

**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 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Jan-17	31-Jan-16	31-Jan-17	31-Jan-16
	RM	RM	RM	RM
Revenue	163,458,816	151,058,323	163,458,816	151,058,323
Cost of Sales	(129,131,879)	(118,471,112)	(129,131,879)	(118,471,112)
<b>Gross Profit</b>	<b>34,326,937</b>	<b>32,587,211</b>	<b>34,326,937</b>	<b>32,587,211</b>
Selling and distribution expenses	(7,655,373)	(7,065,128)	(7,655,373)	(7,065,128)
Administration expenses	(7,301,117)	(6,734,264)	(7,301,117)	(6,734,264)
Other income / (expenses)	581,329	(2,101,007)	581,329	(2,101,007)
Finance costs	(449,726)	(468,288)	(449,726)	(468,288)
<b>Profit / (Loss) before tax</b>	<b>19,502,050</b>	<b>16,218,524</b>	<b>19,502,050</b>	<b>16,218,524</b>
Income tax expenses	(1,982,259)	(2,187,179)	(1,982,259)	(2,187,179)
<b>Profit / (Loss) for the period</b>	<b>17,519,791</b>	<b>14,031,345</b>	<b>17,519,791</b>	<b>14,031,345</b>
<b>Other Comprehensive Income/(Expenses) net of tax</b>				
- Foreign currency translation	4,660,181	(1,773,837)	4,660,181	(1,773,837)
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>22,179,972</b>	<b>12,257,508</b>	<b>22,179,972</b>	<b>12,257,508</b>
Profit / (Loss) after tax attributable to :				
Owners of the Company	17,670,239	14,135,781	17,670,239	14,135,781
Non-Controlling Interests	(150,448)	(104,436)	(150,448)	(104,436)
<b>Profit / (Loss) for the period</b>	<b>17,519,791</b>	<b>14,031,345</b>	<b>17,519,791</b>	<b>14,031,345</b>
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	22,337,940	12,393,481	22,337,940	12,393,481
Non-Controlling Interests	(157,968)	(135,973)	(157,968)	(135,973)
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>22,179,972</b>	<b>12,257,508</b>	<b>22,179,972</b>	<b>12,257,508</b>
Basic Earnings Per Share (in sen)	8.28	6.62	8.28	6.62
Diluted Earnings Per Share (in sen)	7.49	5.96	7.49	5.96

(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 2016)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)**  
**Condensed Consolidated Statement of Financial Position (Unaudited)**  
**As At 31 January 2017**

	<b>Unaudited As At 31-Jan-17</b>	<b>Audited As At 31-Oct-16</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	148,058,297	129,282,950
Land held for property development	20,912,187	20,912,187
Investment Properties	9,117,279	8,431,810
Deferred tax assets	369,703	-
	<u>178,457,466</u>	<u>158,626,947</u>
<b>Current assets</b>		
Inventories	78,513,796	70,712,036
Other investment	-	522,321
Trade and other receivables	65,429,543	72,854,209
Deposits, cash and bank balances	67,846,603	71,594,878
	<u>211,789,942</u>	<u>215,683,444</u>
<b>TOTAL ASSETS</b>	<b><u>390,247,408</u></b>	<b><u>374,310,391</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	113,402,905	113,402,905
Treasury Shares, At Cost	(2,836,481)	(2,836,481)
Share Premium Reserve	15,800	15,800
Translation reserve	(393,440)	(5,061,141)
Retained profits	155,447,534	137,777,295
	<u>265,636,318</u>	<u>243,298,378</u>
Non-controlling interests	(253,218)	(93,827)
<b>TOTAL EQUITY</b>	<b><u>265,383,100</u></b>	<b><u>243,204,551</u></b>
<b>Non-current liabilities</b>		
Bank borrowings and hire purchases	222,275	423,696
Deferred tax liabilities	5,962,000	5,962,000
	<u>6,184,275</u>	<u>6,385,696</u>
<b>Current liabilities</b>		
Trade and other payables	60,086,076	89,474,279
Derivatives financial instruments at fair value	-	222,185
Bank borrowings and hire purchases	56,751,716	28,501,074
Tax payable	1,842,241	2,253,042
Dividend payable	-	4,269,564
	<u>118,680,033</u>	<u>124,720,144</u>
<b>Total Liabilities</b>	<b><u>124,864,308</u></b>	<b><u>131,105,840</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>390,247,408</u></b>	<b><u>374,310,391</u></b>

(The Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2016)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)**  
**Condensed Consolidated Statement of Changes In Equity (Unaudited)**  
**For The Quarter Ended 31 January 2017**

	←-----Attributable to Owners of the Company-----→							Total Equity RM
	<-----Non-distributable----->				Distributable			
	Share Capital RM	Treasury Share RM	Premium Reserve RM	Translation Reserve RM	Retained Profits RM	Total RM	Non Controlling Interests RM	
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					-	-	-	0
Exercise of Warrants 2015/2020	15,800		15,800			31,600		31,600
<b>At 31 January 2016</b>	<b>113,402,905</b>	<b>(2,836,481)</b>	<b>15,800</b>	<b>(6,365,428)</b>	<b>117,657,962</b>	<b>221,874,758</b>	<b>105,790</b>	<b>221,980,548</b>
At 1 November 2016	113,402,905	(2,836,481)	15,800	(5,061,141)	137,777,295	243,298,378	(93,827)	243,204,551
Profit after tax for the period					17,670,239	17,670,239	(150,448)	17,519,791
Other comprehensive expense for the period								
- Foreign currency translation				4,667,701	-	4,667,701	(7,520)	4,660,181
Total comprehensive income for the period	-	-	-	4,667,701	17,670,239	22,337,940	(157,968)	22,179,972
Dividends								
- by the Company					-	-	-	-
- by subsidiary to non-controlling interests					-	-	(1,423)	(1,423)
Exercise of Warrants 2015/2020	-		-			-		0
<b>At 31 January 2017</b>	<b>113,402,905</b>	<b>(2,836,481)</b>	<b>15,800</b>	<b>(393,440)</b>	<b>155,447,534</b>	<b>265,636,318</b>	<b>(253,218)</b>	<b>265,383,100</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 2016)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**  
**For The Quarter Ended 31 January 2017**

	<b>31-Jan-17</b>	<b>31-Jan-16</b>
	<b>RM</b>	<b>RM</b>
Cash flows from operating activities		
Profit / (Loss) before tax	19,502,050	16,218,524
Adjustments for :		
Depreciation and amortisation	2,057,296	1,843,706
(Gain) / loss on disposal on other investment	(49,304)	(119,895)
(Gain) / loss on disposal of PPE	(37,736)	-
Fair value (gain) / loss on derivatives	(222,185)	-
Unrealised (gain)/ loss on forex	(92,878)	(641,334)
Net interest expense	102,232	77,763
Operating profit/(loss) before working capital changes	<u>21,259,475</u>	<u>17,378,764</u>
Inventories	(7,801,760)	(5,466,309)
Trade and other receivables	7,517,543	5,805,627
Trade and other payables	(29,388,203)	(12,663,176)
Cash generated from/(absorbed into) operations	<u>(8,412,945)</u>	<u>5,054,906</u>
Interest paid	(102,232)	(77,763)
Tax (paid)/refund	(2,393,060)	(5,799,890)
<b>Net cash from operating activities</b>	<b><u>(10,908,237)</u></b>	<b><u>(822,747)</u></b>
Cash flows from investing activities		
Proceeds from disposal of other investment	571,625	746,680
Purchase of property, plant and equipment	(19,332,565)	(7,254,472)
<b>Net cash from investing activities</b>	<b><u>(18,760,940)</u></b>	<b><u>(6,507,792)</u></b>
Cash flow from financing activities		
Net movements in bank borrowings	28,049,221	30,889,072
Proceeds from issue of new shares pursuant to the exercise of Warrants 2015/2	-	31,600
Dividends paid	(4,270,987)	(4,268,944)
<b>Net cash (used in) from financing activities</b>	<b><u>23,778,234</u></b>	<b><u>26,651,728</u></b>
Effects on foreign exchange translation	2,142,668	475,548
Net increase/(decrease) change in cash and cash equivalents	(3,748,275)	19,796,737
Cash and cash equivalents at beginning of the financial year	<u>71,594,878</u>	<u>70,869,385</u>
<b>Cash and cash equivalents at end of the financial period</b>	<b><u><u>67,846,603</u></u></b>	<b><u><u>90,666,122</u></u></b>
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	<b>67,846,603</b>	<b>90,666,122</b>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2016)

## **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 2016.

The significant accounting policies adopted are consistent with those adopted for the annual audited financial statements for the year ended 31 October 2016. 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 2016.

### **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 year (31 October 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 127 of the Companies Act 2016. 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 period under review.

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

**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
Third Interim	2 sen	31.10.2016	4,269,564	15.12.2016

**A7. OPERATING SEGMENTS**

The Group adopted geographical segment as its reporting format. The segment information for the financial period-to-date was as below: -

	Revenue RM'000	Non-Current Assets RM'000
Malaysia	54,620	91,680
Australia	0	15,080
Vietnam	108,575	70,550
South Africa	264	1,147
<b>Total</b>	<b>163,459</b>	<b>178,457</b>

**A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE YEAR**

No material events subsequent to the current reporting period 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**

There were no changes in contingent liabilities/assets since the last financial year ended at 31 October 2016 other than corporate guarantee granted to financial institutions amounting to RM152.92 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 year-to-date (RM'000)
Poh Huat Furniture Industries (M) Sdn Bhd	Tay Kim Huat	Director	Rental of Showroom	36	36

## BMSB LISTING REQUIREMENTS

### B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	31-Jan-17 RM'000	31-Jan-16 RM'000	+ / - RM'000	31-Jan-17 RM'000	31-Jan-16 RM'000	+ / - RM'000
Malaysia	54,620	50,369	4,251	54,620	50,369	4,251
Vietnam	108,575	100,093	8,482	108,575	100,093	8,482
South Africa	264	596	(332)	264	596	(332)
<b>Total</b>	<b>163,459</b>	<b>151,058</b>	<b>12,401</b>	<b>163,459</b>	<b>151,058</b>	<b>12,401</b>

For the quarter ended 31 January 2017, the Group recorded a higher turnover of RM163.46 million compared to RM151.06 million recorded in the previous year's corresponding quarter ended 31 January 2016. The higher turnover was mainly due the better selling prices of the products ship from both the Vietnamese and Malaysian operations and the higher Ringgit sales proceeds realised from these products.

Shipment of furniture from our Vietnamese factories continued to improve in line with sustained orders from the US and expanded production capacity from the commissioning of the new spray-line facilities in August 2016. Turnover from our Malaysian factories also improved as a result of the coming on-stream of the new products, including panel based bedroom models, introduced in the previous quarter.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	31-Jan-17 RM'000	31-Jan-16 RM'000	+ / - RM'000	31-Jan-17 RM'000	31-Jan-16 RM'000	+ / - RM'000
Malaysia	8,504	7,117	1,387	8,504	7,117	1,387
Vietnam	11,377	10,494	883	11,377	10,494	883
South Africa	(308)	(214)	(94)	(308)	(214)	(94)
Others	(71)	(1,179)	1,108	(71)	(1,179)	1,108
<b>Total</b>	<b>19,502</b>	<b>16,218</b>	<b>3,284</b>	<b>19,502</b>	<b>16,218</b>	<b>3,284</b>

In line with the higher turnover during quarter under review, gross profits for the quarter rose to RM34.33 million compared to RM32.59 million achieved in the previous corresponding period ended 31 January 2016. During the period under review, the Group disposed its investment in certain quoted securities and some surplus raw materials for total gains of RM435,000. The Group also recognised forex gains of about RM93,000 in the current quarter compared to forex losses of RM2.58 million in the previous corresponding quarter. This has resulted in a substantial net increase in profit before tax of RM3.28 million for the current quarter under review.

### B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter	Preceding quarter	+ / - RM'000
	31-Jan-17 RM'000	31-Oct-16 RM'000	
Malaysia	8,504	6,720	1,784
Vietnam	11,377	18,356	(6,979)
South Africa	(308)	(470)	162
Others	(71)	92	(163)
<b>Total</b>	<b>19,502</b>	<b>24,698</b>	<b>(5,196)</b>

For the quarter ended 31 January 2017, the Group recorded a higher turnover of RM163.46 million compared to RM152.05 million recorded in the preceding quarter ended 31 October 2016.

The higher turnover was mainly due to the increase in shipment of home based furniture from the Malaysian as the sale of the new ranges of panel based bedroom sets gained traction in the US. Turnover from our Vietnamese operation was lower following the pre-festive peak shipment in preceding quarter.

Consistent with seasonal low following the year end pre-festive peak, profits before tax for the Vietnamese subsidiary moderated from a high of RM18.36 million in the preceding quarter to RM11.38 million in the current quarter under review. The drop in the profits from our Vietnamese operations was however mitigated by the better results from the Malaysia operations which achieved higher factory utilisation rate and better selling price and margin for the panel based bedroom sets from the strengthening of the US Dollar against the Ringgit.

### **B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR**

In US, steady improvement in employment, household income and low interest rates have been a boon for the housing sector. Over the last two years, furniture and home furnishings stores have fared better than other retail trade businesses. Given the strengths in the US housing, we see the demand for household furniture continuing over the next couple of years. Growth in emerging market and developing economies are also projected to increase in 2016 and 2017 respectively, with higher growth projection from the Middle East, India and the rest of emerging Asia. Growth in emerging economies are generally projected to continue growing at a robust pace, albeit with some risks in slowdown in China and Russia.

Given the positive sentiments, the demand for the Group's products, particularly from the North American market, is expected to remain strong for the current financial year. The optimism notwithstanding, the Group is mindful the competitiveness of the global furniture trade and global volatility due to the prolonged economic downturn in Europe, low commodity prices and recent escalation of social and security issues in the Middle East and Europe.

### **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	1,504	1,504
Current taxation - Overseas	849	849
Deferred taxation	(371)	(371)
<b>Total Taxation</b>	<b>1,982</b>	<b>1,982</b>

### **B6. STATUS OF CORPORATE PROPOSALS / UTILISATION OF PROCEEDS**

The Company had on 14 September 2016 entered into a contract for the sale of real estate with JSNJ Investment Pty Ltd, Australia (the owner and developer) for the purchase of a detached warehouse cum office-showroom in South Dandenong, Victoria, Australia for a total cash consideration of AUD4.25 million or RM13.16 million (the "Acquisition"). The Acquisition has been completed on 11 November 2016.

Save for the above, 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 year were as below: -

Currency denominations	Current RM'000	Non-Current RM'000	Total RM'000
Secured - Malaysian Ringgit	5,194	222	5,416
Secured - US Dollar	32,199	0	32,199
Unsecured - Malaysian Ringgit	3,890	0	3,890
Unsecured - US Dollar	15,469	0	15,469
<b>Total</b>	<b>56,752</b>	<b>222</b>	<b>56,974</b>

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

	As at 31-Oct-16 RM'000	As at 31-Oct-16 RM'000
Total retained profits :		
- Realised	180,516	163,961
- Unrealised	(5,499)	(5,955)
- Consolidation adjustments	(19,570)	(20,229)
<b>At end of reporting period</b>	<b>155,447</b>	<b>137,777</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 2016.

## B10. DIVIDEND

The Directors have declared a first interim single-tier dividend of 2 sen per ordinary share in respect of the financial year ending 31 October 2017, payable on 21 July 2017 to depositors registered in the Records of Depositors of business on 4 July 2017.

## 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 financial period under review.

		Current quarter	Financial period-to-date
Profit attributable to Owners of the Company	(RM'000)	17,670	17,670
Weighted average number of shares	('000 shares)	213,478	213,478
<b>Basic earnings per share</b>	<b>(sen)</b>	<b>8.28</b>	<b>8.28</b>

***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 quarter-to-date
Profit attributable to Owners of the Company	(RM'000)	17,670	17,670
Weighted average number of shares	('000 shares)	213,478	213,478
<u>Effect of dilution from Warrants 2015/2020</u>	<u>('000 shares)</u>	<u>22,384</u>	<u>22,384</u>
Adjusted weighted average number of shares	('000 shares)	235,862	235,862
<b>Diluted earnings per share</b>	<b>(sen)</b>	<b>7.49</b>	<b>7.49</b>

**B12. AUDIT QUALIFICATION REPORT**

The preceding financial statements for the year ended 31 October 2016 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 year were below: -

	Current quarter RM'000	Financial quarter-to-date RM'000
(a) Interest income	183	183
(b) Other income including investment income	546	546
(c) Interest expense	(286)	(286)
(d) Depreciation and amortization	(2,057)	(2,057)
(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	38	38
(h) Impairment of assets	nil	nil
(i) Foreign exchange gain/(loss)	93	93
(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 2017  
Muar, Johor Darul Takzim.