

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 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30-Apr-16	30-Apr-15	30-Apr-16	30-Apr-15
	RM	RM	RM	RM
Revenue	106,464,309	96,163,822	257,522,632	201,256,550
Cost of Sales	(89,636,323)	(78,865,309)	(208,107,435)	(165,435,581)
Gross Profit	16,827,986	17,298,513	49,415,197	35,820,969
Selling and distribution expenses	(5,082,450)	(5,204,805)	(12,147,578)	(10,113,090)
Administration expenses	(5,248,498)	(5,639,114)	(11,982,762)	(10,698,518)
Other income / (expenses)	(530,609)	(667,080)	(2,631,616)	1,320,234
Results from operating activities	5,966,429	5,787,514	22,653,241	16,329,595
Finance costs	(508,594)	(454,154)	(976,882)	(995,968)
Profit / (Loss) before tax	5,457,835	5,333,360	21,676,359	15,333,627
Income tax expenses	(1,684,181)	(919,071)	(3,871,360)	(2,830,254)
Profit / (Loss) for the period	3,773,654	4,414,289	17,804,999	12,503,373
Other Comprehensive Income/(Expenses) net of tax				
- Foreign currency translation	(4,497,376)	(1,433,347)	(6,271,213)	4,578,352
Total Comprehensive Income/(Loss) for the period	(723,722)	2,980,942	11,533,786	17,081,725
Profit / (Loss) after tax attributable to :				
Owners of the Company	3,876,703	4,529,327	18,012,484	12,706,854
Non-Controlling Interests	(103,049)	(115,038)	(207,485)	(203,481)
Profit / (Loss) for the period	3,773,654	4,414,289	17,804,999	12,503,373
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	(623,867)	3,124,039	11,769,614	17,282,947
Non-Controlling Interests	(99,855)	(143,097)	(235,828)	(201,222)
Total Comprehensive Income/(Loss) for the period	(723,722)	2,980,942	11,533,786	17,081,725
Basic Earnings Per Share (in sen)	1.82	2.12*	8.44	5.95*
Diluted Earnings Per Share (in sen)	1.65	N/A	7.67	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 30 April 2016

	Unaudited	Audited
	As At	As At
	30-Apr-16	31-Oct-15
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	120,978,898	120,138,638
Land held for property development	20,912,187	20,912,187
Investment Properties	7,328,162	7,278,968
Deferred tax assets	752,034	861,067
	<u>149,971,281</u>	<u>149,190,860</u>
Current assets		
Inventories	66,028,809	67,244,395
Investment in quoted securities	402,426	1,149,106
Trade and other receivables	45,572,737	56,934,170
Deposits, cash and bank balances	66,514,479	70,869,385
	<u>178,518,451</u>	<u>196,197,056</u>
TOTAL ASSETS	<u>328,489,732</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	(10,865,998)	(4,623,128)
Retained profits	117,265,100	107,791,125
	<u>216,981,326</u>	<u>213,718,621</u>
Non-controlling interests	5,935	241,763
TOTAL EQUITY	<u>216,987,261</u>	<u>213,960,384</u>
Non-current liabilities		
Bank borrowings	1,862,129	2,551,036
Deferred tax liabilities	5,030,000	5,030,000
	<u>6,892,129</u>	<u>7,581,036</u>
Current liabilities		
Trade and other payables	59,351,176	86,028,178
Bank borrowings	38,807,957	30,860,266
Tax payable	2,181,645	6,958,052
Dividend payable	4,269,564	-
	<u>104,610,342</u>	<u>123,846,496</u>
Total Liabilities	<u>111,502,471</u>	<u>131,427,532</u>
TOTAL EQUITY AND LIABILITIES	<u>328,489,732</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 30 April 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	Non-Controlling Total RM	Non-Controlling Interests RM	Total Equity 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					12,706,854	12,706,854	(203,481)	12,503,373
Other comprehensive expense for the period - Foreign currency translation				4,576,093	-	4,576,093	2,259	4,578,352
Total comprehensive income for the period	-	-	-	4,576,093	12,706,854	17,282,947	(201,222)	17,081,725
Dividends - by the Company - by subsidiary to non-controlling interests					-	-	-	-
					-	-	(1,591)	(1,591)
At 30 April 2015	113,387,105	(2,836,481)	-	(12,554,477)	90,917,637	188,913,784	624,027	189,537,811
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				-	18,012,484	18,012,484	(207,485)	17,804,999
Other comprehensive expense for the period - Foreign currency translation	-	-		(6,242,870)	-	(6,242,870)	(28,343)	(6,271,213)
Total comprehensive income for the period	-	-	-	(6,242,870)	18,012,484	11,769,614	(235,828)	11,533,786
Dividends - by the Company - by subsidiary to non-controlling interests					-	(8,538,509)	(8,538,509)	(8,538,509)
Exercise of Warrants 2015/2020	15,800		15,800	-	-	-	-	-
						31,600		31,600
At 30 April 2016	113,402,905	(2,836,481)	15,800	(10,865,998)	117,265,100	216,981,326	5,935	216,987,261

(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 30 April 2016

	30-Apr-16	30-Apr-15
	RM	RM
Cash flows from operating activities		
Profit / (Loss) before tax	21,676,359	15,333,627
Adjustments for :		
Depreciation and amortisation	3,628,128	3,265,489
Fire insurance compensation	(2,040,144)	
Property, plant and equipment written off	120,762	98,009
(Gain) / loss on disposal of PPE	(54,415)	
Other non-cash items	221,774	6,820
Net interest expense	174,282	221,923
Operating profit/(loss) before working capital changes	<u>23,726,746</u>	<u>18,925,868</u>
Inventories	1,215,586	(2,134,426)
Trade and other receivables	13,179,803	(3,479,530)
Trade and other payables	(26,677,002)	(6,216,506)
Cash generated from/(absorbed into) operations	<u>11,445,133</u>	<u>7,095,406</u>
Interest paid	(174,282)	(221,923)
Tax (paid)/refund	(8,647,767)	(4,237,043)
Net cash from operating activities	<u>2,623,084</u>	<u>2,636,440</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	(10,047,357)	(8,075,443)
Net cash from investing activities	<u>(9,300,677)</u>	<u>(8,075,443)</u>
Cash flow from financing activities		
Net movements in bank borrowings	7,258,784	16,902,295
Proceeds from issue of new shares pursuant to the exercise of Warrants 2015/2	31,600	
Dividends paid	(4,268,944)	(5,337,756)
Net cash (used in) from financing activities	<u>3,021,440</u>	<u>11,564,539</u>
Effects on foreign exchange translation	(698,753)	1,794,445
Net increase/(decrease) change in cash and cash equivalents	(4,354,906)	7,919,981
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>66,514,479</u></u>	<u><u>60,800,999</u></u>
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	66,514,479	60,800,999

(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 (30 April 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 shares 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 period 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-2016	4,268,944	15-Jan-2016
Final Single Tier	2 sen	31-Oct-2015	4,269,565	19-May-2016

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	84,829	90,030
Vietnam	171,599	57,118
South Africa	1,095	2,823
Total	257,523	149,971

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 RM157.87 million at current financial period.

A11. CAPITAL COMMITMENTS

There is 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 period-to-date (RM'000)
Poh Huat Furniture Industries (M) Sdn Bhd	Tay Kim Huat	Director	Rental of Showroom	45	90
J.A. Nathan & Co	Tay Khim Seng	Director	Legal Fees	4	4

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	30-Apr-16 RM'000	30-Apr-15 RM'000	+ / - RM'000	30-Apr-16 RM'000	30-Apr-15 RM'000	+ / - RM'000
Malaysia	34,460	31,279	3,181	84,829	67,707	17,122
Vietnam	71,506	63,840	7,666	171,599	131,514	40,085
South Africa	498	1,045	(547)	1,095	2,036	(941)
Total	106,464	96,164	10,300	257,523	201,257	56,266

The Group recorded a higher turnover of RM106.46 million for the quarter under review compared to RM96.16 million recorded in the previous year corresponding quarter ended 30 April 2015. The increase in turnover is attributable mainly to the higher shipment from the Group's Vietnamese operations. The demand for furniture continued to strong in line with the sustained employment and strong housing market in the US.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	30-Apr-16 RM'000	30-Apr-15 RM'000	+ / - RM'000	30-Apr-16 RM'000	30-Apr-15 RM'000	+ / - RM'000
Malaysia	1,770	1,816	(46)	8,887	5,864	3,023
Vietnam	5,158	4,618	540	15,652	10,449	5,203
South Africa	(211)	(235)	24	(425)	(416)	(9)
Others	(1,259)	(866)	(393)	(2,438)	(564)	(1,874)
Total	5,458	5,333	125	21,676	15,333	6,343

Notwithstanding the higher turnover recorded during the quarter under review, the Group recorded a slightly higher profit before tax of RM5.46 million compared to RM5.33 million achieved in the previous year corresponding period ended 30 April 2015.

During the quarter under review, the Vietnamese operation recorded a higher profit before tax of RM5.16 million. Despite the higher profit before tax, the profitability of the Vietnamese operations was affected by the lower US Dollar exchange rate and lower level of productivity due to the long Tet Festive holiday. However, it was partially offset by the insurance compensation received during the quarter under review.

Despite higher turnover, the profit before tax of the Malaysian operations were slightly lower at RM1.77 million compared to a profit of RM1.82 million in the previous year's corresponding quarter. The stronger Ringgit against the US Dollar during the current quarter has resulted in a forex losses of RM1.65 million incurred against forex gains of RM0.17 million in the previous year's corresponding quarter.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter	Preceding quarter	+ / - RM'000
	30-Apr-16 RM'000	31-Jan-16 RM'000	
Malaysia	1,770	7,117	(5,347)
Vietnam	5,158	10,494	(5,336)
South Africa	(211)	(214)	3
Others	(1,259)	(1,179)	(80)
Total	5,458	16,218	(10,760)

Consistent with the seasonal lower following the Christmas/ New Year seasonality peak, the Group recorded a lower turnover of RM106.47 million compared to a turnover of RM151.06 million in the preceding quarter ended 31 January 2016. The shipment of furniture was also at its seasonal low, particularly at the beginning of the year where the demand for office furnishing is generally low.

Reflective of the seasonal lower turnover, the Group achieved a lower profit before tax of RM5.46 million for the quarter under review compared to RM16.22 million in the preceding quarter ended 31 January 2016. The lower profitability was also the result of the lower US exchange rate against the Ringgit and higher absorption of fixed manufacturing overhead against a lower level of production during the Tet/Chinese New Year Holiday which fell in the month of February.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

Recent reports in the US showed that new-home sales in April 2016 surged to the highest level in more than eight years, pointing to a robust spring selling season for homebuilders. The prospects of a rate hike did not deterred home sales but instead bolstered confidence as it suggests the economy is doing better. Homebuyers took advantage of easy financing amidst raising household income and historically low mortgage rates.

The US Commerce Department said gross domestic product (GDP) grew at an annual pace of 1.1% in the quarter, up from an earlier estimate of 0.8% and that the general picture of economic growth remains. With better economic indicators and pickup in the housing sector in the US, we expect demand from the North America market to be sustained. The prospects of US interest rate hikes and the continued strength of the US Dollars also means better purchasing power and better pricing for our products which, if sustained, will also translate to better bottom-line for the Group in the coming months. Our optimism notwithstanding, we remain mindful that the global environment remains competitive due to the volatility in financial markets and commodity prices. The current uncertainties following UK decision to leave the Eurozone have also affected global financial markets and may have long term impact on global growth 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	906	1,812
Current taxation - Overseas	748	2,029
Deferred taxation	30	30
Total Taxation	1,684	3,871

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	1,954	408	2,362
Secured - US Dollar	19,764	0	19,764
Secured - South Africa Rand	0	1,454	1,454
Unsecured - Malaysian Ringgit	2,670	0	2,670
Unsecured - US Dollar	14,420	0	14,420
Total	38,808	1,862	40,670

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

	Financial year-to-date RM'000	As at 31.10.2015 RM'000
Total retained profits :		
- Realised	143,401	127,090
- Unrealised	(4,500)	1,608
- Consolidation adjustments	(21,636)	(20,907)
At end of reporting period	117,265	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 Directors have declared a second interim single-tier dividend of 2 sen per ordinary share in respect of the financial year ending 31 October 2016 for the period ended 30 April 2016, payable on 29 July 2016 to depositors registered in the Records of Depositors of business on 19 July 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)	3,877	18,012
Weighted average number of shares	('000 shares)	213,472	213,472
Basic earnings per share	(sen)	1.82	8.44

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)	3,877	18,012
Weighted average number of shares	('000 shares)	213,472	213,472
Effect of dilution from Warrants 2015/2020	('000 shares)	21,396	21,396
Adjusted weighted average number of shares	('000 shares)	234,868	234,868
Diluted earnings per share	(sen)	1.65	7.67

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 Condensed Consolidated Statement of Profit or Loss for the current quarter and financial period-to-date are below: -

	Current quarter RM'000	Financial period-to-date RM'000
(a) Interest income	303	545
(b) Other income including investment income	136	319
(c) Interest expense	(400)	(719)
(d) Depreciation and amortization	(1,784)	(3,628)
(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)	(2,971)	(5,552)
(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

30 June 2016
Muar, Johor Darul Takzim