

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)**  
**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)**  
**For The Quarter Ended 30 April 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30-Apr-13	30-Apr-12	30-Apr-13	30-Apr-12
	RM	RM	RM	RM
Revenue	70,751,058	92,678,871	165,730,937	177,358,189
Cost of Sales	(60,596,791)	(84,385,157)	(140,115,449)	(158,541,200)
<b>Gross Profit</b>	<b>10,154,267</b>	<b>8,293,714</b>	<b>25,615,488</b>	<b>18,816,989</b>
Selling and distribution expenses	(4,130,934)	(5,107,967)	(8,595,764)	(9,255,317)
Administration expenses	(5,002,362)	(3,649,184)	(9,761,741)	(7,965,632)
Other income / (expenses)	66,897	102,461	636,909	1,185,577
Results from operating activities	1,087,868	(360,976)	7,894,892	2,781,617
Finance costs	(463,161)	(581,252)	(1,028,462)	(1,211,539)
<b>Profit / (Loss) before taxation</b>	<b>624,707</b>	<b>(942,228)</b>	<b>6,866,430</b>	<b>1,570,078</b>
Income tax expenses	(445,463)	(105,296)	(1,905,741)	(462,563)
<b>Profit / (Loss) for the period</b>	<b>179,244</b>	<b>(1,047,524)</b>	<b>4,960,689</b>	<b>1,107,515</b>
<b>Other Comprehensive Income/(Expenses) net of tax</b>				
- Foreign currency translation	(1,390,391)	(23,875)	(15,424)	(1,374,961)
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>(1,211,147)</b>	<b>(1,071,399)</b>	<b>4,945,265</b>	<b>(267,446)</b>
Profit / (Loss) attributable to :				
Owners of the Company	139,035	(1,049,588)	4,922,452	1,173,372
Non-Controlling Interest	40,209	2,064	38,237	(65,857)
<b>Profit / (Loss) for the period</b>	<b>179,244</b>	<b>(1,047,524)</b>	<b>4,960,689</b>	<b>1,107,515</b>
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	(1,215,360)	(1,062,124)	4,955,922	(207,108)
Non-Controlling Interest	4,213	(9,275)	(10,657)	(60,338)
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>(1,211,147)</b>	<b>(1,071,399)</b>	<b>4,945,265</b>	<b>(267,446)</b>
Basic Earnings Per Share (in sen)	0.13	(0.97)	4.60	1.09
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 30 April 2013**

	<b>Unaudited As At 30-Apr-13  RM</b>	<b>Audited As At 31-Oct-12  RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	108,831,319	111,088,997
	<u>108,831,319</u>	<u>111,088,997</u>
<b>Current assets</b>		
Inventories	52,168,615	59,150,568
Trade and other receivables	26,274,740	46,018,964
Derivative assets	-	81,382
Deposits, cash and bank balances	31,170,633	32,236,168
	<u>109,613,988</u>	<u>137,487,082</u>
Non-current assets held for sale	15,696,860	15,550,547
	<u>125,310,848</u>	<u>153,037,629</u>
<b>TOTAL ASSETS</b>	<b><u>234,142,167</u></b>	<b><u>264,126,626</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	(2,578,033)	(2,573,777)
Revaluation reserve	6,787,594	6,787,594
Translation reserve	(18,720,779)	(18,754,250)
Retained profits	48,582,241	43,659,789
	<u>147,458,128</u>	<u>142,506,461</u>
Non-controlling interest	1,544,682	1,556,270
<b>TOTAL EQUITY</b>	<b><u>149,002,810</u></b>	<b><u>144,062,731</u></b>
<b>Non-current liabilities</b>		
Bank borrowings	3,576,731	3,521,814
Deferred tax liabilities	3,930,000	3,930,000
	<u>7,506,731</u>	<u>7,451,814</u>
<b>Current liabilities</b>		
Trade and other payables	47,618,827	74,140,946
Bank borrowings	30,015,367	35,737,014
Tax payable	(1,568)	2,734,121
	<u>77,632,626</u>	<u>112,612,081</u>
<b>Total Liabilities</b>	<b><u>85,139,357</u></b>	<b><u>120,063,895</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>234,142,167</u></b>	<b><u>264,126,626</u></b>

(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 30 April 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	-	-	-	-	1,173,372	1,173,372	(65,857)	1,107,515
Other comprehensive expense for the period								
- Foreign currency translation	-	-	-	(1,380,480)	-	(1,380,480)	5,519	(1,374,961)
Total comprehensive income for the period	-	-	-	(1,380,480)	1,173,372	(207,108)	(60,338)	(267,446)
Contributions by and distributions to owners								
Purchase of treasury shares	-	(839,549)	-	-	-	(839,549)	-	(839,549)
Dividends								
- by the Company	-	-	-	-	-	-	-	-
- by subsidiary to non-controlling interests	-	-	-	-	-	-	(471)	(471)
Total transactions with owners	-	(839,549)	-	-	-	(839,549)	(471)	(840,020)
<b>At 30 April 2012</b>	<b>113,387,105</b>	<b>(2,261,955)</b>	<b>6,787,594</b>	<b>(20,138,730)</b>	<b>31,822,696</b>	<b>129,596,710</b>	<b>1,999,505</b>	<b>131,596,215</b>
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	-	-	-	-	4,922,452	4,922,452	38,237	4,960,689
Other comprehensive expense for the period								
- Foreign currency translation	-	-	-	33,471	-	33,471	(48,894)	(15,423)
Total comprehensive income for the period	-	-	-	33,471	4,922,452	4,955,923	(10,657)	4,945,266
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	-	-	-	-	-	-	(931)	(931)
Total transactions with owners	-	(4,256)	-	-	-	(4,256)	(931)	(5,187)
<b>At 30 April 2013</b>	<b>113,387,105</b>	<b>(2,578,033)</b>	<b>6,787,594</b>	<b>(18,720,779)</b>	<b>48,582,241</b>	<b>147,458,128</b>	<b>1,544,682</b>	<b>149,002,810</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 2012)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**  
**For The Period Ended 30 April 2013**

	<b>30-Apr-13</b>	<b>30-Apr-12</b>
	<b>RM</b>	<b>RM</b>
Cash flows from operating activities		
Profit / (Loss) before tax	6,866,430	1,570,078
Adjustments for :		
Depreciation and amortisation	3,779,560	3,923,296
Fair value loss/(gain) on derivatives	81,382	-
Net (gain) / loss on disposal of subsidiary	-	(215,759)
Property, plant and equipment written off	247,035	294,294
Other non-cash items	(65,805)	21,191
Net interest expense	496,095	361,269
Operating profit / (loss) before changes in working capital	<u>11,404,697</u>	<u>5,954,369</u>
Inventories	6,835,640	(5,204,849)
Trade and other receivables	19,749,879	4,000,545
Trade and other payables	<u>(26,522,119)</u>	<u>(1,479,585)</u>
Cash generated from/(absorbed into) operations	11,468,097	3,270,480
Interest paid	(496,095)	(361,269)
Tax refunded / (paid)	<u>(4,641,430)</u>	<u>(687,688)</u>
<b>Net cash from operating activities</b>	<b>6,330,572</b>	<b>2,221,523</b>
Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	225,903	3,120,724
Proceed from insurance claim	-	-
Purchase of property, plant and equipment	<u>(2,092,839)</u>	<u>(3,697,037)</u>
<b>Net cash from investing activities</b>	<b>(1,866,936)</b>	<b>(576,313)</b>
Cash flow from financing activities		
Net movements in bank borrowings	(5,666,730)	9,854,466
Treasury shares, at cost	(4,256)	(839,549)
Dividend paid	<u>(931)</u>	<u>(471)</u>
<b>Net cash (used in) from financing activities</b>	<b>(5,671,917)</b>	<b>9,014,446</b>
Effects on foreign exchange translation	142,746	(1,096,852)
Net increase/(decrease) change in cash and cash equivalents	(1,065,535)	9,562,804
Cash and cash equivalents at beginning of the financial year	<u>32,236,168</u>	<u>19,800,817</u>
<b>Cash and cash equivalents at end of the period</b>	<b><u>31,170,633</u></b>	<b><u>29,363,621</u></b>
Cash and cash equivalents at end of the period consists of		
Bank and cash balances	31,170,633	29,363,621
Less: Bank overdrafts	<u>-</u>	<u>-</u>
	<b><u>31,170,633</u></b>	<b><u>29,363,621</u></b>

(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 (30 April 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	67,292,884	63,316,638
Vietnam	95,237,467	41,246,042
South Africa	3,027,118	3,631,079
People's Republic of China	<u>173,468</u>	<u>637,560</u>
	<u>165,730,937</u>	<u>108,831,319</u>

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

No material events subsequent to the period ended 30 April 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 30.04.2013 RM	As at 31.10.2012 RM
Corporate guarantee to financial institutions for banking facilities granted to subsidiaries	108,883,813	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	90,000
Poh Huat Furniture Industries (M) Sdn Bhd	JA Nathan & Co, in which, Tay Khim Seng, is a senior partner	Director	Legal fee	-	1,060

## **BMSB LISTING REQUIREMENTS**

### **B1. PERFORMANCE REVIEW**

For the quarter ended 30 April 2013, the Group's recorded a turnover of RM70.75 million compared to RM92.68 million recorded in the previous year's corresponding quarter ended 30 April 2012. The lower turnover is mainly due to the significantly lower shipment of furniture, particularly for the home segment, from its Malaysian operations. This is in line with the Group's efforts to rationalise the Group's manufacturing focus and product offerings where the Malaysian factories will focus on the office segment while the Vietnamese factories will concentrate on the home segment. Shipment of furniture from our Vietnamese operations was also marginally lower due to the lower number of working days in the month of February 2013 compared to the same month in 2012.

Despite the lower turnover, the Group achieved a higher gross profit of RM10.15 million for the quarter under review compared to RM8.29 million in the previous corresponding period ended 30 April 2012. The higher gross margin is attributable the composition of products shipped during the quarter as the Group continues to review its selling prices and rationalise its product offerings.

In line with the better profit margin, the Group achieved a profit before taxation of RM0.62 million during the quarter under review against a loss of RM0.94 million in the previous corresponding quarter ended 30 April 2012.

During the quarter under review, the Group registered a translation loss of RM1.39 million due to the weakening of the Vietnamese Dong against the Ringgit

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

The Group's turnover for quarter under review was lower at RM70.75 million compared to the turnover of RM94.98 million for the preceding quarter ended 31 January 2013. The lower turnover was mainly to the seasonal low shipment of furniture following the US pre-festive peak and the lower number of working days in the month of February 2013. Shipments were broadly lower for both the Vietnam and Malaysian operations.

In line with the lower shipment of furniture, the Group achieved a lower gross profit of RM10.15 million for the quarter under review compared RM15.46 million in the preceding quarter. The lower gross profit is mainly attributable to the disproportionately higher absorption of manufacturing overheads over the lower production volume during the quarter under review.

Consistent with the lower turnover, the Group achieved a profit before taxation of RM0.62 million compared to a profit before taxation of RM6.24 million in the preceding quarter. This again is consistent with the lower gross profit and disproportionate higher fixed administrative and selling overheads.

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

The debt crisis has left the Eurozone mired in recession. The slow progress in regulatory reforms and weak external demands continue to stifle economic growth in the area. With youth unemployment increasing to an average of 24% across the European Union, there are now concerns that there will be a permanent harm to the economic structure of the Eurozone.

The US economy on the other hand continues to show resilience in its recovery. The US reported

successive improvements in production/manufacturing indices, lower unemployment claims and generally better consumer confidence. Low interest rates and rising consumer confidence are helping gradual recovery in the housing market, a key indicator for upswing in the demand for household furniture.

The Middle East market continues with its recovery as the Gulf nations continue to benefit from high crude oil prices and investment inflows.

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	(96,000)	18,000
Current taxation - Overseas	541,463	1,887,741
Deferred taxation	0	0
Taxation	<u>445,463</u>	<u>1,905,741</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.

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	4,816,171	602,338	5,418,509
Secured - US Dollar	12,804,920	734,057	13,538,977
Secured - South Africa Rand	-	2,240,336	2,240,336
Unsecured - Malaysia Ringgit	6,688,120	-	6,688,120
Unsecured - US Dollar	5,706,156	-	5,706,156
Total	<u>30,015,367</u>	<u>3,576,731</u>	<u>33,592,098</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)	52,411,610	47,505,561
- Unrealised profits / (losses)	(3,829,369)	(3,845,772)
At end of reporting period	<u>48,582,241</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)	139	4,922
Weighted average number of shares	('000 shares)	107,111	107,111
Basic Earnings / (losses) per share	(sen)	0.13	4.60

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: -

	<b>Current quarter</b>	<b>Financial period-to-date</b>
	RM	RM
(a) Interest income	113,164	217,295
(b) Other income including investment income	127,409	420,052
(c) Interest expense	331,833	713,389
(d) Depreciation and amortization	1,818,729	3,779,560
(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	40,081	10,325
(h) Impairment of assets	nil	nil
(i) Foreign exchange gain/(loss)	46,880	299,511
(j) Gain/(loss) on derivatives	nil	(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

27 June 2013  
Vietnam