

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income (Unaudited)
For The Quarter Ended 31 January 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Jan-2022	31-Jan-2021	31-Jan-2022	31-Jan-2021
	RM	RM	RM	RM
Revenue	182,962,093	183,659,182	182,962,093	183,659,182
Cost of Sales	(147,318,793)	(155,297,389)	(147,318,793)	(155,297,389)
Gross Profit	35,643,300	28,361,793	35,643,300	28,361,793
Selling and distribution expenses	(7,697,030)	(8,327,103)	(7,697,030)	(8,327,103)
Administration expenses	(9,077,345)	(7,532,743)	(9,077,345)	(7,532,743)
Other income / (expenses)	1,916,538	(677,500)	1,916,538	(677,500)
Finance costs	(256,357)	(276,955)	(256,357)	(276,955)
Profit / (Loss) before tax	20,529,106	11,547,492	20,529,106	11,547,492
Income tax expense	(5,176,499)	(1,917,057)	(5,176,499)	(1,917,057)
Profit / (Loss) for the period	15,352,607	9,630,435	15,352,607	9,630,435
Other Comprehensive Income / (Expense) net of tax				
- Foreign currency translation differences	1,549,437	(2,171,309)	1,549,437	(2,171,309)
Total Comprehensive Income / (Expense) for the period	16,902,044	7,459,126	16,902,044	7,459,126
Profit / (Loss) after tax attributable to : Owners of the Company	15,352,607	9,630,435	15,352,607	9,630,435
Total Comprehensive Income / (Expense) attributable to : Owners of the Company	16,902,044	7,459,126	16,902,044	7,459,126
Basic Earnings Per Share (in sen)	5.79	3.63	5.79	3.63
Diluted Earnings Per Share (in sen)	5.79	3.63	5.79	3.63

(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 2021)

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Financial Position (Unaudited)
As At 31 January 2022

	As At 31-Jan-2022 RM	As At 31-Oct-2021 RM
ASSETS		
Non-current assets		
Property, plant and equipment	137,637,575	135,294,225
Right-of-use assets	29,477,685	29,433,862
Land held for property development	20,912,187	20,912,187
Investment properties	38,718,239	40,440,971
Deferred tax assets	481,369	470,547
	<u>227,227,055</u>	<u>226,551,792</u>
Current assets		
Inventories	132,212,379	126,942,090
Trade and other receivables	60,497,605	46,575,928
Other investments	80,302,741	40,000,000
Deposits, bank and cash balances	86,688,880	117,420,300
	<u>359,701,605</u>	<u>330,938,318</u>
TOTAL ASSETS	<u>586,928,660</u>	<u>557,490,110</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	164,912,803	164,912,803
Treasury shares	(2,836,481)	(2,836,481)
Translation reserve	(3,545,538)	(5,094,975)
Reserves	309,188,800	293,836,193
TOTAL EQUITY	<u>467,719,584</u>	<u>450,817,540</u>
Non-current liabilities		
Lease liabilities	16,760,417	16,682,596
Deferred tax liabilities	5,819,000	5,819,000
	<u>22,579,417</u>	<u>22,501,596</u>
Current liabilities		
Trade and other payables	66,082,940	65,163,093
Bank borrowings	28,104,449	11,033,428
Lease liabilities	942,270	974,550
Dividend payable	-	5,299,446
Current tax liabilities	1,500,000	1,700,457
	<u>96,629,659</u>	<u>84,170,974</u>
TOTAL LIABILITIES	<u>119,209,076</u>	<u>106,672,570</u>
TOTAL EQUITY AND LIABILITIES	<u>586,928,660</u>	<u>557,490,110</u>

(The Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2021)

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Changes In Equity (Unaudited)
For The Year Ended 31 January 2021

	<-----Non-distributable ----->			Distributable	
	Share capital RM	Treasury shares RM	Translation reserve RM	Retained profits RM	Total equity RM
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				9,630,435	9,630,435
Other comprehensive income for the period					
- Foreign currency translation			(2,171,309)		(2,171,309)
Total comprehensive income for the period	-	-	(2,171,309)	9,630,435	7,459,126
Dividends by the Company				-	-
At 31 January 2021	164,912,803	(2,836,481)	(12,338,595)	284,497,713	434,235,440
At 1 November 2021	164,912,803	(2,836,481)	(5,094,975)	293,836,193	450,817,540
Profit after tax for the period				15,352,607	15,352,607
Other comprehensive income for the period					
- Foreign currency translation			1,549,437		1,549,437
Total comprehensive income for the period	-	-	1,549,437	15,352,607	16,902,044
Dividends by the Company				-	-
At 31 January 2022	164,912,803	(2,836,481)	(3,545,538)	309,188,800	467,719,584

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2021)

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Cash Flows (Unaudited)
For The Year Ended 31 January 2021

	31/Jan/22	31-Jan-2021
	RM	RM
Cash flows from / (for) operating activities		
Profit / (Loss) before tax	20,529,106	11,547,492
Adjustments for :		
Depreciation and amortisation	2,995,985	2,745,130
(Gain) / loss on disposal of PPE	-	56
Dividend (Income)	(304,795)	(307,199)
Unrealised (gain) / loss on forex	(1,585,216)	(1,113,131)
Net interest (income) / expense	(147,231)	77,184
Operating profit/ (loss) before working capital changes	21,487,849	12,949,532
Inventories	(5,270,289)	(22,063,803)
Trade and other receivables	(12,336,461)	2,474,332
Trade and other payables	919,847	(10,265,912)
Cash from / (for) operations	4,800,946	(16,905,851)
Net interest received / (paid)	147,231	(77,184)
Tax (paid) / refund	(5,376,956)	(4,644,461)
Net cash from / (for) operating activities	(428,779)	(21,627,496)
Cash flows from / (for) investing activities		
Dividends received	304,795	307,199
Net (increase) / decrease in pledged fixed deposits	(92,094)	83,817
Net (increase) / decrease in fixed deposits with tenure more than 3 months	(7,742,534)	-
Net (increase) / decrease in other short term investments	(40,302,741)	-
Net (purchase) / proceeds of property, plant and equipment	(3,835,310)	(4,109,200)
Net cash from / (for) investing activities	(51,667,884)	(3,718,184)
Cash flow from / (for) financing activities		
Net movements in bank borrowings	17,071,021	21,839,913
Net increase / (decrease) in lease liabilities	45,541	
Dividends paid	(5,299,446)	(10,598,892)
Net cash from / (for) financing activities	11,817,116	11,241,021
Net increase/ (decrease) in cash and cash equivalents	(40,279,547)	(14,104,659)
Effects on foreign exchange translation	1,713,499	(1,886,482)
Cash and cash equivalents at beginning of the financial year	106,373,243	185,747,703
Cash and cash equivalents at end of the financial period	67,807,195	169,756,562
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	86,688,880	174,842,043
Less : Fixed deposit pledged to bank	(5,679,151)	(5,085,481)
Less : Fixed deposit with tenure more than 3 months	(13,202,534)	-
	67,807,195	169,756,562

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2021)

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 2021.

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 2021 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 period beginning on 1 November 2021.

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) do 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 2021.

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 are 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 are resold or cancelled during the reporting period. The repurchase transactions are 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
Second Interim	2 sen	31-Oct-21	5,299,446	20-Dec-21

A7. OPERATING SEGMENTS

The Group has 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	92,208	90,754	0	0	182,962
Profit / (Loss) Before Tax	10,237	10,021	270	1	20,529
Profit / (Loss) After Tax	7,986	7,095	270	2	15,353
Assets	276,757	274,187	30,527	5,458	586,929
Liabilities	60,882	58,314	13	0	119,209

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 2021.

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 current reporting period.

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 are no changes in contingent liabilities/ assets since the last financial year ended at 31 October 2021 other than corporate guarantee granted to financial institutions amounting to RM108.80 million as at current reporting period.

A12. CAPITAL COMMITMENTS

There are no capital commitments 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	96,000
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Corporation (M) Sdn Bhd	Tay Kim Huat's daughter	Sales of furniture	48,294	48,294
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Corporation (M) Sdn Bhd	Tay Kim Huat's daughter	Purchase of stationary	34,130	34,130

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	31-Jan-22 RM'000	31-Jan-21 RM'000	+ / - %	31-Jan-22 RM'000	31-Jan-21 RM'000	+ / - %
Malaysia	92,208	75,657	21.9	92,208	75,657	21.9
Vietnam	90,754	108,002	(16.0)	90,754	108,002	(16.0)
Total	182,962	183,659	(0.4)	182,962	183,659	(0.4)

The Group recorded a turnover of RM182.96 million for the current reporting period under review compared to RM183.66 million recorded in the previous corresponding reporting period ended 31 January 2021.

Following the production halts under the nationwide Full Movement Control Order 3.0 (FMCO 3.0), our Malaysia factories resumed operations on 11 September 2021. Production activities recovered in the month from October 2021 onward with our work-force returned to normal working level. Production and shipment were higher compared to the previous year's corresponding reporting period as we ramped up production to fulfil orders for US importers which were placed during FMCO 3.0.

In Vietnam, we recorded similar recovery in production and shipment level following the resumption of operations in both our manufacturing facilities in Binh Duong and Dong Nai districts in mid-October 2021. While production activities were in full swing, shipment was lower due to logistic disruptions and higher shipping rates which delayed some shipments.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	31-Jan-22 RM'000	31-Jan-21 RM'000	+ / - %	31-Jan-22 RM'000	31-Jan-21 RM'000	+ / - %
Malaysia	10,237	884	1,058.0	10,237	884	1,058.0
Vietnam	10,021	10,809	(7.3)	10,021	10,809	(7.3)
Australia	270	(94)	387.2	270	(94)	387.2
Others	1	(52)	101.9	1	(52)	101.9
Total	20,529	11,547	77.8	20,529	11,547	77.8

With production activities back to normal level, our operation results recovered in both of our Malaysia and Vietnam facilities. In particular, the higher shipment from our Malaysia operations had resulted in a significant improvement in gross profit from RM8.88 million in the previous corresponding reporting period to RM16.72 million in the current reporting period.

Our Vietnam operations also enjoyed better profit margin from its operations despite lower shipment of furniture as we consumed buffer raw materials which we managed to source earlier at relatively lower costs against increasing average selling price trend of our products over the past 12 months.

Overall, gross profit improved from RM28.36 million in the previous year's corresponding period to RM35.64 million for the current reporting period. Shipping and finance costs were lower in line with the lower shipping volume. We also recorded a foreign exchange gains of RM0.31 million against a foreign exchange loss of RM1.50 million in the previous corresponding reporting period ended 31 January 2021.

Given the higher gross profit and the comparable selling and administrative costs between the 2 corresponding periods under review, we are delighted to report an almost 2-fold increase in profit before tax of RM20.53 million in the current reporting period compared to RM11.55 million in previous year's corresponding period ended 31 January 2021.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter	Preceding quarter	+ / -
	31-Jan-22 RM'000	31-Oct-21 RM'000	%
Malaysia	10,237	283	3,517.3
Vietnam	10,021	(5,265)	290.3
Australia	270	272	(0.7)
Others	1	(321)	100.3
Total	20,529	(5,031)	508.1

The Group's revenue for the preceding quarter ended 31 October 2021 was a low of RM53.05 million, compared to RM182.96 million achieved in the current quarter under review. The rapid spread of the Delta variant in mid-2021 had resulted in a prolonged shutdown of both the Malaysia and Vietnam operations in the preceding quarter ended 31 October 2021, thus given rise to abnormal and non-representative financial results for the said quarter.

The return of the Group's production and shipping activities to normal levels had resulted in the recovery of the Group's gross profit of RM35.64 million in current reporting period compared to RM4.74 million in the preceding reporting period ended 31 October 2021.

Given the relatively inelastic nature of the other operating and administrative expenses, the significantly higher gross profit gave rise to a turnaround profit before tax of RM20.53 million for the period under review against a loss before tax of RM5.03 million in the preceding reporting period.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

A global economic recovery is underway as vaccination increases and lockdowns have or are being lifted in many countries. The recovery stimulus in US and the work at home and stay-at-home movements gave rise to stronger demand for home and office furniture. Furniture Today predicts that the US furniture industry will enjoy a strong recovery for 2022 with furniture sales largely driven by the growing trends of remote workers and consumers spending more time at home.

While demand remains strong, movement restrictions and concerns over the continued high cases and more contagious variants remain. We continue to face challenges in manpower as Covid-19 imposed movement restrictions and closure of borders which lead to shortage of workers, particularly on our furniture manufacturing industry. This has caused profound impact on the stability and sustainability of our supply chain which lead to shortage of supply and higher material costs.

The Covid-19 pandemic has also caused disruption in international trade and global logistics and stability of the global furniture supply chain. The Russian-Ukraine conflict has caused elevated oil and energy prices and further exacerbates costs escalation risks. The pronounced uncertainties in manufacturing costs, shipping schedule and general economic uncertainties have adverse impact on customers' decision in placing orders.

As before, our priorities are now on balancing the safety and welfare of our staff while mitigating operational costs to ensure our business viability. We are working closely with all stakeholders in ensuring stability in our supply chain, resumption and continuity of our manufacturing operations and re-scheduling shipment of orders to our customers so that the interests of all stakeholders are safeguarded.

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

There are no profit forecast or profit guarantee issued for the current reporting period.

B5. TAXATION

	Current quarter RM'000	Financial period-to-date RM'000
Current taxation - Malaysian	2,251	2,251
Current taxation - Overseas	2,925	2,925
Deferred taxation	0	0
Total Taxation	5,176	5,176

For the current reporting period ending 31 January 2022, income tax rate for our Malaysia operation was estimated at 22% against the statutory rate of 24%. Taxation rate for Vietnam subsidiary was estimated at higher rate of 29% against the statutory rate of 15% due to under-estimate of the taxation during previous financial year.

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 current reporting period.

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 trade bills - US Dollar	15,808	0	15,808
Unsecured trade bills - Malaysian Ringgit	12,296	0	12,296
Total	28,104	0	28,104

The weighted average fixed interest rate for the trade bills ranged from 2.04% to 2.41%.

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 RM4.19 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 2021.

B9. DIVIDENDS

The Directors have recommended a final dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2021 for the shareholders' approval at the forthcoming Annual General Meeting of the Company on 21 April 2022. The dividend, if approved, will be paid on 10 May 2022 to depositors registered in the Records of Depositors of the Company at the close of business on 15 April 2022.

The Directors have not declared any interim dividend in respect of the current financial quarter ended 31 January 2022 against a declaration of dividend of 1 sen per share in the previous financial period ended 31 January 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 issued (excluding treasury shares) during the current financial period under review.

		Current quarter	Financial period-to-date
Profit / (loss) attributable to Owners of the Company	(RM'000)	15,353	15,353
Weighted average number of shares	('000 shares)	264,972	264,972
Basic earnings / (loss) per share	(sen)	5.79	5.79

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 2021 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 2021.

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 are below: -

	Current quarter RM'000	Financial period-to-date RM'000
(a) Interest income	292	292
(b) Other income including investment income	1,319	1,319
(c) Interest expense	(144)	(144)
(d) Depreciation and amortization	(2,996)	(2,996)
(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	0	0
(h) Impairment of assets	0	0
(i) Foreign exchange gain / (loss)	310	310
(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

24 March 2022
Muar, Johor Darul Takzim.