

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-x)**  
**Condensed Consolidated Statement of Comprehensive Income (Unaudited)**  
**For The Quarter Ended 31 January 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Jan-12	31-Jan-11	31-Jan-12	31-Jan-11
	RM	RM	RM	RM
<b>Continuing Operations</b>				
Revenue	84,679,318	94,039,357	84,679,318	94,039,357
Cost of Sales	(74,156,043)	(84,343,965)	(74,156,043)	(84,343,965)
<b>Gross Profit</b>	<b>10,523,275</b>	<b>9,695,392</b>	<b>10,523,275</b>	<b>9,695,392</b>
Selling and distribution expenses	(4,147,350)	(4,670,368)	(4,147,350)	(4,670,368)
Administration expenses	(4,316,448)	(4,262,000)	(4,316,448)	(4,262,000)
Finance costs	(630,287)	(527,209)	(630,287)	(527,209)
Other income / (expenses)	1,083,116	522,215	1,083,116	522,215
<b>Profit / (Loss) before taxation</b>	<b>2,512,306</b>	<b>758,030</b>	<b>2,512,306</b>	<b>758,030</b>
Income tax expenses	(357,267)	(175,062)	(357,267)	(175,062)
<b>Profit / (Loss) for the period</b>	<b>2,155,039</b>	<b>582,968</b>	<b>2,155,039</b>	<b>582,968</b>
<b>Other Comprehensive Income net of tax</b>	<b>(1,351,086)</b>	<b>(1,508,446)</b>	<b>(1,351,086)</b>	<b>(1,508,446)</b>
<b>Total Comprehensive Income for the period</b>	<b>803,953</b>	<b>(925,478)</b>	<b>803,953</b>	<b>(925,478)</b>
Profit / (Loss) attributable to :				
Owners of the Parent	2,222,960	653,519	2,222,960	653,519
Non-Controlling Interest	(67,921)	(70,551)	(67,921)	(70,551)
	<b>2,155,039</b>	<b>582,968</b>	<b>2,155,039</b>	<b>582,968</b>
Total Comprehensive Income attributable to :				
Owners of the Parent	855,016	(761,060)	855,016	(761,060)
Non-Controlling Interest	(51,063)	(164,418)	(51,063)	(164,418)
	<b>803,953</b>	<b>(925,478)</b>	<b>803,953</b>	<b>(925,478)</b>
Basic Earnings Per Share (in sen)	2.06	0.58	2.06	0.58
Diluted Earnings Per Share (in sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2011)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-x)**  
**Condensed Consolidated Statement of Financial Position**  
**As At 31 January 2012**

	<b>Unaudited As At 31-Jan-12</b>	<b>Audited As At 31-Oct-11</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	102,565,614	106,962,745
	<u>102,565,614</u>	<u>106,962,745</u>
<b>Current assets</b>		
Inventories	60,560,071	54,375,388
Non-current assets held for sale	-	15,343,800
Trade and other receivables	38,582,671	39,061,451
Derivative assets	138,811	285,218
Deposits, cash and bank balances	35,690,572	19,800,817
	<u>134,972,125</u>	<u>128,866,674</u>
<b>TOTAL ASSETS</b>	<b><u>237,537,739</u></b>	<b><u>235,829,419</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	113,387,105	113,387,105
Treasury Shares, At Cost	(2,256,588)	(1,422,406)
Revaluation reserve	6,787,594	6,787,594
Translation reserve	(20,126,194)	(18,758,250)
Retained profits	32,872,284	30,649,324
	<u>130,664,201</u>	<u>130,643,367</u>
Non-controlling interest	2,008,780	2,060,314
<b>TOTAL EQUITY</b>	<b><u>132,672,981</u></b>	<b><u>132,703,681</u></b>
<b>Non-current liabilities</b>		
Bank borrowings	4,658,080	3,127,330
Deferred tax liabilities	4,530,000	4,530,000
	<u>9,188,080</u>	<u>7,657,330</u>
<b>Current liabilities</b>		
Trade and other payables	42,879,009	56,375,654
Bank borrowings	52,795,253	38,869,432
Tax payable	2,416	223,322
	<u>95,676,678</u>	<u>95,468,408</u>
<b>Total Liabilities</b>	<b><u>104,864,758</u></b>	<b><u>103,125,738</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>237,537,739</u></b>	<b><u>235,829,419</u></b>

(The Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2011)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-x)**  
**Condensed Consolidated Statement of Changes In Equity (Unaudited)**  
**For The Period Ended 31 January 2012**

	←-----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 2010	113,387,105	-	6,787,594	(15,255,800)	27,332,168	132,251,067	2,295,785	134,546,852
Dividends Paid					-	-	-	-
Total comprehensive income for the period				(1,414,579)	653,519	(761,060)	(164,418)	(925,478)
<b>As at 31 January 2011</b>	<b>113,387,105</b>	<b>-</b>	<b>6,787,594</b>	<b>(16,670,379)</b>	<b>27,985,687</b>	<b>131,490,007</b>	<b>2,131,367</b>	<b>133,621,374</b>
As at 1 November 2011	113,387,105	(1,422,406)	6,787,594	(18,758,250)	30,649,324	130,643,367	2,060,314	132,703,681
Share Buy Back		(834,182)				(834,182)		(834,182)
Dividends Paid						-	(471)	(471)
Total comprehensive income for the period				(1,367,944)	2,222,960	855,016	(51,063)	803,953
<b>As at 31 January 2012</b>	<b>113,387,105</b>	<b>(2,256,588)</b>	<b>6,787,594</b>	<b>(20,126,194)</b>	<b>32,872,284</b>	<b>130,664,201</b>	<b>2,008,780</b>	<b>132,672,981</b>

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2011)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-x)**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**  
**For The Period Ended 31 January 2012**

	<b>31-Jan-12</b>	<b>31-Jan-11</b>
	<b>RM</b>	<b>RM</b>
Cash flows from operating activities		
Profit / (Loss) before tax	2,512,306	758,030
Adjustments for :		
Depreciation and amortisation	1,983,244	2,184,944
Net (gain) / loss on disposal of subsidiary	(201,529)	-
Other non-cash items	58,336	(137,702)
Net interest expense	129,459	302,583
Operating profit / (loss) before changes in working capital	<u>4,481,816</u>	<u>3,107,855</u>
Net change in current assets	9,988,166	11,449,085
Net change in current liabilities	(13,496,645)	(14,956,798)
Net income tax paid	(578,173)	(178,427)
Interest paid	(129,459)	(302,583)
<b>Net cash from operating activities</b>	<b><u>265,705</u></b>	<b><u>(880,868)</u></b>
Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	2,480,010	-
Purchase of property, plant and equipment	(310,654)	(2,275,371)
<b>Net cash from investing activities</b>	<b><u>2,169,356</u></b>	<b><u>(2,275,371)</u></b>
Cash flow from financing activities		
Net movements in bank borrowings	15,456,571	(4,611,742)
Dividend paid	(471)	(462)
Treasury shares, at cost	(834,182)	-
<b>Net cash from financing activities</b>	<b><u>14,621,918</u></b>	<b><u>(4,612,204)</u></b>
Effect on exchange rate changes	(1,167,224)	(176,237)
Net change in cash and cash equivalents	15,889,755	(7,944,680)
Cash and cash equivalents at beginning of the financial year	<u>19,800,817</u>	<u>23,265,280</u>
<b>Cash and cash equivalents at end of the period</b>	<b><u><u>35,690,572</u></u></b>	<b><u><u>15,320,600</u></u></b>
Cash and cash equivalents at end of the period consists of		
Bank and cash balances	35,690,572	15,320,600
Less: Bank overdrafts	-	-
	<b><u><u>35,690,572</u></u></b>	<b><u><u>15,320,600</u></u></b>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2011)

## **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’s Main Board Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 October 2011. 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 2011, except for the followings:

- Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 1 (Revised): Additional Exemptions for First-time Adopters
- Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- IC Interpretation 4: Determining Whether An Arrangement Contains a Lease
- IC Interpretation 18: Transfers of Assets from Customers
- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- Annual Improvements to FRSS (2010)

The adoptions of abovementioned FRSSs, Amendments to FRS and IC Interpretations do not have any significant impact on the financial statements of 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 current financial year.

The Company repurchased 1,996,000 of its own shares from the open market for a total consideration of RM0.83 million during the current financial period. The total number of shares repurchased by the Company as at end of reporting period (31 January 2012) is 5,496,000 ordinary shares. All the repurchased shares are held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965. None of the treasury shares were resold or cancelled during the reporting period. The repurchase transactions were financed by internally generated funds.

### **A6. DIVIDEND PAID**

No dividend was paid during the financial quarter under review.

## A7. SEGMENTAL REPORTING

The Group adopts geographical segment as its reporting format. The segment information for the financial period-to-date is as below: -

	Revenue RM	Non-Current Assets RM
Malaysia	41,918,606	58,505,550
Vietnam	40,310,957	37,304,149
South Africa	1,526,022	4,539,909
People's Republic of China	<u>923,733</u>	<u>2,216,006</u>
	<u>84,679,318</u>	<u>102,565,614</u>

## A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

No material events subsequent to the period ended 31 January 2012 that have not been reflected in the financial statements of the interim period.

## A9. CHANGES IN THE COMPOSITION OF THE GROUP

On 30 December 2011, Maxicojn Sdn Bhd, an indirect wholly owned subsidiary of the Company had completed members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act 1965 and effectively no longer a subsidiary of the Company.

## A10. CHANGES IN CONTINGENT LIABILITIES / ASSETS

No changes in contingent liabilities/assets since the last financial year ended at 31 October 2011 other than as follows:-

	As at 31.01.2012 RM	As at 31.10.2011 RM
Corporate guarantee to financial institutions for banking facilities granted to subsidiaries	95,949,750	101,782,324

## A11. CAPITAL COMMITMENTS

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

## A12. RELATED PARTY TRANSACTIONS

The Group related party transactions in the current quarter and financial period-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	27,000

## **BMSB LISTING REQUIREMENTS**

### **B1. PERFORMANCE REVIEW**

The Group's revenue for the current quarter ended 31 January 2012 was lower at RM84.68 million compared to RM94.04 million recorded in the previous year's corresponding quarter ended 31 January 2010. The lower turnover is due mainly by the lower shipment of furniture from Malaysia (RM41.92 million in the current quarter compared to RM50.92 million in the previous corresponding quarter ended 31 January 2011) in line with its efforts to rationalise its product pricings and offerings. Shipment of furniture from Vietnam was broadly the same at RM40.31 million compared to the previous year's corresponding quarter. Shipment of furniture from China and South Africa declined marginally.

Notwithstanding the lower turnover, gross profit for the current quarter was higher at RM10.52 million compared to RM9.70 million achieved in the previous year's corresponding period ended 31 January 2010. The higher profit margin for the current quarter was mainly attributable to the turnaround in the Malaysian operations following the product and price rationalisation exercise. The margins in Vietnam remained satisfactory given the higher material prices.

In line with the higher gross margin, the Group achieved a higher profit before taxation of RM2.51 million for the quarter under review compared to a profit of RM0.76 million in the previous year's corresponding quarter ended 31 January 2011. The Vietnamese operations contributed a profit before taxation of RM1.96 million (Vs RM3.40 million previously) whereas the Malaysian managed a turnaround profit before taxation of RM1.04 million (against loss before taxation of RM1.98 million previously). The results of the operations in China and South Africa remained broadly the same with minor losses of RM347 thousands and RM139 thousands respectively.

Due to the deconsolidation of the Group's investment in Poh Huat Furniture Industries (Qingdao) Co Ltd, the Group has reclassified its unrealised translation gains of RM1.21 million to comprehensive income. This has contributed to the translation losses of RM1.35 million recorded as other comprehensive losses in the current quarter.

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

The Group's turnover for quarter under review was lower at RM84.68 million compared to the turnover of RM95.61 million for the preceding quarter ended 31 October 2011. The lower turnover is attributable mainly to the seasonal low shipment of furniture from Vietnam during the current quarter of RM40.31 million following the US pre-festive peak of RM51.84 million shipped in the preceding quarter. Shipment of furniture from the Malaysian operations was slightly higher at RM41.92 million compared to RM40.41 million in the preceding quarter.

For the quarter under review the Group achieved a lower gross profit of RM10.52 million compared to RM13.77 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 notwithstanding the turnaround in the profitability of the Malaysian operations.

The profit before taxation of the Group was however higher at RM2.51 million due to the absence of the one off impairment loss of RM4.74 million for the diminution of the value of its landed properties and the write-off RM0.42 million in plant and equipment belonging to Poh Huat Furniture Industries (Qingdao) Co Ltd.

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

The continued uncertainties on the sovereign debt crisis and its ill effects on the macro-economic environment on several countries in the European Union may lead to a economic double-dip in the Eurozone. In the Middle East region, unrests and confrontations in several nations have severely disrupted economic activities. Consumer confidence and demand would be weak in these regions. In a positive note, the US economy has in recent months shown some signs of stability. While a sustainable recovery has yet to be established, many believe that the worst is over. There seems to be optimism that the world's largest economy will weather the financial crisis in Europe and avoid a recession in 2012.

While there are still weaknesses and volatility in the global economy, we are optimistic that the worst are behind us. After a difficult year and with the loss making investment behind us, we expect better results as we work toward improving our operations and competitiveness.

### **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 period-to-date RM
Current taxation	357,267	357,267
Deferred taxation	0	0
Taxation	<u>357,267</u>	<u>357,267</u>

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. STATUS OF CORPORATE PROPOSALS / UTILISATION OF PROCEEDS**

The Company has announced the following proposal:-

- (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 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.



## B7. GROUP BORROWINGS

The Group borrowings, as attend of the reporting period were as below: -

Currency denominations	Current RM	Non-Current RM	Total RM
Secured - Malaysia Ringgit	7,126,998	-	7,126,998
Secured - US Dollar	13,453,593	1,675,018	15,128,611
Secured - South Africa Rand	-	2,983,062	2,983,062
Unsecured - Malaysia Ringgit	15,037,398	-	15,037,398
Unsecured - US Dollar	17,177,264	-	17,177,264
Total	<u>52,795,253</u>	<u>4,658,080</u>	<u>57,453,333</u>

## B8. DISCLOSURE OF REALISED AND UNREALISED PROFITS / (LOSSES)

	Financial period-to-date RM	As at 31.10.2011 RM
Total retained profits		
- Realised profits / (losses)	37,493,950	33,835,148
- Unrealised profits / (losses)	(4,621,666)	(3,185,824)
At end of reporting period	<u>32,872,284</u>	<u>30,649,324</u>

## B9. MATERIAL LITIGATION

There was no material litigation since the last financial year ended 31 October 2011.

## B10. DIVIDEND

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

## B11. 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 under review.

		Current quarter	Financial period-to-date
Earnings attributable to Owners of the Parent	(RM'000)	2,223	2,223
Weighted average number of shares	('000 shares)	108,075	108,075
Basic earnings per share	(sen)	2.06	2.06

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

## B12. AUDIT QUALIFICATION REPORT

The preceding financial statements for the year ended 31 October 2011 were reported on without any qualification.

### **B13. OTHER DISCLOSURES**

Items which have been included in the Statement of Comprehensive Income for the current quarter and financial period-to-date are below: -

	<b>Current quarter RM</b>	<b>Financial period-to-date RM</b>
(a) Interest income	287,578	287,578
(b) Other income including investment income	169,057	169,057
(c) Interest expense	417,037	417,037
(d) Depreciation and amortization	1,983,244	1,983,244
(e) Provision for and write off of receivables	nil	nil
(f) Provision for and write off of inventories	nil	nil
(g) Gain/(loss) on disposal of unquoted investments or properties	157,247	157,247
(h) Impairment of assets	nil	nil
(i) Foreign exchange gain/(loss)	316,535	316,535
(j) Gain/(loss) on derivatives	nil	nil
(k) Exceptional items	nil	nil

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

**BOO CHIN LIONG**  
Independent Non-Executive Director  
Chairman  
Audit Committee

13 March 2012  
Muar, Johor Darul Takzim