

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)**  
**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)**  
**For The Quarter Ended 31 July 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Jul-14	31-Jul-13	31-Jul-14	31-Jul-13
	RM	RM	RM	RM
Revenue	89,119,279	90,905,545	269,057,012	256,636,482
Cost of Sales	(74,253,266)	(74,840,265)	(225,241,171)	(214,955,714)
<b>Gross Profit</b>	<b>14,866,013</b>	<b>16,065,280</b>	<b>43,815,841</b>	<b>41,680,768</b>
Selling and distribution expenses	(4,375,939)	(4,040,777)	(13,792,546)	(12,636,541)
Administration expenses	(4,882,446)	(4,438,426)	(13,532,562)	(14,200,167)
Other income / (expenses)	(706,115)	(4,569,289)	1,596	(3,932,380)
Results from operating activities	4,901,513	3,016,788	16,492,329	10,911,680
Finance costs	(529,242)	(417,487)	(1,582,114)	(1,445,949)
<b>Profit / (Loss) before tax</b>	<b>4,372,271</b>	<b>2,599,301</b>	<b>14,910,215</b>	<b>9,465,731</b>
Income tax expenses	(608,164)	(1,304,550)	(2,381,179)	(3,210,291)
<b>Profit / (Loss) for the period</b>	<b>3,764,107</b>	<b>1,294,751</b>	<b>12,529,036</b>	<b>6,255,440</b>
<b>Other Comprehensive Income/(Expenses) net of tax</b>				
- Foreign currency translation	(1,781,272)	637,124	476,413	621,700
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>1,982,835</b>	<b>1,931,875</b>	<b>13,005,449</b>	<b>6,877,140</b>
Profit / (Loss) after tax attributable to :				
Owners of the Company	3,881,594	1,270,067	12,754,036	6,192,519
Non-Controlling Interest	(117,487)	24,684	(225,000)	62,921
<b>Profit / (Loss) for the period</b>	<b>3,764,107</b>	<b>1,294,751</b>	<b>12,529,036</b>	<b>6,255,440</b>
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	2,133,233	1,955,071	13,290,270	6,910,993
Non-Controlling Interest	(150,398)	(23,196)	(284,821)	(33,853)
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>1,982,835</b>	<b>1,931,875</b>	<b>13,005,449</b>	<b>6,877,140</b>
Basic Earnings Per Share (in sen)	3.64	1.19	11.95	5.78
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 July 2014**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>31-Jul-14</b>	<b>31-Oct-13</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	110,092,637	111,878,031
Land held for property development	20,912,187	8,768,584
Deferred tax assets	53,711	10,243
	<u>131,058,535</u>	<u>120,656,858</u>
<b>Current assets</b>		
Inventories	60,163,848	54,078,648
Trade and other receivables	28,561,022	45,757,006
Derivative assets	-	377,123
Deposits, cash and bank balances	50,806,249	53,420,298
	<u>139,531,119</u>	<u>153,633,075</u>
<b>TOTAL ASSETS</b>	<u><b>270,589,654</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	(18,572,091)	(19,108,325)
Retained profits	72,498,440	65,080,569
	<u>164,476,973</u>	<u>156,522,868</u>
Non-controlling interest	933,244	1,219,183
<b>TOTAL EQUITY</b>	<u>165,410,217</u>	<u>157,742,051</u>
<b>Non-current liabilities</b>		
Bank borrowings	4,244,628	4,459,224
Deferred tax liabilities	2,118,000	2,118,000
	<u>6,362,628</u>	<u>6,577,224</u>
<b>Current liabilities</b>		
Trade and other payables	56,039,709	56,151,038
Bank borrowings	42,654,008	50,245,255
Tax payable	123,092	3,574,365
	<u>98,816,809</u>	<u>109,970,658</u>
<b>Total Liabilities</b>	<u>105,179,437</u>	<u>116,547,882</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>270,589,654</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 31 July 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	-	-	-	6,192,519	6,192,519	62,921	6,255,440
Other comprehensive expense for the period							
- Foreign currency translation	-	-	718,474	-	718,474	(96,774)	621,700
Total comprehensive income for the period	-	-	718,474	6,192,519	6,910,993	(33,853)	6,877,140
Contributions by and distributions to owners							
Purchase of treasury shares	-	(4,256)	-	-	(4,256)	-	(4,256)
Dividends							
- by the Company	-	-	-	(2,142,206)	(2,142,206)	-	(2,142,206)
- by subsidiary to non-controlling interests	-	-	-	-	-	(1,509)	(1,509)
Total transactions with owners	-	(4,256)	-	(2,142,206)	(2,146,462)	(1,509)	(2,147,971)
At 31 July 2013	113,387,105	(2,578,033)	(18,035,776)	54,497,696	147,270,992	1,520,908	148,791,900
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	-	-	-	12,754,036	12,754,036	(225,000)	12,529,036
Other comprehensive expense for the period							
- Foreign currency translation	-	-	536,234	-	536,234	(59,821)	476,413
Total comprehensive income for the period	-	-	536,234	12,754,036	13,290,270	(284,821)	13,005,449
Contributions by and distributions to owners							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends							
- by the Company	-	-	-	(5,336,165)	(5,336,165)	-	(5,336,165)
- by subsidiary to non-controlling interests	-	-	-	-	-	(1,118)	(1,118)
Total transactions with owners	-	-	-	(5,336,165)	(5,336,165)	(1,118)	(5,337,283)
<b>At 31 July 2014</b>	<b>113,387,105</b>	<b>(2,836,481)</b>	<b>(18,572,091)</b>	<b>72,498,440</b>	<b>164,476,973</b>	<b>933,244</b>	<b>165,410,217</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 July 2014**

	<b>31-Jul-14</b>	<b>31-Jul-13</b>
	<b>RM</b>	<b>RM</b>
Cash flows from operating activities		
Profit / (Loss) before tax	14,910,215	9,465,731
Adjustments for :		
Depreciation and amortisation	5,618,973	5,560,201
Allowance for doubtful debts	-	6,753,600
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	467,303
Other non-cash items	173,523	500,396
Net interest expense	787,855	643,242
Operating profit / (loss) before changes in working capital	<u>22,019,675</u>	<u>23,471,855</u>
Inventories	(6,085,200)	2,155,388
Trade and other receivables	17,009,391	8,394,673
Trade and other payables	<u>(111,329)</u>	<u>(17,010,994)</u>
Cash generated from/(absorbed into) operations	32,832,537	17,010,922
Interest paid	(787,855)	(643,242)
Tax refunded / (paid)	<u>(5,832,452)</u>	<u>(5,945,931)</u>
<b>Net cash from operating activities</b>	<b>26,212,230</b>	<b>10,421,749</b>
Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	(25,492)	862,393
Proceed from disposal of subsidiary	-	8,200,800
Purchase of property, plant and equipment	(4,168,915)	(12,569,120)
Purchase of land held for property development	<u>(12,143,603)</u>	<u>-</u>
<b>Net cash from investing activities</b>	<b>(16,338,010)</b>	<b>(3,505,927)</b>
Cash flow from financing activities		
Net movements in bank borrowings	(7,805,843)	(5,778,192)
Treasury shares, at cost	-	(4,256)
Dividend paid	<u>(5,337,283)</u>	<u>(2,143,715)</u>
<b>Net cash (used in) from financing activities</b>	<b>(13,143,126)</b>	<b>(7,926,163)</b>
Effects on foreign exchange translation	654,857	(1,122,364)
Net increase/(decrease) change in cash and cash equivalents	(2,614,049)	(2,132,705)
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>50,806,249</u></b>	<b><u>30,103,463</u></b>
Cash and cash equivalents at end of the period consists of		
Bank and cash balances	50,806,249	30,103,463
Less: Bank overdrafts	<u>-</u>	<u>-</u>
	<b><u>50,806,249</u></b>	<b><u>30,103,463</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 19 May 2014 paid dividends totalling RM 3,201,699 being the final year tax exempt dividend of 3% for the financial year ended 31 October 2013.

## 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	103,752	85,181
Vietnam	161,984	42,708
South Africa	3,321	3,170
<b>Total</b>	<b>269,057</b>	<b>131,059</b>

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

No material events subsequent to the period ended 31 July 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 RM121.56 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	135

## BMSB LISTING REQUIREMENTS

### B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	31-Jul-14 RM'000	31-Jul-13 RM'000	+ / - RM'000	31-Jul-14 RM'000	31-Jul-13 RM'000	+ / - RM'000
Malaysia	34,650	29,169	5,481	103,752	96,462	7,290
Vietnam	53,649	60,064	(6,415)	161,984	155,302	6,682
South Africa	820	1,539	(719)	3,321	4,566	(1,245)
China		133	(133)		306	(306)
<b>Total</b>	<b>89,119</b>	<b>90,905</b>	<b>(1,786)</b>	<b>269,057</b>	<b>256,636</b>	<b>12,421</b>

For the quarter ended 31 July 2014, the Group's recorded a slightly lower turnover of RM89.12 million compared to RM90.91 million recorded in the previous year's corresponding quarter ended 31 July 2013. Shipment from our Vietnam operations was lower due to the loss of working days and consequential disruption to production activities as a result of the anti-Chinese riots during the quarter under review. Shipment of furniture from the Malaysian operations however improved markedly to RM34.65 million as the Group focus on higher-value office furniture.

Profit / (Loss) Before Taxation	Individual quarter			Cumulative quarters		
	31-Jul-14 RM'000	31-Jul-13 RM'000	+ / - RM'000	31-Jul-14 RM'000	31-Jul-13 RM'000	+ / - RM'000
Malaysia	1,486	301	1,185	4,422	(2,339)	6,761
Vietnam	3,558	8,347	(4,789)	11,923	18,388	(6,465)
South Africa	(240)	50	(290)	(460)	127	(587)
Others	(431)	(6,098)	5,667	(974)	(6,710)	5,736
<b>Total</b>	<b>4,372</b>	<b>2,600</b>	<b>1,772</b>	<b>14,910</b>	<b>9,466</b>	<b>5,444</b>

During the quarter, the performance of the Malaysian subsidiary continued to improve as the Group's rationalisation plan gained traction. The profit before taxation for the current quarter was higher at RM1.49 million against profits of RM0.30 million previously. As a result of the disruptions brought on by the anti-Chinese riots and loss of factory efficiency arising from the development of new products, the profit before taxation of the Vietnamese subsidiary was comparatively lower at RM3.56 million. The Group also incurred some losses in its South African operations due to weaker sales in the region. Notwithstanding the lower operational margin, the Group recorded a higher profit before taxation of RM4.37 million during the quarter compared to a profit before taxation of RM2.60 million previously. The improvement in the bottom line was due to the absence of the allowance for impairment losses of RM5.56 million recorded in the previous corresponding quarter.

During the quarter under review, the Group recorded foreign currency translation losses of RM1.78 million due mainly to the strengthening of the Malaysian Ringgit against the Vietnamese Dong by about 3.2%

## B2. MATERIAL CHANGE IN PROFIT BEFORE TAXATION

	Individual quarter	Preceding quarter	+ / -
Profit / (Loss)	31-Jul-14	30-Apr-14	
Before Taxation	RM'000	RM'000	RM'000
Malaysia	1,486	1,435	51
Vietnam	3,558	3,067	491
South Africa	(240)	(99)	(141)
Others	(431)	(972)	541
<b>Total</b>	<b>4,372</b>	<b>3,431</b>	<b>941</b>

During the current quarter under review, the Group managed to achieve a higher turnover of RM89.12 million against the seasonal low turnover of RM84.43 million in the preceding quarter. This was achieved notwithstanding the shipment of furniture in the month of May which was affected by the anti-Chinese riots in Vietnam that has resulted in more than 1 week delay in shipment. On a consolidated basis, the Group reported a higher profit before taxation of RM4.37 million against RM3.43 million in the preceding quarter.

Despite the interruption in its production, the Group's operation in Vietnam reported a slightly higher profit of RM3.56 million compared to RM3.07 million in the preceding quarter. The operational results were in line with the higher shipment of furniture following the seasonal low in the preceding quarter. The results of the Malaysian operations were broadly similar to the preceding quarter in terms of turnover and profit margin. The Group incurred slightly higher losses in its South African operations due to weaker sales in the region.

## B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

While the global economic condition is on a slow recovery path, there appears to be mixed results from the major economic areas. The fragile recovery was again hampered by the increased tension in Eastern Europe and the Middle East. In Europe, high unemployment and slump in manufacturing output are dragging the economy down. In China, falling external demand, fiscal tightening to cool the overheated property market and crackdown on corruption has also curtailed spending. China's growth is expected to moderate further for the second half of 2014.

On the positive side, the US economic, the Group's major market, continues to lead with sustained improvements in employment, manufacturing output and private investments. Production and consumption recovered markedly following the pull back in the winter months. The consensus is that demand in the US will remain positive as the economy continues with its recovery.

Driven by the sustained demand from the North America market, we remain cautiously optimistic about the prospects of the Group for the immediate future and are confident that the Group's performance trend will be sustained for the rest of the 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'000	Financial period-to-date RM'000
Current taxation - Malaysian	18	31
Current taxation - Overseas	590	2,350
Deferred taxation	0	0
<b>Total Taxation</b>	<b>608</b>	<b>2,381</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	7,107	2,088	9,195
Secured - US Dollar	11,171	0	11,171
Secured - South Africa Rand	0	2,156	2,156
Unsecured - Malaysian Ringgit	9,493	0	9,493
Unsecured - US Dollar	14,883	0	14,883
<b>Total</b>	<b>42,654</b>	<b>4,245</b>	<b>46,899</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	99,851	91,783
- Unrealised	(2,250)	(1,240)
- Consolidation adjustments	(25,103)	(25,462)
<b>At end of reporting period</b>	<b>72,498</b>	<b>65,081</b>

## **B9. MATERIAL LITIGATION**

There are no 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**

The Directors have declared a first interim single-tier dividend of 3.0% per ordinary share in respect of the financial year ending 31 October 2014 for the period ended 31 July 2014, payable on 7 November 2014 to depositors registered in the Records of Depositors of business on 10 October 2014.

## **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)	3,882	12,754
Weighted average number of shares	('000 shares)	106,723	106,723
Basic earnings per share	(sen)	3.64	11.95

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	58	368
(b) Other income including investment income	167	359
(c) Interest expense	(380)	(1,156)
(d) Depreciation and amortization	(1,873)	(5,619)
(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)	(901)	(491)
(j) Gain/(loss) on derivatives	nil	nil
(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

10 September 2014  
Muar, Johor Darul Takzim