

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 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Jan-16	31-Jan-15	31-Jan-16	31-Jan-15
	RM	RM	RM	RM
Revenue	151,058,323	105,092,728	151,058,323	105,092,728
Cost of Sales	(118,471,112)	(86,570,272)	(118,471,112)	(86,570,272)
Gross Profit	32,587,211	18,522,456	32,587,211	18,522,456
Selling and distribution expenses	(7,065,128)	(4,908,285)	(7,065,128)	(4,908,285)
Administration expenses	(6,734,264)	(5,059,404)	(6,734,264)	(5,059,404)
Other income / (expenses)	(2,101,007)	1,987,314	(2,101,007)	1,987,314
Results from operating activities	16,686,812	10,542,081	16,686,812	10,542,081
Finance costs	(468,288)	(541,814)	(468,288)	(541,814)
Profit / (Loss) before tax	16,218,524	10,000,267	16,218,524	10,000,267
Income tax expenses	(2,187,179)	(1,911,183)	(2,187,179)	(1,911,183)
Profit / (Loss) for the period	14,031,345	8,089,084	14,031,345	8,089,084
Other Comprehensive Income/(Expenses) net of tax				
- Foreign currency translation	(1,773,837)	6,011,699	(1,773,837)	6,011,699
Total Comprehensive Income/(Loss) for the period	12,257,508	14,100,783	12,257,508	14,100,783
Profit / (Loss) after tax attributable to :				
Owners of the Company	14,135,781	8,177,527	14,135,781	8,177,527
Non-Controlling Interests	(104,436)	(88,443)	(104,436)	(88,443)
Profit / (Loss) for the period	14,031,345	8,089,084	14,031,345	8,089,084
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	12,393,481	14,158,908	12,393,481	14,158,908
Non-Controlling Interests	(135,973)	(58,125)	(135,973)	(58,125)
Total Comprehensive Income/(Loss) for the period	12,257,508	14,100,783	12,257,508	14,100,783
Basic Earnings Per Share (in sen)	6.62	3.83*	6.62	3.83*
Diluted Earnings Per Share (in sen)	5.96	N/A	5.96	N/A

* Adjusted for share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each in the Company into two (2) ordinary shares of RM0.50 each

(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 2015)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statement of Financial Position (Unaudited)
As At 31 January 2016

	Unaudited	Audited
	As At	As At
	31-Jan-16	31-Oct-15
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	123,310,188	120,138,638
Land held for property development	20,912,187	20,912,187
Investment Properties	7,295,568	7,278,968
Deferred tax assets	834,298	861,067
	<u>152,352,241</u>	<u>149,190,860</u>
Current assets		
Inventories	72,710,704	67,244,395
Investment in quoted securities	402,426	1,149,106
Trade and other receivables	51,889,772	56,934,170
Deposits, cash and bank balances	90,666,122	70,869,385
	<u>215,669,024</u>	<u>196,197,056</u>
TOTAL ASSETS	<u>368,021,265</u>	<u>345,387,916</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	113,402,905	113,387,105
Treasury Shares, At Cost	(2,836,481)	(2,836,481)
Share Premium Reserve	15,800	-
Translation reserve	(6,365,428)	(4,623,128)
Retained profits	117,657,962	107,791,125
	<u>221,874,758</u>	<u>213,718,621</u>
Non-controlling interests	105,790	241,763
TOTAL EQUITY	<u>221,980,548</u>	<u>213,960,384</u>
Non-current liabilities		
Bank borrowings	2,062,179	2,551,036
Deferred tax liabilities	5,030,000	5,030,000
	<u>7,092,179</u>	<u>7,581,036</u>
Current liabilities		
Trade and other payables	73,365,002	86,028,178
Bank borrowings	62,238,195	30,860,266
Tax payable	3,345,341	6,958,052
Dividend payable	-	-
	<u>138,948,538</u>	<u>123,846,496</u>
Total Liabilities	<u>146,040,717</u>	<u>131,427,532</u>
TOTAL EQUITY AND LIABILITIES	<u>368,021,265</u>	<u>345,387,916</u>

(The Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2015)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statement of Changes In Equity (Unaudited)
For The Quarter Ended 31 January 2016

	←----- Attributable to Owners of the Parent ----->							
	<-----Non-distributable ----->			Distributable				
	Share Capital RM	Treasury Share RM	Premium Reserve RM	Translation Reserve RM	Retained Profits RM	RM	RM	RM
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
Dividends								
- by the Company					-	-	-	-
- by subsidiary to non-controlling interests					-	-	(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
At 1 November 2015	113,387,105	(2,836,481)		(4,623,128)	107,791,125	213,718,621	241,763	213,960,384
Profit after tax for the period				-	14,135,781	14,135,781	(104,436)	14,031,345
Other comprehensive expense for the period								
- Foreign currency translation	-	-		(1,742,300)	-	(1,742,300)	(31,537)	(1,773,837)
Total comprehensive income for the period	-	-	-	(1,742,300)	14,135,781	12,393,481	(135,973)	12,257,508
Dividends								
- by the Company				-	(4,268,944)	(4,268,944)		(4,268,944)
- by subsidiary to non-controlling interests				-	-	-	-	-
Exercise of Warrants 2015/2020	15,800		15,800			31,600		31,600
At 31 January 2016	113,402,905	(2,836,481)	15,800	(6,365,428)	117,657,962	221,874,758	105,790	221,980,548

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2015)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statement of Cash Flows (Unaudited)
For The Quarter Ended 31 January 2016

	31-Jan-16	31-Jan-15
	RM	RM
Cash flows from operating activities		
Profit / (Loss) before tax	16,218,524	10,000,267
Adjustments for :		
Depreciation and amortisation	1,843,706	1,642,428
Other non-cash items	(641,334)	(1,152,433)
Net interest expense	77,763	123,197
Operating profit/(loss) before working capital changes	<u>17,498,659</u>	<u>10,613,459</u>
Inventories	(5,466,309)	(5,263,537)
Trade and other receivables	5,685,732	(2,217,120)
Trade and other payables	(12,663,176)	1,849,629
Cash generated from/(absorbed into) operations	<u>5,054,906</u>	<u>4,982,431</u>
Interest paid	(77,763)	(123,197)
Tax (paid)/refund	(5,799,890)	(2,863,843)
Net cash from operating activities	<u>(822,747)</u>	<u>1,995,391</u>
Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	-	-
Proceeds from investment in quoted securities	746,680	-
Purchase of property, plant and equipment	(7,254,472)	(3,760,944)
Net cash from investing activities	<u>(6,507,792)</u>	<u>(3,760,944)</u>
Cash flow from financing activities		
Net movements in bank borrowings	30,889,072	16,675,000
Proceeds from issue of new shares pursuant to the exercise of Warrants 2015/2	31,600	
Dividends paid	(4,268,944)	(3,203,290)
Net cash (used in) from financing activities	<u>26,651,728</u>	<u>13,471,710</u>
Effects on foreign exchange translation	475,548	1,702,430
Net increase/(decrease) change in cash and cash equivalents	19,796,737	13,408,587
Cash and cash equivalents at beginning of the financial year	<u>70,869,385</u>	<u>52,881,018</u>
Cash and cash equivalents at end of the financial period	<u><u>90,666,122</u></u>	<u><u>66,289,605</u></u>
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	90,666,122	66,289,605

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2015)

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 2015.

The significant accounting policies adopted are consistent with those adopted for the annual audited financial statements for the year ended 31 October 2015. 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 2015.

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

There were 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

The Company has not issued any revenue or profit estimate, forecast or target.

A5. ISSUANCE, REPURCHASE AND CANCELLATION OF SHARES

Re-Purchase of Own Shares

The Company has been authorised by shareholders to re-purchase its own shares.

The total number of shares repurchased by the Company as at end of reporting period (31 January 2016) was 13,327,600 ordinary shares of RM0.50 each (“shares”). All the repurchased shares are held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965. None of the treasury shares were resold or cancelled during the reporting period. The repurchase transactions were financed by internally generated funds. The Company has not purchased any of its own shares during the financial quarter under review.

Exercise of Warrants

A total of 31,600 new Poh Huat shares were issued pursuant to the exercise of 31,600 Warrants 2015/2020 at the issue price RM1.00 per share during the financial period to date. 600 shares were listed and quoted on the Official List of Bursa Malaysia on 19 November 2015 and the balance of 31,000 share were listed and quoted on 12 January 2016.

Save for the above, the Company has not issued any shares, debts or convertible securities during the current financial quarter.

A6. DIVIDEND PAID

The dividends paid during the financial year were as follows:

Type of Dividend	Dividend per share	For the year ended	Amount RM	Payment date
First Interim Single Tier	2 sen	31-Oct-16	4,268,944	15-Jan-16

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	50,369	89,319
Vietnam	100,093	60,344
South Africa	596	2,689
Total	151,058	152,352

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

There were no material events subsequent to the current financial period that have not been reflected in the financial statements of the interim period.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change in the composition of the Group during the current financial period.

A10. CHANGES IN CONTINGENT LIABILITIES / ASSETS

There were no changes in contingent liabilities/assets since the last financial year ended at 31 October 2015 other than corporate guarantee granted to financial institutions amounting to RM171.63 million at current financial year.

A11. CAPITAL COMMITMENTS

There were no capital commitment 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 Furniture Industries (M) Sdn Bhd	Tay Kim Huat	Director	Rental of Showroom	45	45
J.A. Nathan & Co	Tay Khim Seng	Director	Legal Fees	4	4

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	31-Jan-16 RM'000	31-Jan-15 RM'000	+ / - RM'000	31-Jan-16 RM'000	31-Jan-15 RM'000	+ / - RM'000
Malaysia	50,369	36,428	13,941	50,369	36,428	13,941
Vietnam	100,093	67,674	32,419	100,093	67,674	32,419
South Africa	596	991	(395)	596	991	(395)
Total	151,058	105,093	45,965	151,058	105,093	45,965

The Group recorded a higher turnover of RM151.05 million for the quarter ended 31 January 2016 compared to RM105.09 million in the previous year corresponding quarter ended 31 January 2015. Both the Malaysian and Vietnamese operations showed substantial improvement in performance, with increased shipment of 38% and 48% respectively. Overall, the turnover recorded by the Malaysian and Vietnam subsidiaries increased substantially due to the higher volume of furniture shipped as well as the higher RM proceeds realised for the Group's export sales which are denominated in the US Dollar. The Vietnamese operations received record orders from its customers for shipment during the year-end festive season. Similarly, the Malaysia operations enjoyed increased shipment of office furniture to Canada and the US as customers placed new orders for project related products.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	31-Jan-16 RM'000	31-Jan-15 RM'000	+ / - RM'000	31-Jan-16 RM'000	31-Jan-15 RM'000	+ / - RM'000
Malaysia	7,117	4,048	3,069	7,117	4,048	3,069
Vietnam	10,494	5,831	4,663	10,494	5,831	4,663
South Africa	(214)	(181)	(33)	(214)	(181)	(33)
Others	(1,179)	302	(1,481)	(1,179)	302	(1,481)
Total	16,218	10,000	6,218	16,218	10,000	6,218

In line with the higher Group turnover, the Group recorded a higher profit before tax of RM16.22 million during the quarter under review. The improved profit margins were due mainly to the better economy of scale and the higher sales proceeds as a result of a significantly higher US Dollar exchange rates during the quarter under review for both the Vietnamese and Malaysia operations. The continuous efforts on manufacturing efficiency and product rationalisation also contributed to the better bottom line.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter	Preceding quarter	+ / - RM'000
	31-Jan-16 RM'000	31-Oct-15 RM'000	
Malaysia	7,117	11,082	(3,965)
Vietnam	10,494	6,377	4,117
South Africa	(214)	(545)	331
Others	(1,179)	2,973	(4,152)
Total	16,218	19,887	(3,669)

In line with the stronger housing sector and generally better demand for household furniture in North America, the Group turnover increased from RM140.18 million in the preceding quarter to RM151.06 million in the current quarter under review.

In Vietnam, high shipment of furniture continued into November and December 2015 as the Group shipped orders which were previously delayed as a result of the fire in August 2015. This has resulted in a higher turnover of RM100.09 million in the current quarter under review. In line with the higher turnover, profit before tax of our Vietnamese subsidiary rose to RM10.49 million in the quarter under review.

Shipment of office furniture from our Malaysian operations was also higher at RM50.37 million due to the increase in shipment for project related products to North America. The Malaysia operations however recorded a lower profit before tax due to higher payment of year-end bonus and a marginally lower average US Dollar/Ringgit exchange rate as compared the preceding quarter ended 31 October 2015.

Meanwhile, the Group results were also impacted by the weakening of US Dollar against the Ringgit during the quarter under review. This has resulted a loss in foreign currency of RM2.58 million in current quarter against a gain of RM3.80 million in the preceding quarter.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

The US economy, the largest and most important in the world, continues to register gains in employment, manufacturing outputs, housing and corporate earnings. In the US housing sector, the pace of growth of existing home sales and prices moderated to 3% in 2015 but remain strong overall. Higher employment, historically low mortgage rates and higher disposal income augur well for the US housing market and household spending including finishing and furniture.

Despite the strong showing, the US is one of the few bright spots in an unsettled global economy. Much of Europe remains weak with concerns over economic, immigrants and security issues. China will continue to decelerate with annual gross domestic product growth projected to dip below 7% in 2016.

Notwithstanding the above challenges, we are optimistic with regard to our performance for the coming year. With the buoyant US housing sector and increases in discretionary spending, furniture spending should continue to improve through the remainder of the year. The positive outlook amongst furniture importers and retailers in the US and Canada will translate to higher orders and shipment of furniture, both from our Malaysian and Vietnamese factories. For this, we are proceeding to upgrade the machinery, particularly in Malaysia to capitalise on the opportunities in the office segment following the Group's rationalisation efforts.

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 year-to-date RM'000
Current taxation - Malaysian	906	906
Current taxation - Overseas	1,281	1,281
Deferred taxation	0	0
Total Taxation	2,187	2,187

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	2,786	609	3,395
Secured - US Dollar	26,154	0	26,154
Secured - South Africa Rand	0	1,453	1,453
Unsecured - Malaysian Ringgit	3,245	0	3,245
Unsecured - US Dollar	30,053	0	30,053
Total	62,238	2,062	64,300

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

	Financial year-to-date	As at 31.10.2015
	RM'000	RM'000
Total retained profits :		
- Realised	142,461	127,090
- Unrealised	(3,554)	1,608
- Consolidation adjustments	(21,249)	(20,907)
At end of reporting period	117,658	107,791

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 2015.

B10. DIVIDEND

The Company has declared a first interim single-tier dividend of 2 sen per ordinary share in respect of the financial year ending 31 October 2016. The dividend was paid on 22 January 2016.

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)	14,136	14,136
Weighted average number of shares	('000 shares)	213,472	213,472
Basic earnings per share	(sen)	6.62	6.62

Diluted earnings per share

The diluted 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) that would have been issued upon full conversion of Warrants 2015/2020.

		Current quarter	Financial year-to-date
Profit attributable to			
Owners of the Company	(RM'000)	14,136	14,136
Weighted average number of shares	('000 shares)	213,472	213,472
<u>Effect of dilution from Warrants 2015/2020</u>	<u>('000 shares)</u>	<u>23,757</u>	<u>23,757</u>
Adjusted weighted average number of shares	('000 shares)	237,229	237,229
Diluted earnings per share	(sen)	5.96	5.96

B12. AUDIT QUALIFICATION REPORT

The preceding financial statements for the year ended 31 October 2015 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	242	242
(b) Other income including investment income	183	183
(c) Interest expense	(319)	(319)
(d) Depreciation and amortization	(1,844)	(1,844)
(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)	(2,581)	(2,581)
(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

22 March 2016
Muar, Johor Darul Takzim