

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 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Jan-15	31-Jan-14	31-Jan-15	31-Jan-14
	RM	RM	RM	RM
Revenue	105,092,728	95,507,729	105,092,728	95,507,729
Cost of Sales	(86,570,272)	(80,119,840)	(86,570,272)	(80,119,840)
Gross Profit	18,522,456	15,387,889	18,522,456	15,387,889
Selling and distribution expenses	(4,908,285)	(4,608,934)	(4,908,285)	(4,608,934)
Administration expenses	(5,059,404)	(4,731,429)	(5,059,404)	(4,731,429)
Other income / (expenses)	1,987,314	1,614,163	1,987,314	1,614,163
Results from operating activities	10,542,081	7,661,689	10,542,081	7,661,689
Finance costs	(541,814)	(554,572)	(541,814)	(554,572)
Profit / (Loss) before tax	10,000,267	7,107,117	10,000,267	7,107,117
Income tax expenses	(1,911,183)	(851,529)	(1,911,183)	(851,529)
Profit / (Loss) for the period	8,089,084	6,255,588	8,089,084	6,255,588
Other Comprehensive Income/(Expenses) net of tax				
- Foreign currency translation	6,011,699	3,229,652	6,011,699	3,229,652
Total Comprehensive Income/(Loss) for the period	14,100,783	9,485,240	14,100,783	9,485,240
Profit / (Loss) after tax attributable to :				
Owners of the Company	8,177,527	6,314,488	8,177,527	6,314,488
Non-Controlling Interest	(88,443)	(58,900)	(88,443)	(58,900)
Profit / (Loss) for the period	8,089,084	6,255,588	8,089,084	6,255,588
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	14,158,908	9,606,844	14,158,908	9,606,844
Non-Controlling Interest	(58,125)	(121,604)	(58,125)	(121,604)
Total Comprehensive Income/(Loss) for the period	14,100,783	9,485,240	14,100,783	9,485,240
Basic Earnings Per Share (in sen)	7.66	5.92	7.66	5.92
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 2014)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statement of Financial Position (Unaudited)
As At 31 January 2015

	Unaudited As At 31-Jan-15	Audited As At 31-Oct-14
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	117,680,153	111,257,739
Land held for property development	20,912,187	20,912,187
Deferred tax assets	60,872	55,501
	<u>138,653,212</u>	<u>132,225,427</u>
Current assets		
Inventories	61,626,080	56,362,543
Trade and other receivables	41,610,872	38,241,319
Deposits, cash and bank balances	66,289,605	52,881,018
	<u>169,526,557</u>	<u>147,484,880</u>
TOTAL ASSETS	<u>308,179,769</u>	<u>279,710,307</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	(11,149,189)	(17,130,570)
Retained profits	86,388,310	78,210,783
	<u>185,789,745</u>	<u>171,630,837</u>
Non-controlling interest	767,124	826,840
TOTAL EQUITY	<u>186,556,869</u>	<u>172,457,677</u>
Non-current liabilities		
Bank borrowings	3,684,237	2,863,123
Deferred tax liabilities	3,530,000	3,030,000
	<u>7,214,237</u>	<u>5,893,123</u>
Current liabilities		
Trade and other payables	62,477,716	60,628,087
Bank borrowings	47,769,939	31,916,053
Tax payable	2,026,542	3,479,202
Dividend payable	2,134,466	5,336,165
	<u>114,408,663</u>	<u>101,359,507</u>
Total Liabilities	<u>121,622,900</u>	<u>107,252,630</u>
TOTAL EQUITY AND LIABILITIES	<u>308,179,769</u>	<u>279,710,307</u>

(The Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2014)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statement of Changes In Equity (Unaudited)
For The Period Ended 31 January 2015

	← 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 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							
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)
At 31 January 2014	113,387,105	(2,836,481)	(15,815,969)	69,260,590	163,995,245	1,096,461	165,091,706
At 1 November 2014	113,387,105	(2,836,481)	(17,130,570)	78,210,783	171,630,837	826,840	172,457,677
Profit after tax for the period	-	-	-	8,177,527	8,177,527	(88,443)	8,089,084
Other comprehensive expense for the period							
- Foreign currency translation	-	-	5,981,381	-	5,981,381	30,318	6,011,699
Total comprehensive income for the period	-	-	5,981,381	8,177,527	14,158,908	(58,125)	14,100,783
Contributions by and distributions to owners							
Dividends							
- by the Company	-	-	-	-	-	-	-
- by subsidiary to non-controlling interests	-	-	-	-	-	(1,591)	(1,591)
Total transactions with owners	-	-	-	-	-	(1,591)	(1,591)
At 31 January 2015	113,387,105	(2,836,481)	(11,149,189)	86,388,310	185,789,745	767,124	186,556,869

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2014)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statement of Cash Flows (Unaudited)
For The Period Ended 31 January 2015

	31-Jan-15	31-Jan-14
	RM	RM
Cash flows from operating activities		
Profit / (Loss) before tax	10,000,267	7,107,117
Adjustments for :		
Depreciation and amortisation	1,642,428	1,856,554
Fair value loss/(gain) on derivatives	-	245,658
Other non-cash items	(1,152,433)	(1,096,499)
Net interest expense	123,197	217,133
Operating profit/(loss) before working capital changes	<u>10,613,459</u>	<u>8,329,963</u>
Inventories	(5,263,537)	(12,161,359)
Trade and other receivables	(2,217,120)	15,319,554
Trade and other payables	1,849,629	(1,939,470)
Cash generated from/(absorbed into) operations	<u>4,982,431</u>	<u>9,548,688</u>
Interest paid	(123,197)	(217,133)
Tax (paid)/refund	(2,863,843)	(4,425,894)
Net cash from operating activities	<u>1,995,391</u>	<u>4,905,661</u>
Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	(3,760,944)	(1,874,115)
Purchase of land held for property development	-	(5,975,786)
Net cash from investing activities	<u>(3,760,944)</u>	<u>(7,849,901)</u>
Cash flow from financing activities		
Net movements in bank borrowings	16,675,000	(6,562,745)
Treasury shares, at cost	-	-
Dividends paid	(3,203,290)	(2,135,585)
Net cash (used in) from financing activities	<u>13,471,710</u>	<u>(8,698,330)</u>
Effects on foreign exchange translation	1,702,430	860,968
Net increase/(decrease) change in cash and cash equivalents	13,408,587	(10,781,602)
Cash and cash equivalents at beginning of the financial year	<u>52,881,018</u>	<u>53,420,298</u>
Cash and cash equivalents at end of the financial period	<u>66,289,605</u>	<u>42,638,696</u>
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	66,289,605	42,638,696

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2014)

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 Main Board Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 October 2014.

The significant accounting policies adopted are consistent with those adopted for the annual audited financial statements for the year ended 31 October 2014. 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 2014.

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 period.

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
First Interim Single Tier	3sen	31.10.2014	3,201,699	07.11.2014

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	36,428	87,385
Vietnam	67,674	47,993
South Africa	991	3,275
Total	105,093	138,653

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

No material events subsequent to the period ended 31 January 2015 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 2014 other than corporate guarantee to financial institutions amounting to RM135.83 million at current financial period.

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 Furniture Industries (M) Sdn Bhd and Poh Huat International Sdn Bhd	Tay Kim Huat	Director	Rental of Showroom	45	45

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	31-Jan-15 RM'000	31-Jan-14 RM'000	+ / - RM'000	31-Jan-15 RM'000	31-Jan-14 RM'000	+ / - RM'000
Malaysia	36,428	33,370	3,058	36,428	33,370	3,058
Vietnam	67,674	60,907	6,767	67,674	60,907	6,767
South Africa	991	1,231	(240)	991	1,231	(240)
Total	105,093	95,508	9,585	105,093	95,508	9,585

The Group recorded a higher turnover of RM105.09 million for the quarter ended 31 January 2015 compared to RM95.51 million recorded in the previous year corresponding quarter ended 31 January 2014. Both Malaysian and Vietnamese operations showed an improvement in performance, with increased shipment of RM3.06 million and RM6.77 million respectively. In particular, the Malaysia operations recorded strong shipment of office furniture to the Canadian market while the Vietnamese operations focused on shipment of home furniture to the US market.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	31-Jan-15 RM'000	31-Jan-14 RM'000	+ / - RM'000	31-Jan-15 RM'000	31-Jan-14 RM'000	+ / - RM'000
Malaysia	4,048	1,501	2,547	4,048	1,501	2,547
Vietnam	5,831	5,298	533	5,831	5,298	533
South Africa	(181)	(121)	(60)	(181)	(121)	(60)
Others	302	429	(127)	302	429	(127)
Total	10,000	7,107	2,893	10,000	7,107	2,893

In line with the higher Group turnover recorded during the quarter under review, the Group recorded a higher profit before tax of RM10.00 million compared to RM7.11 million achieved in the previous year corresponding period ended 31 January 2014.

The performance of the Group during the year was commendable with consistent improvement in terms of shipment of furniture. The better bottom-line performance was mainly attributable to the consistent operational improvements in the Malaysian operations which have successfully launched new ranges of office furniture. This, together with the stronger US Dollar have resulted in a significant turnaround profit of RM4.05 million compared to a profit of RM1.50 million in the previous corresponding quarter.

As before, the Vietnamese operations continued to do well with higher shipment of furniture to the US market. Consistent with the higher shipment of furniture, the profit before tax of the Vietnamese operations was higher at RM5.83 million compared to RM5.30 million achieved in the previous corresponding period ended 31 January 2014.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

	Individual quarter	Preceding quarter	
Profit / (Loss)	31-Jan-15	31-Oct-14	+ / -
Before Tax	RM'000	RM'000	RM'000
Malaysia	4,048	2,665	1,383
Vietnam	5,831	10,380	(4,549)
South Africa	(181)	(216)	35
Others	302	513	(211)
Total	10,000	13,342	(3,342)

The Group turnover for the quarter under review decline from RM108.12 million to RM105.09 million in the preceding quarter ended 31 July 2014. The shipment of furniture from Vietnam was lower at RM67.67 million compared to RM72.65 million achieved in the preceding quarter. The peak shipment in the preceding quarter coincide with the inventory built-up for US distributors prior to the Christmas/New Year seasonality peak. The turnover of RM34.48 million achieved by the Malaysian operations for the current quarter was broadly similar to the previous quarter due to the less cyclical nature of the office furniture segment.

Consistent with the lower turnover, the Group achieved a lower profit before tax of RM10.00 million for the quarter under review compared to RM13.34 million in the preceding quarter ended 31 October 2014. The lower profitability from the Vietnamese operations was mainly due to the higher absorption of fixed manufacturing against a lower level of production following the pre-Christmas/New Year festive peak in the preceding quarter.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

Six years after the sub-prime financial crisis, the United States is expected to grow by 3.1% in 2015, the fastest pace in a decade. The convincing job gains are boosting consumer confidence and helping to shore up household finances. Americans continue to pay down debt, which together with low interest rates has helped reduce the cost of paying off mortgages, car loans and other forms of borrowing. A recent survey by the Furniture Today was reported that the US orders for the year to date were better than a year earlier. There is a consensus amongst industry participants that demand for furniture in the US market will be sustained.

With the pickup in the US economy, we expect demand from the North America market to be sustained. Given the positive outlook amongst furniture importers and retailers in the US and Canada, we expect higher shipment of furniture, from our Malaysian and Vietnamese factories. While we are optimistic, we remain mindful that the global environment remains challenging and competitive due to the volatile financial market/commodity prices and weak economic conditions in Europe and the rest of the world which may adversely affect financial markets and consumer confidence.

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

No profit forecast or profit guarantee were issued for the current financial period.

B5. TAXATION

	Current quarter RM'000	Financial period-to-date RM'000
Current taxation - Malaysian	6	6
Current taxation - Overseas	1,405	1,405
Deferred taxation	500	500
Total Taxation	1,911	1,911

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	4,454	1,605	6,059
Secured - US Dollar	11,050	0	11,050
Secured - South Africa Rand	0	2,079	2,079
Unsecured - Malaysian Ringgit	3,294	0	3,294
Unsecured - US Dollar	28,972	0	28,972
Total	47,770	3,684	51,454

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

	Financial year-to-date RM'000	As at 31.10.2014 RM'000
Total retained profits :		
- Realised	111,948	104,470
- Unrealised	(2,317)	(2,349)
- Consolidation adjustments	(23,243)	(23,910)
At end of reporting period	86,388	78,211

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 2014.

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)	8,178	8,178
Weighted average number of shares	('000 shares)	106,723	106,723
Basic earnings per share	(sen)	7.66	7.66

The diluted earnings per ordinary share were 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 2014 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	270	270
(b) Other income including investment income	165	165
(c) Interest expense	(394)	(394)
(d) Depreciation and amortization	(1,642)	(1,642)
(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)	1,598	1,598
(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

19 March 2015
Muar, Johor Darul Takzim