

**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 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Jan-14	31-Jan-13	31-Jan-14	31-Jan-13
	RM	RM	RM	RM
Revenue	95,507,729	94,979,879	95,507,729	94,979,879
Cost of Sales	(80,119,840)	(79,518,658)	(80,119,840)	(79,518,658)
<b>Gross Profit</b>	<b>15,387,889</b>	<b>15,461,221</b>	<b>15,387,889</b>	<b>15,461,221</b>
Selling and distribution expenses	(4,608,934)	(4,464,830)	(4,608,934)	(4,464,830)
Administration expenses	(4,731,429)	(4,759,379)	(4,731,429)	(4,759,379)
Other income / (expenses)	1,614,163	570,012	1,614,163	570,012
Results from operating activities	7,661,689	6,807,024	7,661,689	6,807,024
Finance costs	(554,572)	(565,301)	(554,572)	(565,301)
<b>Profit / (Loss) before tax</b>	<b>7,107,117</b>	<b>6,241,723</b>	<b>7,107,117</b>	<b>6,241,723</b>
Income tax expenses	(851,529)	(1,460,278)	(851,529)	(1,460,278)
<b>Profit / (Loss) for the period</b>	<b>6,255,588</b>	<b>4,781,445</b>	<b>6,255,588</b>	<b>4,781,445</b>
<b>Other Comprehensive Income/(Expenses) net of tax</b>				
- Foreign currency translation	3,229,652	1,374,967	3,229,652	1,374,967
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>9,485,240</b>	<b>6,156,412</b>	<b>9,485,240</b>	<b>6,156,412</b>
Profit / (Loss) after tax attributable to :				
Owners of the Company	6,314,488	4,783,417	6,314,488	4,783,417
Non-Controlling Interest	(58,900)	(1,972)	(58,900)	(1,972)
<b>Profit / (Loss) for the period</b>	<b>6,255,588</b>	<b>4,781,445</b>	<b>6,255,588</b>	<b>4,781,445</b>
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	9,606,844	6,171,282	9,606,844	6,171,282
Non-Controlling Interest	(121,604)	(14,870)	(121,604)	(14,870)
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>9,485,240</b>	<b>6,156,412</b>	<b>9,485,240</b>	<b>6,156,412</b>
Basic Earnings Per Share (in sen)	5.92	4.47	5.92	4.47
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 2013)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)**  
**Condensed Consolidated Statement of Financial Position (Unaudited)**  
**As At 31 January 2014**

	<b>Unaudited As At 31-Jan-14</b>	<b>Audited As At 31-Oct-13</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	114,263,662	111,878,031
Land held for property development	14,744,370	8,768,584
Deferred tax assets	10,857	10,243
	<u>129,018,889</u>	<u>120,656,858</u>
<b>Current assets</b>		
Inventories	66,240,007	54,078,648
Trade and other receivables	31,533,951	45,757,006
Derivative assets	131,465	377,123
Deposits, cash and bank balances	42,638,696	53,420,298
	<u>140,544,119</u>	<u>153,633,075</u>
<b>TOTAL ASSETS</b>	<b><u>269,563,008</u></b>	<b><u>274,289,933</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	(2,836,481)	(2,836,481)
Translation reserve	(15,815,969)	(19,108,325)
Retained profits	69,260,590	65,080,569
	<u>163,995,245</u>	<u>156,522,868</u>
Non-controlling interest	1,096,461	1,219,183
<b>TOTAL EQUITY</b>	<b><u>165,091,706</u></b>	<b><u>157,742,051</u></b>
<b>Non-current liabilities</b>		
Bank borrowings	4,870,375	4,459,224
Deferred tax liabilities	2,118,000	2,118,000
	<u>6,988,375</u>	<u>6,577,224</u>
<b>Current liabilities</b>		
Trade and other payables	54,211,568	56,151,038
Bank borrowings	43,271,359	50,245,255
Tax payable	-	3,574,365
	<u>97,482,927</u>	<u>109,970,658</u>
<b>Total Liabilities</b>	<b><u>104,471,302</u></b>	<b><u>116,547,882</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>269,563,008</u></b>	<b><u>274,289,933</u></b>

(The Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2013)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)**  
**Condensed Consolidated Statement of Changes In Equity (Unaudited)**  
**For The Period Ended 31 January 2014**

	← Attributable to Owners of the Parent →				Total RM	Non-Controlling Interest RM	Total Equity RM
	Share Capital RM	Treasury Share RM	Translation Reserve RM	Distributable Retained Profits RM			
At 1 November 2012	113,387,105	(2,573,777)	(18,754,250)	50,447,383	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)	(17,366,385)	55,230,800	148,673,487	1,541,026	150,214,513
At 1 November 2013	113,387,105	(2,836,481)	(19,108,325)	65,080,569	156,522,868	1,219,183	157,742,051
Profit after tax for the period	-	-	-	6,314,488	6,314,488	(58,900)	6,255,588
Other comprehensive expense for the period							
- Foreign currency translation	-	-	3,292,356	-	3,292,356	(62,704)	3,229,652
Total comprehensive income for the period	-	-	3,292,356	6,314,488	9,606,844	(121,604)	9,485,240
Contributions by and distributions to owners							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends							
- by the Company	-	-	-	(2,134,467)	(2,134,467)	-	(2,134,467)
- by subsidiary to non-controlling interests	-	-	-	-	-	(1,118)	(1,118)
Total transactions with owners	-	-	-	(2,134,467)	(2,134,467)	(1,118)	(2,135,585)
<b>At 31 January 2014</b>	<b>113,387,105</b>	<b>(2,836,481)</b>	<b>(15,815,969)</b>	<b>69,260,590</b>	<b>163,995,245</b>	<b>1,096,461</b>	<b>165,091,706</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 2013)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**  
**For The Period Ended 31 January 2014**

	<b>31-Jan-14</b>	<b>31-Jan-13</b>
	<b>RM</b>	<b>RM</b>
Cash flows from operating activities		
Profit / (Loss) before tax	7,107,117	6,241,723
Adjustments for :		
Depreciation and amortisation	1,856,554	1,960,832
Net (gain) /loss on derivatives	245,658	81,382
Other non-cash items	(1,096,499)	13,013
Net interest expense	217,133	277,426
Operating profit / (loss) before changes in working capital	<u>8,329,963</u>	<u>8,574,376</u>
Inventories	(12,161,359)	(193,256)
Trade and other receivables	15,319,554	13,075,989
Trade and other payables	(1,939,470)	(11,166,829)
Cash generated from/(absorbed into) operations	<u>9,548,688</u>	<u>10,290,280</u>
Interest paid	(217,133)	(277,426)
Tax refunded / (paid)	(4,425,894)	(4,196,004)
<b>Net cash from operating activities</b>	<b><u>4,905,661</u></b>	<b><u>5,816,850</u></b>
Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	-	170,078
Purchase of property, plant and equipment	(1,874,115)	(1,638,109)
Purchase of land held for property development	(5,975,786)	-
<b>Net cash from investing activities</b>	<b><u>(7,849,901)</u></b>	<b><u>(1,468,031)</u></b>
Cash flow from financing activities		
Net movements in bank borrowings	(6,562,745)	4,895,132
Treasury shares, at cost	-	(4,256)
Dividend paid	(2,135,585)	(374)
<b>Net cash (used in) from financing activities</b>	<b><u>(8,698,330)</u></b>	<b><u>4,890,502</u></b>
Effects on foreign exchange translation	860,968	543,957
Net increase/(decrease) change in cash and cash equivalents	(10,781,602)	9,783,278
Cash and cash equivalents at beginning of the financial year	<u>53,420,298</u>	<u>32,236,168</u>
<b>Cash and cash equivalents at end of the period</b>	<b><u>42,638,696</u></b>	<b><u>42,019,446</u></b>
Cash and cash equivalents at end of the period consists of		
Bank and cash balances	42,638,696	42,019,446
Less: Bank overdrafts	-	-
	<b><u>42,638,696</u></b>	<b><u>42,019,446</u></b>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2013)

## **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 2013.

The significant accounting policies adopted are consistent with those adopted for the annual audited financial statements for the year ended 31 October 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 October 2013.

### **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 has been authorised by shareholders to re-purchase its own shares but has not purchased any of its own shares during the financial quarter under review. As such, there are no shares being cancelled or retained as treasury shares by the Company.

### **A6. DIVIDEND PAID**

The Company had on 8 January 2014 paid dividends totalling RM 2,134,466 being the special tax exempt dividend of 2% for the financial year ended 31 October 2013.

## 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	33,369,598	79,846,272
Vietnam	60,906,686	46,002,885
South Africa	<u>1,231,445</u>	<u>3,169,732</u>
	<u>95,507,729</u>	<u>129,018,889</u>

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

No material events subsequent to the period ended 31 January 2014 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 2013 other than as follows:-

	As at 31.01.2014 RM	As at 31.10.2013 RM
Corporate guarantee to financial institutions for banking facilities granted to subsidiaries	124,256,218	120,838,602

## 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

## BMSB LISTING REQUIREMENTS

### B1. PERFORMANCE REVIEW

	Current quarter		Fiancial year-to-date	
	31-Jan-14	31-Jan-13	31-Jan-14	31-Jan-13
REVENUE	RM'000	RM'000	RM'000	RM'000
Malaysia	33,370	39,130	33,370	39,130
Vietnam	60,907	54,276	60,907	54,276
South Africa	1,231	1,426	1,231	1,426
China	-	148	-	148
<b>Total</b>	<b>95,508</b>	<b>94,980</b>	<b>95,508</b>	<b>94,980</b>

For the quarter ended 31 January 2014, the Group's recorded a slightly higher turnover of RM95.51 million compared to RM94.98 million recorded in the previous year's corresponding quarter ended 31 January 2013. Shipment from our Vietnam operations was higher due to the sustained demand from our US customers in line with continuous improvements in the US economy, particularly the higher employment and housing starts numbers. The Vietnamese operations continued to lead the Group with shipment worth RM60.91 million. Shipment of furniture from the Malaysian operations was lower at RM33.37 million due to the Group's product rationalisation efforts, particular for the office segment.

	Current quarter		Fiancial year-to-date	
	31-Jan-14	31-Jan-13	31-Jan-14	31-Jan-13
PROFIT / (LOSS) BEFORE TAX	RM'000	RM'000	RM'000	RM'000
Malaysia	1,501	(430)	1,501	(430)
Vietnam	5,298	6,879	5,298	6,879
South Africa	(121)	(4)	(121)	(4)
Others	429	(203)	429	(203)
<b>Total</b>	<b>7,107</b>	<b>6,242</b>	<b>7,107</b>	<b>6,242</b>

Despite a broadly similar gross profit of RM15.39 million for the quarter under review compared to RM15.46 million in the previous corresponding period ended 31 January 2013, the Group achieved a higher profit before tax of RM7.11 million during the quarter compared to a profit before tax of RM6.24 million previously. Malaysian operations contributed RM1.50 mil against losses of RM0.43 mil previously, due to its product rationalisation strategy and improving product margin.

During the quarter under review, the Group recorded RM3.23 million arising mainly from the higher translation gain due to the strengthening of the Vietnamese Dong against Malaysian Ringgit by 6% during the quarter.

**B2. MATERIAL CHANGE IN PROFIT BEFORE TAX**

	Current quarter	Preceding quarter	Changes
PROFIT / (LOSS)	31-Jan-14	31-Oct-13	
BEFORE TAX	RM'000	RM'000	+ / -
Malaysia	1,501	959	542
Vietnam	5,298	10,043	(4,745)
South Africa	(121)	(534)	413
Others	429	(421)	850
<b>Total</b>	<b>7,107</b>	<b>10,047</b>	<b>(2,940)</b>

The Group reported a lower profit before tax of RM7.11 million during the current quarter under review against a profit before taxation of RM10.05 million in the preceding quarter. This was in line with a lower turnover of RM95.51 million against RM101.34 million previously. The lower turnover was attributable mainly to the seasonal low shipment of furniture from Vietnam for the current quarter of RM60.91 million following the US pre-festive peak of RM68.94 million shipped in the preceding quarter. Shipment of furniture from the Malaysian operations was however higher at RM33.37 million compared to RM31.10 million in the preceding quarter.

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

The global economic conditions appear to have improved with growth slowly gain traction in some develop countries. Sustained improvements in leading indicators (employment, housing starts and consumer confidence) in the US suggest stronger demand for household furniture and furnishing going forward. Early discussions/negotiations with our customers point towards higher orders in 2014.

Driven by the momentum in the second half of 2013 and the broadly better economic conditions in our major markets, we are more upbeat with regard to our export sales for 2014.

**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	5,100	5,100
Current taxation - Overseas	846,429	846,429
Deferred taxation	0	0
Taxation	<u>851,529</u>	<u>851,529</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**

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 at the end of the reporting period were as below: -

Currency denominations	Current RM	Non-Current RM	Total RM
Secured - Malaysia Ringgit	3,692,709	2,565,547	6,258,256
Secured - US Dollar	15,583,142	-	15,583,142
Secured - South Africa Rand	-	2,304,828	2,304,828
Unsecured - Malaysia Ringgit	5,794,724	-	5,794,724
Unsecured - US Dollar	18,200,784	-	18,200,784
Total	<u>43,271,359</u>	<u>4,870,375</u>	<u>48,141,734</u>

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

	Financial period-to-date RM	As at 31.10.2013 RM
Total retained profits		
- Realised profits / (losses)	70,139,769	66,320,368
- Unrealised profits / (losses)	( 879,179)	( 1,239,799)
At end of reporting period	<u>69,260,590</u>	<u>65,080,569</u>

**B9. MATERIAL LITIGATION**

The Company had on 26 September 2013, filed a statement of claims, along with the cause papers and payment of the required statutory litigation fee, in/to the Qingdao City Intermediate People's Court for the recovery of the outstanding amount of RMB 14.00 million (equivalent to RM 6.75 million) ("Outstanding Amount"), interests for the delay in payment of the Outstanding Amount and associated legal and litigation fees for an estimated amount of RMB 16.02 million (equivalent to RM 8.30 million). The Defendant, Qingdao Dengta Brewage Co., Ltd. (also known as Qingdao Beacon Brewing Co., Ltd.) has filed a counter claim of RMB 22.00 million (equivalent to RM 11.39 million) for delay in the handover of the land and building, land use rights fees and legal fees. Three (3) hearings were conducted on 18 November 2013, 16 December 2013 and 6 January 2014. However, no judgement was obtained.

Save for the above, there are no other material litigation, pending or threatening, by or against the Company and its subsidiaries (as plaintiff or defendant) since the last financial year ended 31 October 2013.

**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)	6,314	6,314
Weighted average number of shares	('000 shares)	106,723	106,723
Basic Earnings / (losses) per share	(sen)	5.92	5.92

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 2013 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	169,772	169,772
(b) Other income including investment income	94,794	94,794
(c) Interest expense	386,905	386,905
(d) Depreciation and amortization	1,856,554	1,856,554
(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	nil	nil
(h) Impairment of assets	nil	nil
(i) Foreign exchange gain/(loss)	1,375,308	1,375,308
(j) Gain/(loss) on derivatives	(245,658)	(245,658)
(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 2014  
Muar, Johor Darul Takzim