

**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 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30-Apr-14	30-Apr-13	30-Apr-14	30-Apr-13
	RM	RM	RM	RM
Revenue	84,430,004	70,751,058	179,937,733	165,730,937
Cost of Sales	(70,868,065)	(60,596,791)	(150,987,905)	(140,115,449)
<b>Gross Profit</b>	<b>13,561,939</b>	<b>10,154,267</b>	<b>28,949,828</b>	<b>25,615,488</b>
Selling and distribution expenses	(4,807,673)	(4,130,934)	(9,416,607)	(8,595,764)
Administration expenses	(3,918,687)	(5,002,362)	(8,650,116)	(9,761,741)
Other income / (expenses)	(906,452)	66,897	707,711	636,909
Results from operating activities	3,929,127	1,087,868	11,590,816	7,894,892
Finance costs	(498,300)	(463,161)	(1,052,872)	(1,028,462)
<b>Profit / (Loss) before tax</b>	<b>3,430,827</b>	<b>624,707</b>	<b>10,537,944</b>	<b>6,866,430</b>
Income tax expenses	(921,486)	(445,463)	(1,773,015)	(1,905,741)
<b>Profit / (Loss) for the period</b>	<b>2,509,341</b>	<b>179,244</b>	<b>8,764,929</b>	<b>4,960,689</b>
<b>Other Comprehensive Income/(Expenses) net of tax</b>				
- Foreign currency translation	(971,967)	(1,390,391)	2,257,685	(15,424)
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>1,537,374</b>	<b>(1,211,147)</b>	<b>11,022,614</b>	<b>4,945,265</b>
Profit / (Loss) after tax attributable to :				
Owners of the Company	2,557,954	139,035	8,872,442	4,922,452
Non-Controlling Interest	(48,613)	40,209	(107,513)	38,237
<b>Profit / (Loss) for the period</b>	<b>2,509,341</b>	<b>179,244</b>	<b>8,764,929</b>	<b>4,960,689</b>
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	1,550,193	(1,215,360)	11,157,037	4,955,922
Non-Controlling Interest	(12,819)	4,213	(134,423)	(10,657)
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>1,537,374</b>	<b>(1,211,147)</b>	<b>11,022,614</b>	<b>4,945,265</b>
Basic Earnings Per Share (in sen)	2.40	0.13	8.31	4.60
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 30 April 2014**

	<b>Unaudited As At 30-Apr-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	112,553,669	111,878,031
Land held for property development	20,721,101	8,768,584
Deferred tax assets	55,501	10,243
	<u>133,330,271</u>	<u>120,656,858</u>
<b>Current assets</b>		
Inventories	58,008,246	54,078,648
Trade and other receivables	32,368,171	45,757,006
Derivative assets	-	377,123
Deposits, cash and bank balances	31,404,189	53,420,298
	<u>121,780,606</u>	<u>153,633,075</u>
<b>TOTAL ASSETS</b>	<u><b>255,110,877</b></u>	<u><b>274,289,933</b></u>
<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	(16,823,730)	(19,108,325)
Retained profits	71,818,544	65,080,569
	<u>165,545,438</u>	<u>156,522,868</u>
Non-controlling interest	1,083,642	1,219,183
<b>TOTAL EQUITY</b>	<u>166,629,080</u>	<u>157,742,051</u>
<b>Non-current liabilities</b>		
Bank borrowings	4,633,034	4,459,224
Deferred tax liabilities	2,118,000	2,118,000
	<u>6,751,034</u>	<u>6,577,224</u>
<b>Current liabilities</b>		
Trade and other payables	48,250,373	56,151,038
Bank borrowings	33,295,300	50,245,255
Tax payable	185,090	3,574,365
	<u>81,730,763</u>	<u>109,970,658</u>
<b>Total Liabilities</b>	<u>88,481,797</u>	<u>116,547,882</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>255,110,877</b></u>	<u><b>274,289,933</b></u>

(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 30 April 2014**

	← Attributable to Owners of the Parent →					Non-Controlling Interest RM	Total Equity RM
	Share Capital RM	Treasury Share RM	Translation Reserve RM	Distributable Retained Profits RM	Total 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	-	-	-	4,922,452	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>(18,720,779)</b>	<b>55,369,835</b>	<b>147,458,128</b>	<b>1,544,682</b>	<b>149,002,810</b>
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	-	-	-	8,872,442	8,872,442	(107,513)	8,764,929
Other comprehensive expense for the period							
- Foreign currency translation	-	-	2,284,595	-	2,284,595	(26,910)	2,257,685
Total comprehensive income for the period	-	-	2,284,595	8,872,442	11,157,037	(134,423)	11,022,614
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 30 April 2014</b>	<b>113,387,105</b>	<b>(2,836,481)</b>	<b>(16,823,730)</b>	<b>71,818,544</b>	<b>165,545,438</b>	<b>1,083,642</b>	<b>166,629,080</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 30 April 2014**

	<b>30-Apr-14</b>	<b>30-Apr-13</b>
	<b>RM</b>	<b>RM</b>
Cash flows from operating activities		
Profit / (Loss) before tax	10,537,944	6,866,430
Adjustments for :		
Depreciation and amortisation	3,745,660	3,779,560
Net (gain) /loss on derivatives	377,123	81,382
Net (gain) / loss on disposal of subsidiary	-	-
Impairment losses on Investment	-	-
Fire insurance compensation	-	-
Inventories written off	-	-
Property, plant and equipment written off	151,986	247,035
Other non-cash items	(348,960)	(65,805)
Net interest expense	465,016	496,095
Operating profit / (loss) before changes in working capital	<u>14,928,769</u>	<u>11,404,697</u>
Inventories	(3,929,598)	6,835,640
Trade and other receivables	13,723,795	19,749,879
Trade and other payables	<u>(7,900,665)</u>	<u>(26,522,119)</u>
Cash generated from/(absorbed into) operations	16,822,301	11,468,097
Interest paid	(465,016)	(496,095)
Tax refunded / (paid)	<u>(5,162,290)</u>	<u>(4,641,430)</u>
<b>Net cash from operating activities</b>	<b>11,194,995</b>	<b>6,330,572</b>
Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	-	225,903
Purchase of property, plant and equipment	(3,263,096)	(2,092,839)
Purchase of land held for property development	<u>(11,952,517)</u>	<u>-</u>
<b>Net cash from investing activities</b>	<b>(15,215,613)</b>	<b>(1,866,936)</b>
Cash flow from financing activities		
Net movements in bank borrowings	(16,776,145)	(5,666,730)
Treasury shares, at cost	-	(4,256)
Dividend paid	<u>(2,135,585)</u>	<u>(931)</u>
<b>Net cash (used in) from financing activities</b>	<b>(18,911,730)</b>	<b>(5,671,917)</b>
Effects on foreign exchange translation	916,239	142,746
Net increase/(decrease) change in cash and cash equivalents	(22,016,109)	(1,065,535)
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>31,404,189</u></b>	<b><u>31,170,633</u></b>
Cash and cash equivalents at end of the period consists of		
Bank and cash balances	31,404,189	31,170,633
Less: Bank overdrafts	-	-
	<u>31,404,189</u>	<u>31,170,633</u>

(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**

No dividend was paid during the financial quarter under review.

## A7. OPERATING SEGMENTS

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

	Revenue RM'000	Non-Current Assets RM'000
Malaysia	69,102	85,648
Vietnam	108,335	44,420
South Africa	2,501	3,362
<b>Total</b>	<b>179,938</b>	<b>133,330</b>

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

No material events subsequent to the period ended 30 April 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 corporate guarantee to financial institutions amounting to RM122.81 million as at current reporting quarter against RM120.84 million as at 31 October 2013.

## 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'000)	Financial period-to-date (RM'000)
Poh Huat International Sdn Bhd	Tay Kim Huat	Director	Rental of Showroom	45	90

## BMSB LISTING REQUIREMENTS

### B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	30-Apr-14	30-Apr-13	+ / -	30-Apr-14	30-Apr-13	+ / -
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	35,732	28,163	7,569	69,102	67,293	1,809
Vietnam	47,428	40,962	6,466	108,335	95,238	13,097
South Africa	1,270	1,601	(331)	2,501	3,027	(526)
China		25	(25)		173	(173)
<b>Total</b>	<b>84,430</b>	<b>70,751</b>	<b>13,679</b>	<b>179,938</b>	<b>165,731</b>	<b>14,207</b>

For the quarter ended 30 April 2014, the Group's recorded a markedly higher turnover of RM84.43 million compared to RM70.75 million recorded in the previous year's corresponding quarter ended 30 April 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. Shipment of furniture from the Malaysian operations also improved markedly to RM35.73 million due to improved sales of office furniture to Canada following the Group's product rationalisation exercise.

Profit / (Loss)	Individual quarter			Cumulative quarters		
	30-Apr-14	30-Apr-13	+ / -	30-Apr-14	30-Apr-13	+ / -
Before Taxation	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	1,435	(2,210)	3,645	2,936	(2,640)	5,576
Vietnam	3,067	3,162	(95)	8,365	10,041	(1,676)
South Africa	(99)	81	(180)	(220)	77	(297)
Others	(972)	(409)	(563)	(543)	(612)	69
<b>Total</b>	<b>3,431</b>	<b>624</b>	<b>2,807</b>	<b>10,538</b>	<b>6,866</b>	<b>3,672</b>

The Group achieved a higher profit before tax of RM3.43 million during the quarter compared to a profit before tax of RM0.62 million previously. Malaysian operations recorded a significant turnaround with profit before tax of RM1.44 mil against losses of RM2.21 mil previously. Again, this was attributable to its product rationalisation strategy which has resulted in significant improvement in product margins. Despite the higher turnover from the Vietnamese operations, the profit before tax was broadly similar to the previous year's corresponding quarter due to the product mix shipped during the quarter. The group also incurred an unrealised foreign exchange loss due to the strengthening of the Malaysian Ringgit against the Chinese Renminbi and the Vietnamese Dong.

During the quarter under review, the Group recorded foreign currency translation losses of RM0.97 million due to the weakening of the Vietnamese Dong against Malaysian Ringgit by 2.5% during the quarter.

## B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

	Individual quarter	Preceding quarter	+ / -
Profit / (Loss)	30-Apr-14	30-Jan-14	
Before Taxation	RM'000	RM'000	RM'000
Malaysia	1,435	1,501	(66)
Vietnam	3,067	5,298	(2,231)
South Africa	(99)	(121)	22
Others	(972)	429	(1,401)
<b>Total</b>	<b>3,431</b>	<b>7,107</b>	<b>(3,676)</b>

The Group reported a lower profit before tax of RM3.43 million during the current quarter under review against a profit before tax of RM7.11 million in the preceding quarter, of which, Vietnam subsidiary reported a lower profit of RM3.07 million against RM5.30 million in the preceding quarter. This was in line with a lower turnover of RM84.43 million against RM95.51 million previously. The lower turnover was mainly due to the seasonal low shipment of furniture from Vietnam for the current quarter of RM47.43 million following the US pre-festive peak of RM60.91 million shipped in the preceding quarter.

Despite a higher shipment from Malaysian operations at RM35.73 million compared to RM33.37 million in the preceding quarter, its profit before tax was flat at RM1.44 million, partly due to higher selling, distribution and promotional expenses from the international exhibition during the current quarter.

## B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

The global economic is now on a steady recovery path with US and China leading the recovery.

In US, gains in employment and income continue to drive the recovery notwithstanding a weaker GDP growth in the first quarter of 2014 due to the deeper winter season. Growth in key indicators such as employment, housing starts, and consumer spending had recently improved from weather-affected levels earlier in the year. Spending on durable goods including furniture is expected to grow in line with these improvements. In the Middle East, the pace of the real estate activities continues on its upward trending, suggesting sustained demand for outfitting and office furnishing requirements in the months and years ahead.

With the improving global economic conditions and the momentum in our major markets, we remain confident 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'000	Financial period-to-date RM'000
Current taxation - Malaysian	8	13
Current taxation - Overseas	913	1,760
Deferred taxation	0	0
<b>Total Taxation</b>	<b>921</b>	<b>1,773</b>

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 end of the reporting period were as below: -

Currency denominations	Current RM'000	Non-Current RM'000	Total RM'000
Secured - Malaysian Ringgit	5,302	2,328	7,630
Secured - US Dollar	12,811	0	12,811
Secured - South Africa Rand	0	2,305	2,305
Unsecured - Malaysian Ringgit	5,784	0	5,784
Unsecured - US Dollar	9,398	0	9,398
<b>Total</b>	<b>33,295</b>	<b>4,633</b>	<b>37,928</b>

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

	Financial period-to-date RM'000	As at 31.10.2013 RM'000
Total retained profits :		
- Realised	98,838	91,783
- Unrealised	(1,728)	(1,240)
- Consolidation adjustments	(25,292)	(25,462)
<b>At end of reporting period</b>	<b>71,818</b>	<b>65,081</b>

## 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 Intermediate People's Court ("the Court") for the recovery of the outstanding amount of RMB14.00 million (equivalent to RM6.75 million) ("Outstanding Amount"), interests for the delay in payment of the Outstanding Amount and associated legal and litigation fees for an estimated amount of RMB16.02 million (equivalent to RM8.30 million). The Defendant, Qingdao Beacon Brewing Co., Ltd. ("Qingdao Brewing") has filed a counter claim of RMB22.00 million (equivalent to RM11.39 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.

On 3 Jun 2014, Qingdao Brewing agreed to pay RMB9.00 million to the Company as full and final settlement on the above outstanding amount in 30 equal monthly instalment of RMB300,000 each commencing Jun 2014. In the event of the Qingdao Brewing failing to make any instalment payment, Qingdao Brewing shall pay delay payment interest at the rate which is 4 times of the RMB loan benchmark interest rate for the financial institutions published by the People's Bank of China for the delay duration.

The company has signed a mediation court record (equivalent to a consent judgement) at the Court and subsequently received the civil conciliation statement.

Meanwhile, pursuant to the above settlement, Qingdao Brewing has applied to the Court for withdrawal of its counter claim of the RMB22.00 million. The Court has also on 3 Jun 2014 issued the civil ruling approving the withdrawal.

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 attributable to			
Owners of the Company	(RM'000)	2,558	8,872
Weighted average number of shares	('000 shares)	106,723	106,723
Basic earnings per share	(sen)	2.40	8.31

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'000	Financial period-to-date RM'000
(a) Interest income	140	310
(b) Other income including investment income	97	192
(c) Interest expense	388	775
(d) Depreciation and amortization	1,889	3,746
(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 / properties	nil	nil
(h) Impairment of assets	nil	nil
(i) Foreign exchange gain/(loss)	(966)	410
(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  
Member  
Audit Committee

18 Jun 2014  
Muar, Johor Darul Takzim