

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Oct-14	31-Oct-13	31-Oct-14	31-Oct-13
	RM	RM	RM	RM
Revenue	108,116,496	101,334,060	377,173,508	357,970,542
Cost of Sales	(85,687,832)	(78,721,328)	(310,929,003)	(293,677,042)
Gross Profit	22,428,664	22,612,732	66,244,505	64,293,500
Selling and distribution expenses	(4,741,112)	(4,334,534)	(18,533,658)	(16,971,075)
Administration expenses	(4,547,677)	(5,907,654)	(18,080,239)	(20,107,821)
Other income / (expenses)	626,389	(1,767,864)	627,985	(5,700,244)
Results from operating activities	13,766,264	10,602,680	30,258,593	21,514,360
Finance costs	(423,698)	(555,371)	(2,005,812)	(2,001,320)
Profit / (Loss) before tax	13,342,566	10,047,309	28,252,781	19,513,040
Income tax expenses	(2,399,606)	274,698	(4,780,785)	(2,935,593)
Profit / (Loss) for the period	10,942,960	10,322,007	23,471,996	16,577,447
Other Comprehensive Income/(Expenses) net of tax				
- Foreign currency translation	1,440,653	(1,113,409)	1,917,066	(491,709)
Total Comprehensive Income/(Loss) for the period	12,383,613	9,208,598	25,389,062	16,085,738
Profit / (Loss) after tax attributable to :				
Owners of the Company	11,048,506	10,582,873	23,802,542	16,775,392
Non-Controlling Interest	(105,546)	(260,866)	(330,546)	(197,945)
Profit / (Loss) for the period	10,942,960	10,322,007	23,471,996	16,577,447
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	12,490,030	9,510,324	25,780,300	16,421,317
Non-Controlling Interest	(106,417)	(301,726)	(391,238)	(335,579)
Total Comprehensive Income/(Loss) for the period	12,383,613	9,208,598	25,389,062	16,085,738
Basic Earnings Per Share (in sen)	10.35	9.89	22.30	15.67
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
At 31 October 2014

	Unaudited As At 31-Oct-14	Audited As At 31-Oct-13
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	111,257,739	111,878,031
Land held for property development	20,912,187	8,768,584
Deferred tax assets	55,501	10,243
	<u>132,225,427</u>	<u>120,656,858</u>
Current assets		
Inventories	56,362,543	54,078,648
Trade and other receivables	38,241,320	45,757,006
Derivative assets	-	377,123
Deposits, cash and bank balances	52,881,017	53,420,298
	<u>147,484,880</u>	<u>153,633,075</u>
TOTAL ASSETS	<u>279,710,307</u>	<u>274,289,933</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	113,387,105	113,387,105
Treasury Shares, At Cost	(2,836,481)	(2,836,481)
Translation reserve	(17,130,567)	(19,108,325)
Retained profits	78,210,780	65,080,569
	<u>171,630,837</u>	<u>156,522,868</u>
Non-controlling interest	826,838	1,219,183
TOTAL EQUITY	<u>172,457,675</u>	<u>157,742,051</u>
Non-current liabilities		
Bank borrowings	2,863,123	4,459,224
Deferred tax liabilities	3,030,000	2,118,000
	<u>5,893,123</u>	<u>6,577,224</u>
Current liabilities		
Trade and other payables	60,628,088	56,151,038
Bank borrowings	31,916,054	50,245,255
Tax payable	3,479,202	3,574,365
Dividend payable	5,336,165	-
	<u>101,359,509</u>	<u>109,970,658</u>
Total Liabilities	<u>107,252,632</u>	<u>116,547,882</u>
TOTAL EQUITY AND LIABILITIES	<u>279,710,307</u>	<u>274,289,933</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 October 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	-	-	-	16,775,392	16,775,392	(197,945)	16,577,447
Other comprehensive expense for the period							
- Foreign currency translation	-	-	(354,075)	-	(354,075)	(137,634)	(491,709)
Total comprehensive income for the period	-	-	(354,075)	16,775,392	16,421,317	(335,579)	16,085,738
Contributions by and distributions to owners							
Purchase of treasury shares	-	(262,704)	-	-	(262,704)	-	(262,704)
Dividends							
- by the Company	-	-	-	(2,142,206)	(2,142,206)	-	(2,142,206)
- by subsidiary to non-controlling interests	-	-	-	-	-	(1,508)	(1,508)
Total transactions with owners	-	(262,704)	-	(2,142,206)	(2,404,910)	(1,508)	(2,406,418)
At 31 October 2013	113,387,105	(2,836,481)	(19,108,325)	65,080,569	156,522,868	1,219,183	157,742,051
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	-	-	-	23,802,542	23,802,542	(330,546)	23,471,996
Other comprehensive expense for the period							
- Foreign currency translation	-	-	1,977,758	-	1,977,758	(60,692)	1,917,066
Total comprehensive income for the period	-	-	1,977,758	23,802,542	25,780,300	(391,238)	25,389,062
Contributions by and distributions to owners							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends							
- by the Company	-	-	-	(10,672,331)	(10,672,331)	-	(10,672,331)
- by subsidiary to non-controlling interests	-	-	-	-	-	(1,107)	(1,107)
Total transactions with owners	-	-	-	(10,672,331)	(10,672,331)	(1,107)	(10,673,438)
At 31 October 2014	113,387,105	(2,836,481)	(17,130,567)	78,210,780	171,630,837	826,838	172,457,675

(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
For The Period Ended 31 October 2014

	Unaudited 31-Oct-14 RM	Audited 31-Oct-13 RM
Cash flows from operating activities		
Profit / (Loss) before tax	28,252,781	19,513,040
Adjustments for :		
Depreciation and amortisation	7,374,819	7,394,448
Allowance for impairment losses on receivables	-	6,753,600
Reversal of impairment losses on receivables	(58)	-
Net (gain) / loss on derivatives	377,123	(295,741)
Net (gain) / loss on disposal of subsidiary	-	(615,090)
Inventories written off	-	567,541
Allowance for slow moving inventories	486,000	-
Property, plant and equipment written off	286,046	173,315
Other non-cash items	(694,034)	(245,228)
Net interest expense	785,766	902,405
Operating profit / (loss) before changes in working capital	<u>36,868,443</u>	<u>34,148,290</u>
Inventories	(1,804,981)	5,055,055
Trade and other receivables	8,099,953	(7,416,430)
Trade and other payables	2,968,692	(15,859,615)
Cash generated from/(absorbed into) operations	<u>46,132,107</u>	<u>15,927,300</u>
Net interest paid	(785,766)	(902,405)
Tax refunded / (paid)	(3,810,484)	(2,688,546)
Net cash from operating activities	<u>41,535,857</u>	<u>12,336,349</u>
Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	280,661	924,549
Proceed from disposal of subsidiary	-	14,954,400
Purchase of property, plant and equipment	(5,393,150)	(11,189,677)
Purchase of land held for property development	(12,143,603)	(8,768,584)
Net cash from investing activities	<u>(17,256,092)</u>	<u>(4,079,312)</u>
Cash flow from financing activities		
Net movements in bank borrowings	(21,124,971)	14,578,051
Treasury shares, at cost	-	(262,704)
Dividend paid	(5,337,271)	(2,143,714)
Net cash (used in) from financing activities	<u>(26,462,242)</u>	<u>12,171,633</u>
Effects on foreign exchange translation	1,643,196	755,460
Net increase/(decrease) change in cash and cash equivalents	(539,281)	21,184,130
Cash and cash equivalents at beginning of the financial year	<u>53,420,298</u>	<u>32,236,168</u>
Cash and cash equivalents at end of the period	<u><u>52,881,017</u></u>	<u><u>53,420,298</u></u>
Cash and cash equivalents at end of the period consists of		
Deposits, bank and cash balances	<u><u>52,881,017</u></u>	<u><u>53,420,298</u></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

The dividends paid during the financial period were as follows:

Type of Dividend	Dividend per share	For the year ended	Amount RM	Payment date
Special Tax Exempt	2 sen	31.10.2013	2,134,466	08.01.2014
Final Tax Exempt	3 sen	31.10.2013	3,201,699	19.05.2014

A7. OPERATING SEGMENTS

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

	Revenue RM'000	Non-Current Assets RM'000
Malaysia	138,232	85,804
Vietnam	234,638	43,255
South Africa	4,304	3,166
Total	377,174	132,225

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

No material events subsequent to the period ended 31 October 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 RM129.43 million at current financial year.

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 year-to-date (RM'000)
Poh Huat International Sdn Bhd	Tay Kim Huat	Director	Rental of Showroom	45	180

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	31-Oct-14 RM'000	31-Oct-13 RM'000	+ / - RM'000	31-Oct-14 RM'000	31-Oct-13 RM'000	+ / - RM'000
Malaysia	34,480	31,103	3,377	138,232	127,565	10,667
Vietnam	72,653	68,936	3,717	234,638	224,238	10,400
South Africa	983	1,260	(277)	4,304	5,826	(1,522)
China	0	35	(35)	0	341	(341)
Total	108,116	101,334	6,782	377,174	357,970	19,204

The Group recorded a higher turnover of RM108.12 million for the quarter ended 31 October 2014 compared to RM101.33 million recorded in the previous year corresponding quarter ended 31 October 2013. Both Malaysian and Vietnamese operations showed an improvement in performance, increased by RM3.38 million and RM3.72 million respectively.

The Group's turnover for the financial year ended 31 October 2014 was higher at RM377.17 million compared to RM357.97 million recorded in previous year. Malaysia continued to record strong shipment of office furniture to Canadian market while Vietnamese operations focus on home furniture to the US market.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	31-Oct-14 RM'000	31-Oct-13 RM'000	+ / - RM'000	31-Oct-14 RM'000	31-Oct-13 RM'000	+ / - RM'000
Malaysia	2,665	959	1,706	7,087	(1,380)	8,467
Vietnam	10,380	10,043	337	22,302	28,431	(6,129)
South Africa	(216)	(534)	318	(677)	(407)	(270)
Others	514	(421)	935	(459)	(7,131)	6,672
Total	13,343	10,047	3,296	28,253	19,513	8,740

In line with the higher Group turnover recorded during the quarter under review, the profit before tax was higher at RM13.34 million compared to RM10.05 million achieved in the previous corresponding period ended 31 October 2013. The higher profit was mainly attributable to an improvement to its Malaysian operations and lower administration cost following the product rationalization effort, with profit margin of 7.73% against 3.08% previously.

The performance of the Group during the year was commendable with consistent improvement in terms of shipment of furniture. The Group profit before tax was higher at RM28.25 million for the financial year ended 31 October 2014 compared to RM19.51 million in the previous financial year. The improved performance was mainly attributable to the consistent operational improvements in the Malaysian operations which has resulted in a significant turnaround profit of RM7.09 million compared to a loss of RM1.38 million in the previous year. However, Vietnamese operation profit was RM6.13 million lower to RM22.30 million due to higher labour cost of 13.4% in the current financial year against 9.5% in the previous financial year.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

	Individual quarter	Preceding quarter	+ / -
Profit / (Loss)	31-Oct-14	31-Jul-14	
Before Taxation	RM'000	RM'000	RM'000
Malaysia	2,665	1,486	1,179
Vietnam	10,380	3,558	6,822
South Africa	(216)	(240)	24
Others	514	(431)	945
Total	13,343	4,373	8,970

The Group turnover for the quarter under review increased from RM89.12 million in the preceding quarter ended 31 July 2014 to RM108.12 million in the current quarter ended 31 October 2014. The shipment of furniture from Vietnam increased significantly from RM53.65 million in the preceding quarter to RM72.65 million in the current quarter under review in line with the Christmas/New Year seasonality peak. The turnover from the Malaysian operations was broadly similar which focus on the less cyclical office segment recorded at RM34.48 million in the current quarter.

Consistent with the pre year-end festive peak, the Group achieved a higher profit before tax of RM13.34 million for the quarter under review compared to RM4.37 million in the preceding quarter ended 31 July 2014. The Vietnamese subsidiary led the Group with a profit before tax of RM10.38 million compared to RM3.56 million achieved in the preceding quarter. The operations and profitability of the Malaysian operations continued to strengthen with a higher profit before tax of RM2.67 million compared to RM1.49 million previously.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

The global economic recovery remains fragile and uneven with the International Monetary Fund cutting its forecast for global growth in 2015. The disinflationary pressure from the recent slump in oil prices and the deteriorating economic conditions both in Europe and Russia have resulted in a generally more cautious global economic outlook. The wellbeing of Europe's major trading partners especially China, Brazil and Japan will most likely to be affected by adverse economic and social developments within the region.

On a more positive note, the US economy continues with its path to recovery with successive improvements in its key economic indicators including manufacturing outputs, employment and corporate earnings. These improvements coupled with falling oil and commodity prices are likely translate to more disposal income and increased in spending amongst US consumers. There is a consensus amongst industry participants that demand for furniture in the US market will be sustained.

Given the positive factors in the US together with the strengthening of the USD against the Ringgit, the Group is optimistic of its prospects for the next 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 year-to-date RM'000
Current taxation - Malaysian	(115)	(84)
Current taxation - Overseas	1,603	3,953
Deferred taxation	912	912
Total Taxation	2,400	4,781

The Group consolidated effective tax rate was lower than the Malaysian statutory tax rate of 25% during the current financial year due to sufficient business loss carried forward to be set-off against current taxable income in Malaysia and a lower statutory tax rate of 15% in Vietnam.

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	4,458	1,107	5,565
Secured - US Dollar	15,751	0	15,751
Secured - South Africa Rand	322	1,756	2,078
Unsecured - Malaysian Ringgit	0	0	0
Unsecured - US Dollar	11,385	0	11,385
Total	31,916	2,863	34,779

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

	Financial year-to-date RM'000	As at 31.10.2013 RM'000
Total retained profits :		
- Realised	104,647	91,783
- Unrealised	(2,526)	(1,240)
- Consolidation adjustments	(23,910)	(25,462)
At end of reporting period	78,211	65,081

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% equivalent to 3 sen per ordinary share in respect of the financial period ending 31 July 2014, payable on 7 November 2014 to depositors registered in the Records of Depositors of business on 10 October 2014.

The Directors have declared a second interim single-tier dividend of 2.0% equivalent to 2 sen per ordinary share in respect of the financial period ending 31 October 2014, payable on 6 February 2015 to depositors registered in the Records of Depositors of business on 8 January 2015.

The Directors have also recommended a final single-tier dividend of 3.0% equivalent to 3 sen for the shareholders' approval at the forthcoming Annual General Meeting of the Company. The dividend entitlement and payment date for the proposed dividend will be determined, and thereafter announced at a later date.

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 year-to-date
Profit attributable to			
Owners of the Company	(RM'000)	11,049	23,803
Weighted average number of shares	('000 shares)	106,723	106,723
Basic earnings per share	(sen)	10.35	22.30

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 year-to-date RM'000
(a) Interest income	305	672
(b) Other income including investment income	80	439
(c) Interest expense	(303)	(1,458)
(d) Depreciation and amortization	(1,425)	(7,044)
(e) Provision for and write off of receivables	nil	nil
(f) Provision for and write off of inventories	(486)	(486)
(g) Gain/(loss) on disposal of unquoted investments / properties	nil	nil
(h) Impairment of assets	nil	nil
(i) Foreign exchange gain/(loss)	1,373	882
(j) Gain/(loss) on derivatives	(377)	(377)
(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

24 December 2014
Muar, Johor Darul Takzim