

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income (Unaudited)
For The Quarter Ended 30 April 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30-Apr-2021	30-Apr-2020	30-Apr-2021	30-Apr-2020
	RM	RM	RM	RM
Revenue	165,535,190	121,178,836	349,194,372	309,979,998
Cost of Sales	(136,412,183)	(102,508,159)	(291,709,572)	(262,252,542)
Gross Profit	<u>29,123,007</u>	<u>18,670,677</u>	<u>57,484,800</u>	<u>47,727,456</u>
Selling and distribution expenses	(7,742,923)	(5,933,769)	(16,070,026)	(14,479,109)
Administration expenses	(8,166,602)	(6,590,925)	(15,699,345)	(12,938,865)
Other income / (expenses)	2,243,460	3,307,974	1,565,960	3,707,761
Finance costs	(197,071)	(171,673)	(474,026)	(431,531)
Profit / (Loss) before tax	15,259,871	9,282,284	26,807,363	23,585,712
Income tax expenses	(2,560,523)	(2,328,600)	(4,477,580)	(5,293,356)
Profit / (Loss) for the period	<u>12,699,348</u>	<u>6,953,684</u>	<u>22,329,783</u>	<u>18,292,356</u>
Other Comprehensive Income net of tax				
- Foreign currency translation	3,874,536	7,378,662	1,703,227	2,537,939
Total Comprehensive Income for the period	<u>16,573,884</u>	<u>14,332,346</u>	<u>24,033,010</u>	<u>20,830,295</u>
Profit / (Loss) after tax attributable to :				
Owners of the Company	12,699,348	6,953,684	22,329,783	18,292,356
Non-Controlling Interests	-	-	-	-
Profit / (Loss) for the period	<u>12,699,348</u>	<u>6,953,684</u>	<u>22,329,783</u>	<u>18,292,356</u>
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	16,573,884	14,332,346	24,033,010	20,830,295
Non-Controlling Interests	-	-	-	-
Total Comprehensive Income for the period	<u>16,573,884</u>	<u>14,332,346</u>	<u>24,033,010</u>	<u>20,830,295</u>
Basic Earnings Per Share (in sen)	4.79	3.02	8.43	7.94
Diluted Earnings Per Share (in sen)	4.79	2.93	8.43	7.72

(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 2020)

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Financial Position
As At 30 April 2021

	Unaudited As At 30-Apr-2021	Audited As At 31-Oct-2020
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	131,904,829	130,726,565
Right-of-use assets	30,904,750	25,499,622
Land held for property development	20,912,187	20,912,187
Investment properties	41,217,388	39,233,383
Deferred tax assets	26,543	43,237
	<u>224,965,697</u>	<u>216,414,994</u>
Current assets		
Inventories	120,596,849	92,861,604
Trade and other receivables	69,861,735	67,959,597
Deposits, bank and cash balances	167,997,332	190,917,000
	<u>358,455,916</u>	<u>351,738,201</u>
TOTAL ASSETS	<u>583,421,613</u>	<u>568,153,195</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	164,912,803	164,912,803
Treasury shares	(2,836,481)	(2,836,481)
Translation reserve	(8,464,059)	(10,167,286)
Reserves	291,897,615	274,867,278
TOTAL EQUITY	<u>445,509,878</u>	<u>426,776,314</u>
Non-current liabilities		
Lease liabilities	16,827,629	12,959,594
Deferred tax liabilities	6,234,000	6,234,000
	<u>23,061,629</u>	<u>19,193,594</u>
Current liabilities		
Trade and other payables	81,503,117	97,838,290
Bank borrowings	26,140,710	8,503,048
Lease liabilities	1,529,627	485,536
Dividend payable	5,299,446	10,598,892
Current tax liabilities	377,206	4,757,521
	<u>114,850,106</u>	<u>122,183,287</u>
TOTAL LIABILITIES	<u>137,911,735</u>	<u>141,376,881</u>
TOTAL EQUITY AND LIABILITIES	<u>583,421,613</u>	<u>568,153,195</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2020)

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Changes In Equity (Unaudited)
For The Quarter Ended 30 April 2021

	Share capital RM	Treasury shares RM	Non-distributable Translation reserve RM	Distributable Retained profits RM	Total equity RM
At 1 November 2019	128,718,591	(2,836,481)	(9,071,582)	245,340,935	362,151,463
Profit after tax for the period				18,292,356	18,292,356
Other comprehensive income for the period					
- Foreign currency translation			2,537,939		2,537,939
Total comprehensive income for the period	-	-	2,537,939	18,292,356	20,830,295
Dividends by the Company				(6,933,430)	(6,933,430)
Exercise of Warrants 2015/2020	2,303,909				2,303,909
At 30 April 2020	131,022,500	(2,836,481)	(6,533,643)	256,699,861	378,352,237
At 1 November 2020	164,912,803	(2,836,481)	(10,167,286)	274,867,278	426,776,314
Profit after tax for the period				22,329,783	22,329,783
Other comprehensive income for the period					
- Foreign currency translation			1,703,227	-	1,703,227
Total comprehensive income for the period	-	-	1,703,227	22,329,783	24,033,010
Dividends by the Company				(5,299,446)	(5,299,446)
At 30 April 2021	164,912,803	(2,836,481)	(8,464,059)	291,897,615	445,509,878

(The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2020)

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Cash Flows (Unaudited)
For The Quarter Ended 30 April 2021

	30-Apr-2021	30-Apr-2020
	RM	RM
Cash flows from / (for) operating activities		
Profit / (Loss) before tax	26,807,363	23,585,712
Adjustments for :		
Depreciation and amortisation	5,570,169	5,472,981
Property, plant and equipment written off	23,302	349,576
(Gain) / loss on disposal of PPE	(1,012,834)	(515,549)
Dividend (Income)	(658,439)	(858,050)
Unrealised (gain) / loss on forex	(824,890)	(1,272,073)
Net interest (income) / expense	143,816	20,863
Operating profit/ (loss) before working capital changes	30,048,487	26,783,460
Inventories	(27,735,244)	(13,580,307)
Trade and other receivables	(1,077,248)	31,535,661
Trade and other payables	(16,335,173)	(14,583,718)
Cash from / (for) operations	(15,099,178)	30,155,096
Net interest received / (paid)	(143,816)	(20,863)
Tax (paid) / refund	(8,857,895)	(4,275,726)
Net cash from / (for) operating activities	(24,100,889)	25,858,507
Cash flows from / (for) investing activities		
Net proceeds / (purchase) of property, plant and equipment	(6,712,092)	(1,762,657)
Dividends received	658,439	858,050
Net decrease / (increase) in fixed deposits pledged	(3,374)	(140,656)
Net cash from / (for) investing activities	(6,057,027)	(1,045,263)
Cash flow from / (for) financing activities		
Net movements in bank borrowings	17,637,662	2,121,480
Issue of shares from exercise of Warrants	-	2,303,909
Dividends paid	(10,598,892)	(9,175,132)
Net cash from / (for) financing activities	7,038,770	(4,749,743)
Net increase/ (decrease) in cash and cash equivalents	(23,119,146)	20,063,501
Effects on foreign exchange translation	196,104	1,616,052
Cash and cash equivalents at beginning of the financial year	185,747,703	128,239,480
Cash and cash equivalents at end of the financial period	162,824,661	149,919,033
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	167,997,332	154,898,790
Less : Fixed deposit pledged to bank	(5,172,671)	(4,979,757)
	162,824,661	149,919,033

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2020)

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 2020.

The significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 October 2020 except for the changes in accounting policies and presentation resulting from the adoption of relevant MFRSs, Amendment to MFRSs and IC Interpretations that are effective for the financial periods beginning on 1 November 2020.

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

The Group has not applied in advance any accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the financial year ended 31 October 2020.

A2. SEASONAL OR CYCLICAL FACTORS

The principal business operations of the Group have historically shown moderate seasonality, where production and sales of home 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 during the last annual general meeting.

The total number of shares repurchased by the Company as at end of current reporting period are 13,327,600 ordinary 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 was 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 reporting period under review.

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

A6. DIVIDEND PAID

The dividends paid during the financial period-to-date were as follows:

Type of Dividend	Dividend per share	For the year ended	Amount RM	Payment date
Third Interim	2 sen	31-Oct-20	5,299,446	4-Dec-20
Forth Interim	2 sen	31-Oct-20	5,299,446	15-Jan-21
Final Dividend	2 sen	31-Oct-20	5,299,446	10-May-21
First Interim	1 sen	31-Oct-21	2,649,723	4-Jun-21

A7. OPERATING SEGMENTS

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

(RM'000)	Malaysia	Vietnam	Australia	Others	Total
Sales	142,336	206,858	0	0	349,194
Profit / (Loss) Before Tax	5,811	21,147	22	(173)	26,807
Profit / (Loss) After Tax	4,506	17,975	22	(174)	22,330
Assets	272,609	272,871	32,335	5,605	583,422
Liabilities	55,627	82,248	35	2	137,912

A8. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The valuation of the property, plant and equipment has been brought forward without amendment from the audited financial statements for the year ended 31 October 2020.

A9. 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 financial year.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

There are no other changes in the composition of the Group during the current reporting period.

A11. CHANGES IN CONTINGENT LIABILITIES / ASSETS

There were no changes in contingent liabilities/ assets since the last financial year ended at 31 October 2020 other than corporate guarantee granted to financial institutions amounting to RM116.08 million at current reporting year.

A12. CAPITAL COMMITMENTS

There is no capital commitment not recognised in the current interim financial statements and during the current reporting period.

A13. 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)	Financial period-to-date (RM)
Poh Huat Furniture Industries (M) Sdn Bhd	Tay Kim Huat	Director	Rental of showroom & land	96,000	152,000
Poh Huat Furniture Industries (M) Sdn Bhd	J. A. Nathan & Co	Director	Legal fees	4,046	13,300
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Corporation (M) Sdn Bhd	Tay Kim Huat's daughter	Sales of furniture	40,362	84,451
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Corporation (M) Sdn Bhd	Tay Kim Huat's daughter	Purchase of stationary	12,938	31,200

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	30-Apr-21 RM'000	30-Apr-20 RM'000	+ / - %	30-Apr-21 RM'000	30-Apr-20 RM'000	+ / - %
Malaysia	66,679	50,569	31.9	142,336	150,114	(5.2)
Vietnam	98,856	70,609	40.0	206,858	159,865	29.4
Total	165,535	121,178	36.6	349,194	309,979	12.7

The Group registered a significantly higher turnover of RM165.53 million for the current reporting period under review against RM121.18 million recorded in the previous year's corresponding reporting period ended 30 April 2020.

In Malaysia, shipment of furniture increased by 32% despite a COVID-19 related production halt from 25 January 2021 to 3 February 2021 and a longer Chinese New Year break in February 2021. We were able to better manage production and inventory to mitigate production interruption and ensure continued shipment to our customers. In Vietnam, our operations continued uninterrupted with a whopping jump of 40% in shipment. Demand for home and office furniture remained strong from the sustained orders from our US customers in line with their priorities in securing shipments and maintaining adequate inventories amidst tighter supply and longer lead time amongst manufacturers.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	30-Apr-21 RM'000	30-Apr-20 RM'000	+ / - %	30-Apr-21 RM'000	30-Apr-20 RM'000	+ / - %
Malaysia	4,927	5,180	(4.9)	5,811	14,406	(59.7)
Vietnam	10,338	4,085	153.1	21,147	9,510	122.4
Australia	116	(179)	164.8	22	(211)	110.4
Others	(121)	196	(161.7)	(173)	(120)	(44.2)
Total	15,260	9,282	64.4	26,807	23,585	13.7

In Malaysia, while shipment of furniture was higher during the period under review, the lower production days has resulted in a disproportionately higher absorption of fixed factory overheads and labour costs which resulted in a drop in gross profit margin of 15.9% in the current period under review against a 16.9% in the previous year's corresponding period. The lower gross profits coupled higher selling, administrative and COVID-19 related expenses have resulted in a lower profit before tax of RM4.93 million for the period under review.

In line with the higher production and shipment of furniture, gross profit from our Vietnamese operations grew significantly from RM10.07 million in the previous year's corresponding period to RM18.50 million in the current reporting period. Gross profit margin improved significantly from 14.3% previously to 18.7% for the current reporting period as our Vietnamese operations enjoyed across-the-board improvement in labour efficiency and better absorption of manufacturing overheads from the higher level of production. Profit before tax increased two-and-a-half folds from RM4.08 million in the previous year's reporting period to RM10.34 million during the current reporting period.

Consequently, the Group reported a profit before tax of RM15.26 million in the current reporting period compared to RM9.28 million recorded in the previous year's corresponding reporting period ended 30 April 2020.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter	Preceding quarter	+ / -
	30-Apr-21 RM'000	31-Jan-21 RM'000	%
Malaysia	4,927	884	457.4
Vietnam	10,338	10,809	(4.4)
Australia	116	(94)	223.4
Others	(121)	(52)	(132.7)
Total	15,260	11,547	32.2

The Group registered a lower turnover of RM165.54 million in the current reporting period compared to RM183.66 million in the preceding reporting period ended 31 January 2021. The lower turnover is consistent with the seasonal low in the US furniture market, the lower shipment of furniture from our Malaysian operations due to the COVID-19 related interruptions in January 2021 and the longer Chinese New Year break in both Malaysia and Vietnam.

Despite the lower production level, gross profits from our Malaysian operations were higher at RM10.62 million in current reporting period against RM8.88 million in the preceding period ended 31 January 2021. The higher gross profits were attributable mainly to lower material prices and better material utilisation/recovery rate. In addition, we also recorded a gain of RM1.01 million from the disposal of fixed assets and foreign exchange gains of RM0.38 million in the current reporting period against foreign exchange losses of RM0.91 million in the preceding reporting period. In line with the better operational results, profit before tax increased substantially from RM0.88 million in the preceding reporting period ended 31 January 2021 to RM4.93 million in the current reporting period ended 30 April 2021.

In Vietnam, we recorded a lower shipment of RM98.86 million in the current reporting period against RM108.00 million in the preceding reporting period. While direct materials remained broadly the same, the lower production days during the Chinese New Year holiday gave rise to a disproportionately higher fixed labour costs and factory overheads. Against a relatively fixed selling and administrative expenses, profit before tax moderated to RM10.34 million from RM10.81 million in the preceding reporting period.

At the Group level, absolute gross profits slightly increased from RM28.36 million in the preceding reporting period to RM29.12 million in the current reporting period due to the better operational results from our Malaysian operations. Selling, distribution and administrative expenses, as a percentage of sales, were broadly consistent with those in the preceding reporting period. The higher gross profits, coupled with gains from disposal of fixed assets and foreign exchange gave rise to a 32% increase in profit before tax from RM11.55 million in the preceding reporting period to RM15.26 million in the current reporting period under review.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

Recent progress in the vaccination rollout in the United States and other advanced economies has raised expectations for the global economic recovery. According to the Spring 2021 edition of the IMF's World Economic Outlook, the global economy is projected to expand at a rate of 6% in 2021, up from earlier projection of 5.5%, due to a faster-than-expected vaccination rollout in 2021 and the expansion of monetary and fiscal stimulus in advanced economies.

In US, the homebuilding and permits increased solidly since November 2020, pointing to sustained housing market strength. A strong recovery so far from the pandemic, ultra-low interest rates, massive fiscal support and continued demand for more living space as people continue to work from home, will boost demand for housing this year.

Meanwhile, the US furniture trade is booming, driven by big jumps in work-from-home arrangements and home sales, making it an unexpected bright spot in the otherwise flagging retail sector. Across the US, furniture retailers are reporting months-long delays in every step of the supply chain, amid surging demand for desks, chairs and sofas during the pandemic that has kept millions of families largely stuck at home for nearly a year.

As before, our priorities remain with maintaining production activities for continuous supply to our customers while we develop products to cater for the stay at home and work from home requirements. The above notwithstanding, the risk of infection remains as we experienced drastic rise in Covid-19 cases. The nationwide lockdown in Malaysia which begun on 1 June 2021 and remained in force pending further government directive and the rising figures of Covid-19 infections in Vietnam which led to shutdowns of several factories have again highlighted the uncertainties relating to Covid-19 related interruptions and resumption of operations. At the same time, the shortages of shipping containers have made it more challenging for all in the supply chain to secure continuous production and shipping to customers

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

No profit forecast or profit guarantee were issued for the current reporting year.

B5. TAXATION

	Current quarter RM'000	Financial period-to-date RM'000
Current taxation - Malaysian	1,058	1,305
Current taxation - Overseas	1,503	3,173
Deferred taxation	0	0
Total Taxation	2,561	4,478

Malaysia current income tax rate was estimated at 22% which was slightly lower than the statutory rate during the period under review, Taxation for Vietnamese subsidiary was estimated at 15% which was par with the local statutory tax rate. No tax was incurred in other foreign subsidiaries during the current financial period under review.

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 year were as below: -

Currency denominations	Current RM'000	Non-Current RM'000	Total RM'000
Secured trade bills - US Dollar	21,605	0	21,605
Unsecured trade bills - Malaysian Ringgit	4,536	0	4,536
Total	26,141	0	26,141

The weighted average fixed interest rate for the trade bills ranged from 1.99% to 2.44%.

USD denominated loans were not hedged against the Ringgit as most of our sales proceeds are transacted in USD currency. The USD denominated loans were translated at RM4.10 per USD during the current reporting period.

B8. MATERIAL LITIGATION

There is 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 2020.

B9. DIVIDENDS

The Directors have not declared any dividend in respect of the current financial quarter ended 30 April 2021. (No dividend declaration in the previous financial period ended 30 April 2020).

Total dividends declared were 1 sen per ordinary share in the current financial period ended 30 April 2021.

B10. 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 current financial period under review.

		Current quarter	Financial period-to-date
Profit attributable to			
Owners of the Company	(RM'000)	12,699	22,330
Weighted average number of shares	('000 shares)	264,972	264,972
Basic earnings per share	(sen)	4.79	8.43

Diluted earnings per share

There is no dilution effect to the earnings per share as the Company does not have any convertible securities for the current reporting period.

B11. AUDIT QUALIFICATION REPORT

The preceding financial statements for the year ended 31 October 2020 were reported on without any qualification.

B12. FINANCIAL INSTRUMENTS - DERIVATIVES

There is no outstanding forward foreign currency contract during the current reporting period. There is no change in financial instruments disclosure since the preceding audited financial statements for the year ended 31 October 2020.

B13. OTHER DISCLOSURES

Items which have been included in the Condensed Consolidated Statements of Profit or Loss for the current quarter and current financial period-to-date were below: -

	Current quarter RM'000	Financial period-to-date RM'000
(a) Interest income	59	145
(b) Other income including investment income	1,189	2,240
(c) Interest expense	(125)	(288)
(d) Depreciation and amortization	(2,825)	(5,570)
(e) Provision for and write off of receivables	0	0
(f) Provision for and write off of inventories	0	0
(g) Gain / (loss) on disposal of unquoted investments / properties	1,013	1,013
(h) Impairment of assets	(23)	(23)
(i) Foreign exchange gain / (loss)	63	(1,432)
(j) Gain / (loss) on derivatives	0	0
(k) Exceptional items	0	0

For and on behalf of the Board
Poh Huat Resources Holdings Berhad

CHUA SYER CIN
Independent Non-Executive Director
Chairman
Audit Committee

29 June 2021
Muar, Johor Darul Takzim.