594	(15,255,800)	27,332,168	132,251,067	2,295,785	134,546,852
Total comprehensive income for the period			(1,414,579)	653,519	(761,060)	(164,418)	(925,478)
Balance as at 31 January 2011	**113,387,105**	**6,787,594**	**(16,670,379)**	**27,985,687**	**131,490,007**	**2,131,367**	**133,621,374**

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2010)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-x)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 31 January 2011 - Unaudited

	31-Jan-11 RM	31-Jan-10 RM
Cash flows from operating activities		
Profit / (Loss) before tax	758,030	2,971,978
Adjustments for :		
Depreciation and amortisation	2,184,944	2,238,518
Property, plant and equipment written off	1,163	-
(Gain) / Loss on disposal of property, plant and equipment	(44,998)	-
Other non-cash items	(93,867)	27,669
Interest income and expenses	302,583	348,737
Operating profit / (loss) before changes in working capital	3,107,855	5,586,902
Net change in current assets	11,449,085	(5,145,597)
Net change in current liabilities	(14,956,798)	274,112
Net income tax paid	(178,427)	(623,062)
Interest paid	(302,583)	(348,737)
Net cash from operating activities	**(880,868)**	**(256,382)**
Net cash from investing activities	**(2,275,371)**	**(389,657)**
Cash flow from financing activities		
Net movements in borrowings	(4,611,742)	6,599,980
Dividend paid	(462)	-
Net cash from financing activities	**(4,612,204)**	**6,599,980**
Effect on exchange rate changes	(176,237)	(1,833,770)
Net change in cash and cash equivalents	(7,944,680)	4,120,171
Cash and cash equivalents at beginning of financial year	23,265,280	16,759,093
Cash and cash equivalents at end of the period	**15,320,600**	**20,879,264**
Cash and cash equivalents at end of the period consists of		
Bank and cash balances	15,320,600	20,879,264
Less: Bank overdrafts	-	-
	15,320,600	**20,879,264**

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2010)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. ACCOUNTING POLICIES

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 October 2010. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 October 2010, except for the followings :

FRS 7, Financial Instruments: Disclosure.
FRS 101 (revised), Presentation of Financial Statements.
FRS 123 (revised), Borrowing Costs
FRS 132, Financial Instruments: Presentation
FRS 139, Financial Instruments: Recognition and Measurement.
IC Interpretation 9, Reassessment of Embedded Derivatives
IC Interpretation 10, Impairment and Interim Financial Reporting
Amendments to FRS 5, 8, 107,108,110,116,117,118,119,123, 127, 128, 134, 136, 138
Amendments to FRS 139, 140
IC Interpretations 9, 10, 17

The principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are set out below:

(i) FRS 101(revised), Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The effects of the changes in presentation are as follows:

(a) The gains and losses that were previously recognised directly in the statement of changes in equity in the preceding financial year's corresponding period are presented as components in Other Comprehensive Income in the statement of comprehensive income.

(b) The total comprehensive income for the preceding financial year's corresponding period is presented separately and allocation is made to show the amount attributable to owners of the parent and to non-controlling interests.

Total Comprehensive Income for the financial period is presented as a one-line item in the statement of changes in equity.

(ii) ***FRS 139: Financial instruments: Recognition and Measurement***

Prior to the adoption of FRS 139, financial derivatives were recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and liabilities, including derivatives, are recognised at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provision of the instruments.

With the adoption of FRS 139, financial assets and financial liabilities recognised and unrecognised in the prior financial year are classed into the following categories:

	Pre-FRS 139	Post- FRS 139
1	Long term equity investment	Available for sales investment
2	Current investment	Financial assets at fair value through profit or loss
3	Unrecognised derivative assets	Financial assets at fair value through profit or loss
4	Long term borrowings	Financial liabilities at amortised cost
5	Unrecognised derivative liabilities	Financial liabilities at fair value through profit or loss

The measurement bases applied to the financial assets and liabilities in the prior financial year were changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments.

Subsequent to their initial recognition, the financial assets and liabilities are measured as follows:

	Category	Measurement basis
1	Financial instruments at fair value through profit or loss	At fair value through profit or loss
2	Held to maturity investments	At amortised cost effective interest method
3	Loans and receivable	At amortised cost effective interest method
4	Available for sales investments	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
5	Loans and other financial liabilities	At amortised cost effective interest method

All financial assets other than those classified as at fair value through profit or loss are subject to impairment test of FRS 139.

In accordance with FRS 139, the recognition, de-recognition and measurement requirements are applied prospectively from 1 November 2010. The effects of the re-measurement on 1 November 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits and other operating reserves as disclosed in the statement of changes in equity. There was no effect of the reclassification to the comparative of the prior financial year’s consolidated statement of financial position in the financial quarter under review.

(iii) FRS 7, Financial Instrument: Disclosures

Prior to the adoption of FRS 7, the disclosures for financial instruments were based on the requirements of the original FRS 132, Financial Instruments: Disclosure and Presentation. With the adoption of FRS 7, financial assets and financial liabilities are disclosed in the statement of financial position based on their respective classifications. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures are required in these interim financial statements.

(iv) IC Interpretation 10, Impairment and Interim Financial Reporting

Prior to the adoption of IC Interpretation 10, impairment losses for equity investment recognised in an earlier interim period were reversed in a later interim period when tests revealed that the losses have reversed. With the adoption of IC Interpretation 10 and FRS 139 on 1 November 2010, the policy has been changed to conform to the impairment requirements of FRS 139. Impairment losses recognised for available for sale equity investments in an interim period are not reversed in a subsequent interim period. This change in basis has no effect to the profit or loss of the current reporting period.

(v) Amendment to FRS 117, Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, the Group has reassessed and determined that all leasehold land of the Group which is in substance financial leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment. The reclassification has no effect to the profit or loss of the current financial reporting period or the comparative prior financial period. The effect of the reclassification to the comparative of the prior financial year's consolidated statement of financial position is as follows:

31 October 2010	As previously reported (RM)	Reclassification (RM)	As restated (RM)
Prepaid lease payment	16,186,349	(16,186,349)	-
Property, plant & equipment	114,695,546	16,186,349	130,881,895

The adoption of the other new and revised FRSs, IC Interpretations and Amendments have no effect to the Group's consolidated financial statements of the current quarter or the comparative consolidated financial statements of the prior financial year.

The Group has not adopted any new/revised FRSs that have been issued as at the date of authorisation of these Interim Financial Statements but are not yet effective for the Group.

A2. 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.

A3. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE AND INCIDENCE

No unusual items of nature, size or incidence that affect the assets, liabilities, equity, net income or cash flow of the Group during the reporting period.

A4. MATERIAL CHANGES IN ESTIMATES

No material changes in estimates of amounts reported in prior interim periods of the current or previous financial year.

A5. 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.

A6. DIVIDEND PAID

No dividend was paid during the financial quarter under review.

A7. SEGMENTAL REPORTING

The Group adopts geographical segment as its primary reporting format and no business segment analysis is prepared as the Group is principally involved in a single industry.

	3 months ended 31 January 2011						
	Malaysia	South Africa	Vietnam	People's Republic of China	British Virgin Islands	Eliminations	Consolidated
	RM	RM	RM	RM	RM	RM	RM
Revenue							
- external sales	50,913,025	1,839,795	39,608,667	1,677,870	-	-	94,039,357
- inter-segment sales	340,441	-	-	-	-	(340,441)	-
Total revenue	51,253,466	1,839,795	39,608,667	1,677,870	-	(340,441)	**94,039,357**
Segment results	(1,772,546)	(77,441)	3,421,232	(298,339)	-		1,272,906
Unallocated corporate expenses							(212,293)
Interest income							26,082
Interest expenses							(328,665)
Profit / (loss) before taxation							**758,030**
Income tax expenses							(175,062)
Profit / (loss) for the period							**582,968**

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

No material events subsequent to the period ended 31 October 2010 that have not been reflected in the financial statements of the interim period.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

No changes in the composition of the Group during the current reporting period.

A10. CHANGES IN CONTINGENT LIABILITIES / ASSETS

No changes in contingent liabilities/assets since the last financial year ended at 31 October 2010 other than as follows:-

	As at 31.01.2011 RM	As at 31.10.2010 RM
Corporate guarantee to financial institutions for banking facilities granted to subsidiaries	106,102,400	92,534,462

A11. CAPITAL COMMITMENTS

Capital commitment not recognised in the current interim financial statements during the current reporting period is as follow:

Approved but not contracted for:-

	RM
Factory buildings	556,552
Plant and machinery	963,962
Total	1,520,514

A12. RELATED PARTY TRANSACTIONS

The Group related party transactions in the current quarter and financial year-to-date are as follows :

Subsidiary	Transacting Party	Relationship	Nature of Transaction	Current quarter (RM)	Financial year-to-date (RM)
Poh Huat International Sdn Bhd	Tay Kim Huat	Director	Rental of Premises	27,000	27,000

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

The Group's revenue for the current quarter ended 31 January 2011 increased substantially to RM94.04 million compared to RM84.40 million recorded in the previous year's corresponding quarter ended 31 January 2010. The increase in turnover is driven mainly by the substantially higher shipment of furniture from Malaysia of RM50.91 million compared to RM37.19 million shipped in previous year's corresponding quarter. Shipment of furniture from Vietnam for the current quarter was lower at RM39.61 million compared to RM45.15 million previous year's corresponding quarter. Shipment of furniture from China increased whilst shipment of furniture in South Africa remained the same.

Notwithstanding the higher turnover, gross profit for the current quarter was lower at RM9.70 million compared to RM10.79 million achieved in the previous year's corresponding period ended 31 January 2010. The lower profit margin for the current quarter was mainly attributable to the erosion of profit margin for the Malaysian operations due to the generally lower selling prices of the furniture shipped, higher raw material prices and markedly lower US Dollar to Ringgit exchange rate for the current quarter compared to those in the previous year's corresponding quarter.

In line with the lower gross margin, the Group achieved a lower profit before taxation of RM0.76 million for the quarter under review compared to a profit of RM2.97 million in the previous year's corresponding quarter ended 31 January 2010. The disproportionately lower profit before taxation was due to the higher administration costs during the current quarter and the higher gain on foreign exchange in the previous year's corresponding quarter ended 31 January 2010. As before, the Vietnamese operations contributed the bulk of the profits with a pretax profit of RM3.40 million whereas the Malaysian and China operations sustained losses of RM1.98 million and RM0.30 million respectively. Other subsidiaries suffered minor losses during the quarter.

During the quarter under review, the Group recorded translation losses of RM1.51 million arising mainly from the translations of the Group's foreign assets and liabilities in Vietnam and South Africa as the Vietnamese Dong and South African Rand weaken against the Ringgit. The translation losses for the previous year's corresponding quarter ended 31 January 2010 was RM1.81 million, due mainly to the weakening of the Vietnamese Dong against the Ringgit.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's turnover for quarter under review decreased to RM94.04 million compared to the turnover of RM107.20 million for the preceding quarter ended 31 October 2010. The lower turnover is attributable mainly to the seasonal low shipment of furniture from Vietnam during the quarter of RM39.61 million following the US pre-festive peak of RM57.59 million shipped in the preceding quarter. Shipment of furniture from the Malaysian operations was however higher at RM50.91 million compared to RM46.53 million in the preceding quarter.

For the quarter under review the Group achieved a lower gross profit of RM9.70 million compared to RM19.23 million in the preceding quarter. The lower gross margin for the current quarter is mainly attributable to the substantially lower level of shipment of furniture from Vietnam and the erosion of profit margin for the Malaysian operations due to the lower selling prices of the furniture shipped and to a lesser extent, the higher raw material prices and lower US Dollar to Ringgit exchange rate for the current quarter compared to those prevailing in the preceding quarter.

In line with the lower gross profit, the Group achieved a lower profit before taxation of RM0.76 million compared to RM2.42 million achieved in the preceding quarter ended 31 October 2010.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

Recent social-politic unrests in several countries in the Middle East have resulted in concerns on oil production and export from the region. The prospects of production and supply interruptions and the corresponding increases in petro-chemical and energy prices will fuel inflationary pressures and have severe repercussion on the well being of the global economy.

The global economy has yet to recover and furniture manufacturers and exporters continue to face considerable uncertainties in the international market. The present scenario in the Middle East will have a negative impact on our export of furniture not only to the Middle East but elsewhere, including the US and the Europe. On the manufacturing front, escalating material and labour costs continue to be major challenges in our operations. The strengthening of the Ringgit against the US Dollar is also not helping as our exports become more expensive, eroding our price competitiveness and profit margins.

Given the above, we anticipate 2011 to be challenging year. We are mindful of the continued uncertainties in the slow global economic recovery as high unemployment, slow recovery of the housing sectors and prospects of high inflation continue to weigh on consumer confidence and consumption.

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

No profit forecast or profit guarantee were issued for the current financial year.

B5. TAXATION

	Current quarter RM	Financial year-to-date RM
Current taxation	175,062	175,062
Deferred taxation	0	0
Taxation	175,062	175,062

The current year taxation is mainly due to non-availability of set-off against taxable profit made by other subsidiary companies in the Group.

B6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

No sales of unquoted investments and/or properties during the financial quarter and financial period-to-date.

B7. QUOTED SECURITIES

No purchase or disposal of quoted securities during the financial quarter and financial period-to-date.

B8. STATUS OF CORPORATE PROPOSALS / UTILISATION OF PROCEEDS

No corporate proposals or utilisation of proceeds announced but not completed as at the date of the report.

B9. GROUP BORROWINGS

The Group borrowings, all are secured, as at 31 January 2011 were as below :

Currency denominations	Short term (RM)	Long term (RM)	Total (RM)
Malaysia Ringgit	24,675,278	-	24,675,278
US Dollar	6,351,158	-	6,351,158
South Africa Rand	-	3,554,520	3,554,520
Vietnam Dong	-	73,234	73,234
Total	31,026,436	3,627,754	34,654,190

B10. FINANCIAL INSTRUMENTS - DERIVATIVES

The Group has no outstanding financial instruments as at the end of the current reporting period.

There have been no significant changes to the Group’s exposure to credit risk, market risk and liquidity risk from the previous financial year. There have been also no changes to the Group’s risk management objectives, policies and processes since the previous financial year end.

B11. REALISED AND UNREALISED PROFITS

	Financial year-to-date RM
Total retained profits of the Company and its subsidiaries:	
- Realised	27,806,124
- Unrealised	179,563
The group retained profits as per consolidated accounts	27,985,687

B12. MATERIAL LITIGATION

There was no material litigation since the last financial year ended 31 October 2010.

B13. DIVIDEND

No interim ordinary dividend had been declared for the current reporting period.

B14. EARNINGS PER SHARE

Basic earnings per share
The basic earnings per share are calculated by dividing the profit attributable to Owners of the Parent by the weighted average number of ordinary shares in issue during the period.

		Current quarter	Financial year-to-date
Earnings / (Loss) attributable to Owners of the Parent	(RM'000)	654	654
Weighted average number of shares	('000 shares)	113,387	113,387
Basic earnings/ (loss) per share	(sen)	0.58	0.58

Diluted earnings per share

The diluted earnings per share were not applicable as there were no diluted potential ordinary shares outstanding at the end of the current reporting period.

B15. AUDIT QUALIFICATION REPORT

The preceding financial statements for the year ended 31 October 2010 were reported on without any qualification.

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

BOO CHIN LIONG
Independent Non-Executive Director
Chairman
Audit Committee

22 March 2011
Muar, Johor Darul Takzim