

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Oct-11 (Unaudited) RM	31-Oct-10 (Audited) RM	31-Oct-11 (Unaudited) RM	31-Oct-10 (Audited) RM
Continuing Operations				
Revenue	95,603,499	107,204,110	359,278,197	355,661,236
Cost of Sales	(81,838,109)	(88,097,462)	(317,704,106)	(300,484,444)
Gross Profit	13,765,390	19,106,648	41,574,091	55,176,792
Selling and distribution expenses	(4,701,478)	(5,025,088)	(18,901,875)	(19,081,140)
Administration expenses	(3,938,989)	(4,977,838)	(16,635,886)	(16,267,941)
Finance costs	(586,078)	(159,161)	(2,166,903)	(1,903,739)
Other income / (expenses)	(5,051,954)	(6,525,593)	(104,222)	(5,325,654)
Profit / (Loss) before taxation	(513,109)	2,418,968	3,765,205	12,598,318
Income tax expenses	1,936,977	(640,360)	1,880,354	(1,819,524)
Profit / (Loss) for the period	1,423,868	1,778,608	5,645,559	10,778,794
Other Comprehensive Income net of tax	1,894,900	(1,407,500)	(3,798,583)	(10,182,945)
Total Comprehensive Income for the period	3,318,768	371,108	1,846,976	595,849
Profit / (Loss) attributable to :				
Owners of the Parent	1,399,260	1,792,296	5,584,901	10,725,067
Non-Controlling Interest	24,608	(13,688)	60,658	53,727
	1,423,868	1,778,608	5,645,559	10,778,794
Total Comprehensive Income attributable to :				
Owners of the Parent	3,586,919	340,272	2,082,448	524,481
Non-Controlling Interest	(268,151)	30,836	(235,472)	71,368
	3,318,768	371,108	1,846,976	595,849
Basic Earnings Per Share (in sen)	1.24	1.58	4.95	9.46

(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
As At 31 October 2011

	Unaudited As At 31-Oct-11 RM	Audited As At 31-Oct-10 (restated) RM
ASSETS		
Non-current assets		
Property, plant and equipment	106,962,744	130,881,895
Intangible assets	-	296,148
	<u>106,962,744</u>	<u>131,178,043</u>
Current assets		
Inventories	54,375,388	58,622,835
Non-current assets held for sale	15,343,800	
Trade and other receivables	40,131,149	39,015,323
Deposits, cash and bank balances	19,661,995	23,265,280
	<u>129,512,332</u>	<u>120,903,438</u>
TOTAL ASSETS	<u>236,475,076</u>	<u>252,081,481</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	113,387,105	113,387,105
Treasury Shares, At Cost	(1,422,406)	-
Revaluation reserve	6,787,594	6,787,594
Translation reserve	(18,758,253)	(15,255,800)
Retained profits	30,649,327	27,332,168
	<u>130,643,367</u>	<u>132,251,067</u>
Non-controlling interest	2,060,313	2,295,785
TOTAL EQUITY	<u>132,703,680</u>	<u>134,546,852</u>
Non-current liabilities		
Bank borrowings	3,031,253	4,220,100
Deferred tax liabilities	4,530,000	6,680,000
	<u>7,561,253</u>	<u>10,900,100</u>
Current liabilities		
Trade and other payables	57,334,895	71,509,000
Bank borrowings	38,872,851	35,045,832
Tax payable	2,397	79,235
Dividend payable		462
	<u>96,210,143</u>	<u>106,634,529</u>
Total Liabilities	<u>103,771,396</u>	<u>117,534,629</u>
TOTAL EQUITY AND LIABILITIES	<u>236,475,076</u>	<u>252,081,481</u>

(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 October 2011

	←-----Attributable to Owners of the Parent-----→					Total RM	Non-Controlling Interest RM	Total Equity RM
	Share Capital RM	Treasury Share RM	Revaluation Reserve RM	Translation Reserve RM	Distributable Retained Profits RM			
As at 1 November 2009	113,387,105	0	6,787,594	(5,055,214)	18,307,904	133,427,389	2,224,916	135,652,305
Dividends Paid					(1,700,803)	(1,700,803)	(499)	(1,701,302)
Total comprehensive income for the period				(10,200,586)	10,725,067	524,481	71,368	595,849
As at 31 Oct 2010 (Audited)	113,387,105	0	6,787,594	(15,255,800)	27,332,168	132,251,067	2,295,785	134,546,852
As at 1 November 2010	113,387,105	0	6,787,594	(15,255,800)	27,332,168	132,251,067	2,295,785	134,546,852
Share Buy Back		(1,422,406)				(1,422,406)		(1,422,406)
Dividends Paid					(2,267,742)	(2,267,742)		(2,267,742)
Total comprehensive income for the period				(3,502,453)	5,584,901	2,082,448	(235,472)	1,846,976
As at 31 Oct 2011 (Unaudited)	113,387,105	(1,422,406)	6,787,594	(18,758,253)	30,649,327	130,643,367	2,060,313	132,703,680

(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 October 2011

	Unaudited 31-Oct-11 RM	Audited 31-Oct-10 RM
Cash flows from operating activities		
Profit / (Loss) before tax	3,765,205	12,598,318
Adjustments for :		
Depreciation and amortisation	8,995,283	9,111,901
Bad debts written off	-	280,139
Allowance for doubtful debts	829,423	482,090
Doubtful debts recovered	(171,211)	-
Net (gain) /loss on financial assets at fair value	(285,218)	-
Goodwill written off	296,147	-
Impairment losses on Investment	4,742,540	-
Allowance for obsolete inventory	-	60,370
Deposit forfeited	-	(200)
Fire insurance compensation	(4,860,108)	(6,700,200)
Inventory written off	-	8,020,569
Property, plant and equipment written off	463,279	2,331,631
(Gain) / Loss on disposal of property, plant and equipment	133,702	(47,795)
Other non-cash items	(296,130)	1,130,379
Interest income and expenses	1,146,585	1,331,809
Operating profit / (loss) before changes in working capital	<u>14,759,497</u>	<u>28,599,011</u>
Net change in current assets	(3,941,573)	(24,415,320)
Net change in current liabilities	(14,174,105)	13,898,719
Net income tax paid	(346,484)	(3,307,043)
Interest paid	(1,146,585)	(1,331,809)
Net cash from operating activities	<u>(4,849,250)</u>	<u>13,443,558</u>
Cash flows from investing activities		
Proceed from insurance claim	11,560,308	-
Proceed from disposal of property, plant and equipment	-	296,299
Purchase of property, plant and equipment	(8,968,731)	(11,881,542)
Net cash from investing activities	<u>2,591,577</u>	<u>(11,585,243)</u>
Cash flow from financing activities		
Net movements in borrowings	2,638,172	7,965,571
Dividend paid	(2,268,204)	(1,700,803)
Treasury Shares, At Cost	(1,422,406)	-
Net cash from financing activities	<u>(1,052,438)</u>	<u>6,264,768</u>
Effect on exchange rate changes	(293,174)	(1,489,824)
Net change in cash and cash equivalents	(3,603,285)	6,633,259
Cash and cash equivalents at beginning of financial year	<u>23,265,280</u>	<u>16,270,613</u>
Cash and cash equivalents at end of the period	<u><u>19,661,995</u></u>	<u><u>22,903,872</u></u>
Cash and cash equivalents at end of the period consists of		
Bank and cash balances	19,661,995	23,265,280
Less: Bank overdrafts	-	(361,408)
	<u><u>19,661,995</u></u>	<u><u>22,903,872</u></u>

(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 1 (Revised) First-time Adoption of Financial Reporting Standards.
FRS 3 (Revised) Business Combinations
FRS 7 Financial Instruments: Disclosures
FRS 101 (Revised) Presentation of Financial Statements
FRS 123 (Revised) Borrowing Costs
FRS 127 (Revised) Consolidated and Separate Financial Statements
FRS 139 Financial Instruments: Recognition and Measurement
Amendments to FRS 1 (Revised) and FRS 127 (Revised): Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7, FRS 139 and IC Interpretation 9
Amendments to FRS 101 (Revised) and FRS 132: Puttable Financial Instruments and Obligations Arising on Liquidation
Amendments to FRS 117: Leases
Amendments to FRS 138: Consequential Amendments Arising from Revised 3 (2010)
IC Interpretation 9 Reassessment of Embedded Derivatives
IC Interpretation 10 Interim Financial Reporting and Impairment
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions
IC Interpretation 12 Service Concession Arrangements
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Interpretation 17: Distributions of Non-cash Assets to Owners
Annual Improvements to FRSs (2009)

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 disclosure is 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 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 on the Group's consolidated financial statements for the current quarter or the comparative consolidated financial statements for 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

The Company had on 21 December 2011 entered into an Equity Transfer Agreement with Qingdao Beacon Brewing Co Ltd for the disposal of its entire equity interests/ contributed capital in Poh Huat Furniture Industries (Qingdao) Co. Ltd, a wholly-owned subsidiary of the Company, for a consideration of RMB31.00 million (equivalent to RM14.95 million). The Group has provided an impairment loss of RM4.74 million for the diminution of the value of landed properties of and written off RM0.42 million of its plant and equipment belonging to Poh Huat Furniture Industries (Qingdao) Co. Ltd's. These provisions have been reflected in the Consolidated Statement of Comprehensive Income for the financial year ended 31 October 2011.

Save for the above, there are 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 repurchased 3.50 million of its own shares from the open market for a total consideration of RM1.42 million during the current financial year-to-date. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965.

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.

	12 months ended 31 October 2011						
	Malaysia RM	South Africa RM	Vietnam RM	People's Republic of China RM	British Virgin Islands RM	Eliminations RM	Consolidated RM
Revenue							
- external sales	186,494,769	7,613,518	160,295,012	4,874,898	-	-	359,278,197
- inter-segment sales	2,196,802	-	-	-	-	(2,196,802)	-
Total revenue	<u>188,691,571</u>	<u>7,613,518</u>	<u>160,295,012</u>	<u>4,874,898</u>	<u>-</u>	<u>(2,196,802)</u>	<u>359,278,197</u>
Segment results	(4,493,957)	303,937	17,625,075	(6,523,727)	(4,147)		6,907,181
Unallocated corporate expenses							(1,995,391)
Interest income							347,206
Interest expenses							<u>(1,493,791)</u>
Profit / (loss) before taxation							3,765,205
Income tax expenses							(269,646)
Deferred tax							<u>2,150,000</u>
Profit / (loss) for the period							<u>5,645,559</u>

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

A fire incident has occurred at one (1) of the factory buildings belonging to Poh Huat Furniture Industries Vietnam Joint-Stock Company ("Poh Huat Vietnam"), a major subsidiary of the Group on the morning of 17 December 2011. The affected manufacturing facilities, comprises one (1) 9,600 sqm factory building, is located in the Province of Dong Nai, Vietnam and houses one (1) of Poh Huat Vietnam's three (3) finishing lines in the same location. The fire incident resulted in one (1) day production halt at the Dong Nai manufacturing facilities. Production at the Dong Nai manufacturing facilities resumed Monday, 19 December 2011. The estimated loss arising from the fire incident is USD1.63 million.

No material events subsequent to the period ended 31 October 2011 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 31.10.2011 RM	As at 31.10.2010 RM
Corporate guarantee to financial institutions for banking facilities granted to subsidiaries	101,782,324	92,534,462

A11. CAPITAL COMMITMENTS

There is no capital commitments not recognised in the current interim financial statements during the current reporting period.

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 period-to-date (RM)
Poh Huat International Sdn Bhd	Tay Kim Huat	Director	Rental of Premises	27,000	108,000
Poh Huat Furniture Industries (M) Sdn Bhd	JA Nathan & Co, in which, Tay Khim Seng, is a senior partner	Director	Legal fee		8,850

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

The Group's revenue for the current quarter ended 31 October 2011 was lower at RM95.60 million compared to RM107.20 million in the previous year's corresponding quarter ended 31 October 2010. The lower turnover is mainly due to the lower shipment of furniture from both the Malaysian and Vietnamese operations.

In line with the lower turnover, gross profit for the current quarter is lower at RM13.77 million compared to RM19.11 million achieved in the previous year's corresponding period ended 31 October 2010. The lower profit margin for the current quarter was attributable to the lower turnover, higher raw material prices and the comparatively lower US Dollar exchange rate during the quarter under review.

During the quarter under review, the Group's Malaysian operations sustained a loss of RM0.21 million whereas the Vietnamese subsidiary achieved a profit before taxation of RM6.71 million. The Group's Chinese operations sustained an operational loss of RM0.63 million. As at 31 October 2011, the Group provided an impairment loss of RM4.74 million on the landed properties of and wrote-off RM0.42 million in plant and equipment belonging to Poh Huat Furniture Industries (Qingdao) Co Ltd. The Group also incurred a realised translation loss of RM0.97 million from its investment in Vietnam. With the impairment, write-off and translation losses, the Group sustained a loss before taxation of RM0.51 million for the quarter under review. There was a reversal of deferred taxation of RM2.15 million resulting in a tax credit of RM1.94 million during the quarter under review.

During the quarter under review, the Group recorded a translation gain of RM1.89 million mainly from the translations of the Group's foreign assets and liabilities in Vietnam and China due to the strengthening of the China Renminbi and Vietnamese Dong against the Ringgit.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's turnover for quarter under review increased marginally from RM94.56 million in the preceding quarter ended 31 July 2011 to RM95.60 million in the current quarter ended 31 October 2011. Shipment of furniture from Vietnam increased significantly to RM51.83 million in line with the Christmas/New Year seasonality peak. Turnover from the Malaysian operations was however lower at RM40.41 million due to a sales mix rationalisation exercise where shipment of weaker products are reduced or discontinued.

The Group achieved a higher gross profit of RM13.77 million for the quarter under review compared RM8.46 million in the preceding quarter. The improved margin was due to the higher shipment of furniture by the Vietnamese operations and the reduction of losses in Malaysia following the sales mix rationalisation exercise.

With the higher gross margin, the Group achieved a profit before taxation of RM5.62 million before provisions for impairment and assets loss of RM5.16 million for Poh Huat Furniture Industries (Qingdao) Co. Ltd and translation losses of RM0.97 million from the Group's investment in Vietnam.

There was a reversal of deferred taxation of RM2.15 million resulting in a tax credit of RM1.94 million for the period under review compared to a tax charge RM9 thousands in the preceding quarter.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

The economic conditions in the European region remained volatile as the sovereignty debts crisis in several countries in the European zone escalates. While the ECB and several central banks in Europe have put in efforts to tackle the debt crisis, recovery of the financial standing, economic fundamentals and consumer confidence are not likely to come soon. China, the biggest trading partner of the EU, has forecasted a decline in trade with Europe in 2012. The Euro zone will likely slide into a recession in 2012.

In US, recent economic indicators suggest that the economy is recovering. Multiple home starts and retail sales in the US for the November 2011 jumped the most since the beginning of the sub-prime crisis and unemployment rate in November 2011 was at a 32-month low. There seems to be a new optimism that the world's largest economy will weather the financial crisis in Europe and avoid a recession in 2012.

Economic situation in the Middle East region has not progress significantly as the process of return to normalcy is expected to take time.

Given the weaknesses and volatility in the global economy, we expect many challenges in the global furniture trade which will have impact on the operations and the results of the Group for the forthcoming financial year.

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	213,023	269,646
Deferred taxation	(2,150,000)	(2,150,000)
Taxation	<u>(1,936,977)</u>	<u>(1,880,354)</u>

The current year taxation is mainly due to tax expense incurred by the Group's Vietnamese subsidiary on taxable income derived by the said subsidiary which is not set-off against losses made by other subsidiary companies in the Group. A reversal of the current quarter deferred taxation was due to the over provision of Malaysia subsidiary taxation in previous year.

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. PURCHASE AND SALE OF 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

The Company has announced the following proposals:-

- (a) Winding up of Maxicoin Sdn Bhd ("Maxicoin")

The Company had on 1 August 2011 announced the voluntarily winding-up of Maxicoin, a subsidiary of the Company pursuant to Section 254(1)(b) of the Companies Act, 1965. Maxicoin has received all the clearance from the relevant authorities. Notice of Final Meeting has been circulated on 28 November 2011, and the said meeting is to be conducted on 30 December 2011.

- (a) Disposal of Poh Huat Furniture Industries (Qingdao) Co. Ltd ("Poh Huat Qingdao").

The Company had on 21 December 2011 announced the disposal of the entire equity interest in Poh Huat Qingdao to Qingdao Beacon Brewing Co., Ltd for a cash consideration of RMB31.00 million (equivalent to RM14.95 million). As at the date of this announcement, Qingdao Beacon Brewing Co., Ltd has paid a consideration of RMB12.00 million being the first 2 payments in accordance to the terms of the relevant agreements.

Save for the above, there are no other 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 October 2011 were as below :

Currency denominations	Short term (RM)	Long term (RM)	Total (RM)
Malaysia Ringgit	20,581,457	-	20,581,457
US Dollar	18,291,394	-	18,291,394
South Africa Rand	-	3,031,253	3,031,253
Total	<u>38,872,851</u>	<u>3,031,253</u>	<u>41,904,104</u>

B10. FINANCIAL INSTRUMENTS - DERIVATIVES

As at 31 October 2011, the foreign currency contracts which have been entered into by the Group to hedge its foreign currency sales are as follows: -

Forward foreign currency contracts	Contract value (RM)	Fair value (RM)	Changes in fair value (RM)
US Dollar – less than 1 year	34,445,510	34,160,292	285,218

Derivative financial assets and liabilities are initially recognised, and subsequently measured at fair value. The fair value of derivatives are determined based on market data (primarily exchange rate) to calculate the present value of all estimated flows associated with each derivative as at the date of the financial position. The changes in the fair value are recognised in the Statement of Comprehensive Income.

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 period-to-date RM
Total retained profits of the Company and its subsidiaries:	
- Realised	34,384,937
- Unrealised	(3,735,610)
The group retained profits as per consolidated accounts	<u>30,649,327</u>

B12. MATERIAL LITIGATION

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

B13. DIVIDEND

For the financial year ended 31 October 2011 the Directors have recommended a first and final tax-exempt 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 (tax-exempt)
c. Previous corresponding period	:	2 sen (tax-exempt)
d. Total dividend for the financial year	:	2 sen (tax-exempt)

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

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 excluding treasury shares during the period.

		Current quarter	Financial period-to-date
Earnings attributable to Owners of the Parent	(RM'000)	1,399	5,585
Weighted average number of shares	('000 shares)	112,925	112,925
Basic earnings per share	(sen)	1.24	4.95

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

CHUA SYER CIN
Independent Non-Executive Director
Member
Audit Committee

29 December 2011
Muar, Johor Darul Takzim