

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For The Quarter Ended 31 January 2013

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|---|--------------------|-------------------|---------------------|-------------------|
| | 31-Jan-13 | 31-Jan-12 | 31-Jan-13 | 31-Jan-12 |
| | RM | RM | RM | RM |
| Revenue | 94,979,879 | 84,679,318 | 94,979,879 | 84,679,318 |
| Cost of Sales | (79,518,658) | (74,156,043) | (79,518,658) | (74,156,043) |
| Gross Profit | 15,461,221 | 10,523,275 | 15,461,221 | 10,523,275 |
| Selling and distribution expenses | (4,464,830) | (4,147,350) | (4,464,830) | (4,147,350) |
| Administration expenses | (4,759,379) | (4,316,448) | (4,759,379) | (4,316,448) |
| Other income / (expenses) | 570,012 | 1,083,116 | 570,012 | 1,083,116 |
| Results from operating activities | 6,807,024 | 3,142,593 | 6,807,024 | 3,142,593 |
| Finance costs | (565,301) | (630,287) | (565,301) | (630,287) |
| Profit / (Loss) before taxation | 6,241,723 | 2,512,306 | 6,241,723 | 2,512,306 |
| Income tax expenses | (1,460,278) | (357,267) | (1,460,278) | (357,267) |
| Profit / (Loss) for the period | 4,781,445 | 2,155,039 | 4,781,445 | 2,155,039 |
| Other Comprehensive Income/(Expenses) net of tax | | | | |
| - Foreign currency translation | 1,374,967 | (1,351,086) | 1,374,967 | (1,351,086) |
| Total Comprehensive Income/(Loss) for the period | 6,156,412 | 803,953 | 6,156,412 | 803,953 |
| Profit / (Loss) attributable to : | | | | |
| Owners of the Company | 4,783,417 | 2,222,960 | 4,783,417 | 2,222,960 |
| Non-Controlling Interest | (1,972) | (67,921) | (1,972) | (67,921) |
| Profit / (Loss) for the period | 4,781,445 | 2,155,039 | 4,781,445 | 2,155,039 |
| Total Comprehensive Income / (Loss) attributable to : | | | | |
| Owners of the Company | 6,171,282 | 855,016 | 6,171,282 | 855,016 |
| Non-Controlling Interest | (14,870) | (51,063) | (14,870) | (51,063) |
| Total Comprehensive Income/(Loss) for the period | 6,156,412 | 803,953 | 6,156,412 | 803,953 |
| Basic Earnings Per Share (in sen) | 4.47 | 2.06 | 4.47 | 2.06 |
| Diluted Earnings Per Share (in sen) | N/A | N/A | N/A | N/A |

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2012)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statement of Financial Position (Unaudited)
As At 31 January 2013

| | Unaudited As At 31-Jan-13 RM | Audited As At 31-Oct-12 RM |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 111,410,722 | 111,088,997 |
| | <u>111,410,722</u> | <u>111,088,997</u> |
| Current assets | | |
| Inventories | 59,009,849 | 59,150,568 |
| Trade and other receivables | 32,946,446 | 46,018,964 |
| Derivative assets | - | 81,382 |
| Deposits, cash and bank balances | 42,019,446 | 32,236,168 |
| | <u>133,975,741</u> | <u>137,487,082</u> |
| Non-current assets held for sale | 15,884,522 | 15,550,547 |
| | <u>149,860,263</u> | <u>153,037,629</u> |
| TOTAL ASSETS | <u>261,270,985</u> | <u>264,126,626</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Parent | | |
| Share capital | 113,387,105 | 113,387,105 |
| Treasury Shares, At Cost | (2,578,033) | (2,573,777) |
| Revaluation reserve | 6,787,594 | 6,787,594 |
| Translation reserve | (17,366,385) | (18,754,250) |
| Retained profits | 48,443,206 | 43,659,789 |
| | <u>148,673,487</u> | <u>142,506,461</u> |
| Non-controlling interest | 1,541,026 | 1,556,270 |
| TOTAL EQUITY | <u>150,214,513</u> | <u>144,062,731</u> |
| Non-current liabilities | | |
| Bank borrowings | 4,239,295 | 3,521,814 |
| Deferred tax liabilities | 3,930,000 | 3,930,000 |
| | <u>8,169,295</u> | <u>7,451,814</u> |
| Current liabilities | | |
| Trade and other payables | 62,974,117 | 74,140,946 |
| Bank borrowings | 39,914,665 | 35,737,014 |
| Tax payable | (1,605) | 2,734,121 |
| | <u>102,887,177</u> | <u>112,612,081</u> |
| Total Liabilities | <u>111,056,472</u> | <u>120,063,895</u> |
| TOTAL EQUITY AND LIABILITIES | <u>261,270,985</u> | <u>264,126,626</u> |

(The Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2012)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statement of Changes In Equity (Unaudited)
For The Period Ended 31 January 2013

| | ←----- Attributable to Owners of the Parent -----→ | | | | | | Non-Controlling Interest RM | Total Equity RM |
|--|--|-------------------------|------------------------------|------------------------------|--|--------------------|-----------------------------------|-----------------------|
| | Share Capital RM | Treasury Share RM | Revaluation Reserve RM | Translation Reserve RM | Distributable Retained Profits RM | Total RM | | |
| 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 |
| Profit after tax for the period | - | - | - | - | 2,222,960 | 2,222,960 | (67,921) | 2,155,039 |
| Other comprehensive expense for the period | | | | | | | | |
| - Foreign currency translation | - | - | - | (1,367,944) | - | (1,367,944) | 16,858 | (1,351,086) |
| Total comprehensive income for the period | - | - | - | (1,367,944) | 2,222,960 | 855,016 | (51,063) | 803,953 |
| Contributions by and distributions to owners | | | | | | | | |
| Purchase of treasury shares | - | (834,182) | - | - | - | (834,182) | - | (834,182) |
| Dividends | | | | | | | | |
| - by the Company | - | - | - | - | - | - | - | - |
| - by subsidiary to non-controlling interests | - | - | - | - | - | - | (471) | (471) |
| Total transactions with owners | - | (834,182) | - | - | - | (834,182) | (471) | (834,653) |
| At 31 January 2012 | 113,387,105 | (2,256,588) | 6,787,594 | (20,126,194) | 32,872,284 | 130,664,201 | 2,008,780 | 132,672,981 |
| At 1 November 2012 | 113,387,105 | (2,573,777) | 6,787,594 | (18,754,250) | 43,659,789 | 142,506,461 | 1,556,270 | 144,062,731 |
| Profit after tax for the period | - | - | - | - | 4,783,417 | 4,783,417 | (1,972) | 4,781,445 |
| Other comprehensive expense for the period | | | | | | | | |
| - Foreign currency translation | - | - | - | 1,387,865 | - | 1,387,865 | (12,898) | 1,374,967 |
| Total comprehensive income for the period | - | - | - | 1,387,865 | 4,783,417 | 6,171,282 | (14,870) | 6,156,412 |
| Contributions by and distributions to owners | | | | | | | | |
| Purchase of treasury shares | - | (4,256) | - | - | - | (4,256) | - | (4,256) |
| Dividends | | | | | | | | |
| - by the Company | - | - | - | - | - | - | - | - |
| - by subsidiary to non-controlling interests | - | - | - | - | - | - | (374) | (374) |
| Total transactions with owners | - | (4,256) | - | - | - | (4,256) | (374) | (4,630) |
| At 31 January 2013 | 113,387,105 | (2,578,033) | 6,787,594 | (17,366,385) | 48,443,206 | 148,673,487 | 1,541,026 | 150,214,513 |

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2012)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statement of Cash Flows (Unaudited)
For The Period Ended 31 January 2013

| | 31-Jan-13 | 31-Jan-12 |
|--|--------------------------|--------------------------|
| | RM | RM |
| Cash flows from operating activities | | |
| Profit / (Loss) before tax | 6,241,723 | 2,512,306 |
| Adjustments for : | | |
| Depreciation and amortisation | 1,960,832 | 1,983,244 |
| Fair value loss/(gain) on derivatives | 81,382 | - |
| Net (gain) / loss on disposal of subsidiary | - | (201,529) |
| Property, plant and equipment written off | - | - |
| Other non-cash items | 13,013 | 58,336 |
| Net interest expense | 277,426 | 129,459 |
| Operating profit / (loss) before changes in working capital | <u>8,574,376</u> | <u>4,481,816</u> |
| Inventories | (193,256) | (6,184,683) |
| Trade and other receivables | 13,075,989 | 16,172,849 |
| Trade and other payables | <u>(11,166,829)</u> | <u>(13,496,645)</u> |
| Cash generated from/(absorbed into) operations | 10,290,280 | 973,337 |
| Interest paid | (277,426) | (129,459) |
| Tax refunded / (paid) | <u>(4,196,004)</u> | <u>(578,173)</u> |
| Net cash from operating activities | 5,816,850 | 265,705 |
| Cash flows from investing activities | | |
| Proceed from disposal of property, plant and equipment | 170,078 | 2,480,010 |
| Proceed from insurance claim | - | - |
| Purchase of property, plant and equipment | <u>(1,638,109)</u> | <u>(310,654)</u> |
| Net cash from investing activities | (1,468,031) | 2,169,356 |
| Cash flow from financing activities | | |
| Net movements in bank borrowings | 4,895,132 | 15,456,571 |
| Treasury shares, at cost | (4,256) | (834,182) |
| Dividend paid | <u>(374)</u> | <u>(471)</u> |
| Net cash (used in) from financing activities | 4,890,502 | 14,621,918 |
| Effects on foreign exchange translation | 543,957 | (1,167,224) |
| Net increase/(decrease) change in cash and cash equivalents | 9,783,278 | 15,889,755 |
| Cash and cash equivalents at beginning of the financial year | <u>32,236,168</u> | <u>19,800,817</u> |
| Cash and cash equivalents at end of the period | <u>42,019,446</u> | <u>35,690,572</u> |
| Cash and cash equivalents at end of the period consists of | | |
| Bank and cash balances | 42,019,446 | 35,690,572 |
| Less: Bank overdrafts | - | - |
| | <u>42,019,446</u> | <u>35,690,572</u> |

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2012)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. ACCOUNTING POLICIES

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 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 2012.

The significant accounting policies adopted are consistent with those adopted for the annual audited financial statements for the year ended 31 October 2012. The Group has adopted the new MFRS with effect from 1 November 2012. In adopting the new framework, the Group has applied MFRS 1: First Time Adoption of MFRS. The adoption of MFRS 1 did not result in a 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 11,000 of its own shares from the open market for a total consideration of RM4,255 during the current financial year. The total number of shares repurchased by the Company as at end of reporting period (31 January 2013) is 6,276,800 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 | 39,129,660 | 64,409,592 |
| Vietnam | 54,275,775 | 42,518,189 |
| South Africa | 1,426,098 | 3,733,936 |
| People's Republic of China | <u>148,346</u> | <u>748,005</u> |
| | <u>94,979,879</u> | <u>111,409,722</u> |

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

No material events subsequent to the period ended 31 January 2013 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 2012 other than as follows:-

| | As at 31.01.2013 RM | As at 31.10.2012 RM |
|--|---------------------------|---------------------------|
| Corporate guarantee to financial institutions for banking facilities granted to subsidiaries | 109,885,680 | 108,995,131 |

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 | 45,000 |
| Poh Huat Furniture Industries (M) Sdn Bhd | JA Nathan & Co, in which, Tay Khim Seng, is a senior partner | Director | Legal fee | 1,060 | 1,060 |

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

For the quarter ended 31 January 2013, the Group's recorded a turnover of RM94.98 million compared to RM84.68 million recorded in the previous year's corresponding quarter ended 31 January 2012. The significantly higher turnover is mainly due to the higher shipment of furniture from Vietnam as furniture importers in the US responded to the prospects of stronger consumers' spending amidst improving employment and housing starts numbers. Hurricane Sandy did not seem to make an impact on the operations of our buyers in the west coast of the US. The Vietnamese operations continued to lead the Group with shipment worth RM54.28 million while the Malaysian operations shipped RM39.13 million.

The Group achieved a higher gross profit of RM15.46 million for the quarter under review compared to RM10.52 million in the previous corresponding period ended 31 January 2012. The higher gross margin is attributable both to the higher volume of furniture shipped and the better selling prices for the shipment of furniture for the upper segment of the US market.

In line with the better performance, the Group achieved a profit before taxation of RM6.24 million during the quarter under review compared to a profit of RM2.51 million in the previous corresponding quarter ended 31 January 2012. The significant disparity in profitability of the two comparative quarters was the result of the better profit margin achieved by the Group for the current quarter.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's turnover for quarter under review was lower at RM94.98 million compared to the turnover of RM112.46 million for the preceding quarter ended 31 October 2012. The lower turnover is attributable mainly to the seasonal low shipment of furniture from Vietnam for the current quarter of RM54.28 million following the US pre-festive peak of RM65.58 million shipped in the preceding quarter. Shipment of furniture from the Malaysian operations was also lower at RM39.13 million compared to RM45.60 million in the preceding quarter.

In line with the lower shipment of furniture by the Group during the quarter under review, the Group achieved a lower gross profit of RM15.46 million for the quarter under review compared to RM19.61 million in the preceding quarter.

During the quarter under review, the Group achieved a profit before taxation of RM6.24 million compared to a profit before taxation of RM9.50 million in the preceding quarter. This was consistent with lower value of shipment against a relatively fixed operating overheads.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

We expect another year of challenges and opportunities as the global economy slowly finds its way to recovery. The pace of recovery in the Eurozone will be slow as key nations continue to struggle with high unemployment, slow economic reforms and policies impasses. High unemployment and increased political uncertainty in key nations create further complications for regulatory intervention and structural reforms much need to simulate the region's real economy out of its deep recession.

The US economy on the other hand continues to show resilience in its recovery. Recent improvements in the capital markets, housing, employments and production outputs provided the much needed confidence boost to US businesses and consumers. Americans are spending more on durable goods and big ticket items. The Middle East market is also on the rebound. The oil exporting Gulf nations are benefiting from high crude oil prices and investment inflows resulting in improvement in the capital market, property and tourism related sectors.

Given the mixture of economic and social developments in the key markets in which we operate, we, on the balance, maintained a cautiously optimistic outlook for the current 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 period-to-date RM |
|------------------------------|--------------------------|-----------------------------------|
| Current taxation - Malaysian | 114,000 | 114,000 |
| Current taxation - Overseas | 1,346,278 | 1,346,278 |
| Deferred taxation | 0 | 0 |
| Taxation | <u>1,460,278</u> | <u>1,460,278</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:-

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). The Company had in March 2013 received another RMB5 million from Qingdao Beacon Brewing Co., Ltd for the disposal of Poh Huat Qingdao. As at the date of this announcement, Qingdao Beacon Brewing Co., Ltd has paid a consideration of RMB17 million being 3 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 | 6,105,465 | 658,807 | 6,764,272 |
| Secured - US Dollar | 11,417,591 | 1,215,577 | 12,633,168 |
| Secured - South Africa Rand | - | 2,364,911 | 2,364,911 |
| Unsecured - Malaysia Ringgit | 9,229,134 | - | 9,229,134 |
| Unsecured - US Dollar | 13,162,475 | - | 13,162,475 |
| Total | <u>39,914,665</u> | <u>4,239,295</u> | <u>44,153,960</u> |

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

| | Financial period-to-date RM | As at 31.10.2012 RM |
|---------------------------------|-----------------------------------|---------------------------|
| Total retained profits | | |
| - Realised profits / (losses) | 52,125,241 | 47,505,561 |
| - Unrealised profits / (losses) | (3,682,035) | (3,845,772) |
| At end of reporting period | <u>48,443,206</u> | <u>43,659,789</u> |

B9. MATERIAL LITIGATION

There was no material litigation since the last financial year ended 31 October 2012.

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 Company by the weighted average number of ordinary shares in issue (excluding treasury shares) during the period under review.

| | | Current quarter | Financial period-to-date |
|--|---------------|--------------------|-----------------------------|
| Profit / (Loss) attributable to Owners of the Company | (RM'000) | 4,783 | 4,783 |
| Weighted average number of shares | ('000 shares) | 107,111 | 107,111 |
| Basic Earnings / (losses) per share | (sen) | 4.47 | 4.47 |

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 2012 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 | 104,131 | 104,131 |
| (b) Other income including investment income | 292,463 | 292,463 |
| (c) Interest expense | 381,556 | 381,556 |
| (d) Depreciation and amortization | 1,960,832 | 1,960,832 |
| (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 | (29,756) | (29,756) |
| (h) Impairment of assets | nil | nil |
| (i) Foreign exchange gain/(loss) | 252,630 | 252,630 |
| (j) Gain/(loss) on derivatives | (81,382) | (81,382) |
| (k) Exceptional items | nil | nil |

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

CHUA SYER CIN
Independent Non-Executive Director
Chairman
Audit Committee

20 March 2013
Muar, Johor Darul Takzim