

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For The Quarter Ended 30 April 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30-Apr-12	30-Apr-11	30-Apr-12	30-Apr-11
	RM	RM	RM	RM
Continuing Operations				
Revenue	92,678,871	75,078,540	177,358,189	169,117,897
Cost of Sales	(84,385,157)	(65,422,807)	(158,541,200)	(149,766,772)
Gross Profit	8,293,714	9,655,733	18,816,989	19,351,125
Selling and distribution expenses	(5,107,967)	(4,551,595)	(9,255,317)	(9,221,963)
Administration expenses	(3,649,184)	(4,070,890)	(7,965,632)	(8,332,890)
Finance costs	(581,252)	(422,793)	(1,211,539)	(950,002)
Other income / (expenses)	102,461	(1,565,389)	1,185,577	(1,043,174)
Profit / (Loss) before taxation	(942,228)	(954,934)	1,570,078	(196,904)
Income tax expenses	(105,296)	127,508	(462,563)	(47,554)
Profit / (Loss) for the period	(1,047,524)	(827,426)	1,107,515	(244,458)
Other Comprehensive Income/(Loss) net of tax	(23,875)	(4,620,510)	(1,374,961)	(6,128,956)
Total Comprehensive Income/(Loss) for the period	(1,071,399)	(5,447,936)	(267,446)	(6,373,414)
Profit / (Loss) attributable to :				
Owners of the Parent	(1,049,588)	(890,342)	1,173,372	(236,823)
Non-Controlling Interest	2,064	62,916	(65,857)	(7,635)
	(1,047,524)	(827,426)	1,107,515	(244,458)
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Parent	(1,062,124)	(5,633,760)	(207,108)	(6,394,820)
Non-Controlling Interest	(9,275)	185,824	(60,338)	21,406
	(1,071,399)	(5,447,936)	(267,446)	(6,373,414)
Basic Earnings Per Share (in sen)	(0.97)	(0.79)	1.09	(0.21)
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 30 April 2012

	Unaudited As At 30-Apr-12 RM	Audited As At 31-Oct-11 RM
ASSETS		
Non-current assets		
Property, plant and equipment	103,017,659	106,962,745
	<u>103,017,659</u>	<u>106,962,745</u>
Current assets		
Inventories	59,580,237	54,375,388
Non-current assets held for sale	-	15,343,800
Trade and other receivables	50,910,192	39,061,451
Derivative assets	-	285,218
Deposits, cash and bank balances	29,363,621	19,800,817
	<u>139,854,050</u>	<u>128,866,674</u>
TOTAL ASSETS	<u>242,871,709</u>	<u>235,829,419</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	113,387,105	113,387,105
Treasury Shares, At Cost	(2,261,955)	(1,422,406)
Revaluation reserve	6,787,594	6,787,594
Translation reserve	(20,138,730)	(18,758,250)
Retained profits	31,822,696	30,649,324
	<u>129,596,710</u>	<u>130,643,367</u>
Non-controlling interest	1,999,505	2,060,314
TOTAL EQUITY	<u>131,596,215</u>	<u>132,703,681</u>
Non-current liabilities		
Bank borrowings	4,779,794	3,127,330
Deferred tax liabilities	4,530,000	4,530,000
	<u>9,309,794</u>	<u>7,657,330</u>
Current liabilities		
Trade and other payables	54,896,069	56,375,654
Bank borrowings	47,071,434	38,869,432
Tax payable	(1,803)	223,322
	<u>101,965,700</u>	<u>95,468,408</u>
Total Liabilities	<u>111,275,494</u>	<u>103,125,738</u>
TOTAL EQUITY AND LIABILITIES	<u>242,871,709</u>	<u>235,829,419</u>

(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 30 April 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						-	(476)	(476)
Total comprehensive income for the period				(6,157,997)	(236,823)	(6,394,820)	21,406	(6,373,414)
As at 30 April 2011	113,387,105	-	6,787,594	(21,413,797)	27,095,345	125,856,247	2,316,715	128,172,962
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		(839,549)				(839,549)		(839,549)
Dividends Paid						-	(471)	(471)
Total comprehensive income for the period				(1,380,480)	1,173,372	(207,108)	(60,338)	(267,446)
As at 30 April 2012	113,387,105	(2,261,955)	6,787,594	(20,138,730)	31,822,696	129,596,710	1,999,505	131,596,215

(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 30 April 2012

	30-Apr-12	30-Apr-11
	RM	RM
Cash flows from operating activities		
Profit / (Loss) before tax	1,570,078	(196,904)
Adjustments for :		
Depreciation and amortisation	3,923,296	4,344,924
Net (gain) / loss on disposal of subsidiary	(215,759)	-
Property, plant and equipment written off	294,294	-
Other non-cash items	21,191	(6,621)
Net interest expense	361,269	568,592
Operating profit / (loss) before changes in working capital	5,954,369	4,709,991
Net change in current assets	(1,204,304)	2,496,695
Net change in current liabilities	(1,479,585)	(3,799,515)
Net income tax paid	(687,688)	(50,268)
Interest paid	(361,269)	(568,592)
Net cash from operating activities	2,221,523	2,788,311
Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	3,120,724	-
Purchase of property, plant and equipment	(3,697,037)	(6,606,334)
Net cash from investing activities	(576,313)	(6,606,334)
Cash flow from financing activities		
Net movements in bank borrowings	9,854,466	5,494,740
Dividend paid	(471)	(938)
Treasury shares, at cost	(839,549)	-
Net cash from financing activities	9,014,446	5,493,802
Effect on exchange rate changes	(1,096,852)	(1,053,568)
Net change in cash and cash equivalents	9,562,804	622,211
Cash and cash equivalents at beginning of the financial year	19,800,817	23,265,280
Cash and cash equivalents at end of the period	29,363,621	23,887,491
Cash and cash equivalents at end of the period consists of		
Bank and cash balances	29,363,621	23,887,491
Less: Bank overdrafts	-	-
	29,363,621	23,887,491

(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 FRSs, 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 2,010,000 of its own shares from the open market for a total consideration of RM0.84 million during the current financial period. The total number of shares repurchased by the Company as at end of reporting period (30 April 2012) is 5,510,000 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	87,951,573	57,789,769
Vietnam	84,830,969	38,895,907
South Africa	3,272,813	4,513,286
People's Republic of China	<u>1,302,834</u>	<u>1,818,697</u>
	<u>177,358,189</u>	<u>103,017,659</u>

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

No material events subsequent to the period ended 30 April 2012 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 2011 other than as follows:-

	As at 30.04.2012 RM	As at 31.10.2011 RM
Corporate guarantee to financial institutions for banking facilities granted to subsidiaries	95,377,000	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	45,000	72,000

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

The Group's revenue for the current quarter ended 30 April 2012 was higher at RM92.68 million compared to RM75.08 million recorded in the previous year's corresponding quarter ended 30 April 2011. The higher turnover is due mainly to the higher shipment of furniture from the Vietnamese operations (RM44.52 million in the current quarter compared to RM27.09 million in the previous corresponding quarter ended 30 April 2011). Shipment of furniture from the Malaysia operations was broadly the same at RM46.03 million compared to RM45.88 million for the previous year's corresponding quarter. Shipments of furniture from China and South Africa were broadly the same for the two periods.

Notwithstanding the higher turnover, gross profit for the current quarter was lower at RM8.29 million compared to RM9.66 million achieved in the previous year's corresponding period ended 30 April 2011. The lower profit margin for the current quarter was mainly attributable to the push of slower moving items by the Malaysian operations which has resulted in weaker profit contribution. The margins in Vietnam remained strong in line with the better selling prices since the price renegotiations that have taken place in the few preceding quarters.

As a result of the lower gross margin, the Group sustained a loss before taxation of RM0.94 million for the quarter under review. The Vietnamese operations contributed a profit before taxation of RM2.20 million against a smaller profit before taxation of RM1.11 million in the previous corresponding period. This positive result however could not cover the loss before taxation of RM2.62 million sustained by the Malaysian operations. The operations in South Africa remained profitable albeit at a very small level whereas the China operations sustained a loss of RM0.53 million notwithstanding the smaller scale of operations.

The Group registered a lower translation loss of RM24 thousand, due mainly to a marginally weakening of South Africa Rand against Ringgit during the quarter under review.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's turnover for quarter under review was higher at RM92.68 million compared to the turnover of RM84.68 million for the preceding quarter ended 31 January 2012. The higher turnover registered by the Malaysian operations is attributable mainly to its efforts in moving slower items at discounted prices. The sales from Vietnam was also relatively higher at RM44.52 million compared to the seasonal low shipment of furniture from Vietnam of RM40.31 million in the preceding quarter.

For the quarter under review the Group achieved a lower gross profit of RM8.29 million compared to RM10.52 million in the preceding quarter. The performance of the Vietnam operations remained broadly the same with a gross profit of RM4.77 million. The profit margin for the Malaysian operations was however weaker at RM3.09 million due to the push to clear slower moving items during the quarter.

The operations in Vietnam continued to lead the Group with a strong profit before taxation of RM2.20 million as good selling prices remained during the quarter under review. This notwithstanding, the move to clear slower moving items for the Malaysian operations resulted in a loss of RM2.62 million during the quarter compared to a profit of RM1.03 million in the preceding quarter. The scaled down China operations continued to sustain a loss of RM0.53 million while the South Africa operation managed a small profit during the quarter under review. Given the weaker results from the Malaysian operations, the Group sustained a loss before taxation of RM0.94 million compared to a profit before taxation of RM2.51 million in the preceding quarter.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

The global environment remained volatile as the ill effects of the sovereign debt crisis in several countries in the European Union continues to adversely affect economic activities and sentiments in most economies. In China, efforts by its central government to cool down inflation also resulted in slower growth, lower employment and hence lower consumption in the world most populous nation. The positive note however came from the US economy as it registered improvement in production outputs, consumer confidence and lower jobless claims. The world's largest economy appears to be weathering the European crisis well and may be on the way to a sustainable recovery.

Within the Group, we are now making efforts to the overcome constrains and mitigate weaknesses to ensure we are on a stronger footing to weather the difficult global environment and capitalised the opportunities upon the recovery of the global furniture market.

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	105,296	462,563
Deferred taxation	0	0
Taxation	<u>105,296</u>	<u>462,563</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. The remaining payments pursuant to the agreement for the disposal of Poh Huat Qingdao are pending.

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	10,067,347	-	10,067,347
Secured - US Dollar	7,541,715	1,888,917	9,430,632
Secured - South Africa Rand	-	2,890,877	2,890,877
Unsecured - Malaysia Ringgit	10,520,928	-	10,520,928
Unsecured - US Dollar	18,941,444	-	18,941,444
Total	47,071,434	4,779,794	51,851,228

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)	36,424,657	33,835,148
- Unrealised profits / (losses)	(4,601,961)	(3,185,824)
At end of reporting period	31,822,696	30,649,324

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 / (Losses) attributable to Owners of the Parent	(RM'000)	(1,050)	1,173
Weighted average number of shares	('000 shares)	108,064	108,064
Basic earnings / (losses) per share	(sen)	(0.97)	1.09

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: -

	Current quarter RM	Financial period-to-date RM
(a) Interest income	203,946	491,524
(b) Other income including investment income	316,650	485,707
(c) Interest expense	435,756	852,793
(d) Depreciation and amortization	1,940,052	3,923,296
(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	37,860	195,107
(h) Impairment of assets	nil	nil
(i) Foreign exchange gain/(loss)	(8,234)	308,302
(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

28 June 2012
Muar, Johor Darul Takzim