

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income (Unaudited)
For The Period Ended 30 April 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30-Apr-2022	30-Apr-2021	30-Apr-2022	30-Apr-2021
	RM	RM	RM	RM
Revenue	186,342,384	165,535,190	369,304,477	349,194,372
Cost of Sales	(146,244,259)	(136,412,183)	(293,563,052)	(291,709,572)
Gross Profit	40,098,125	29,123,007	75,741,425	57,484,800
Selling and distribution expenses	(7,548,030)	(7,742,923)	(15,245,060)	(16,070,026)
Administration expenses	(8,474,627)	(8,166,602)	(17,551,972)	(15,699,345)
Other income / (expenses)	3,235,895	2,243,460	5,152,433	1,565,960
Finance costs	(249,157)	(197,071)	(505,514)	(474,026)
Profit / (Loss) before tax	27,062,206	15,259,871	47,591,312	26,807,363
Income tax expense	(3,982,094)	(2,560,523)	(9,158,593)	(4,477,580)
Profit / (Loss) for the period	23,080,112	12,699,348	38,432,719	22,329,783
Other Comprehensive Income / (Expense) net of tax				
- Foreign currency translation differences	5,826,576	3,874,536	7,376,012	1,703,227
Total Comprehensive Income / (Expense) for the period	28,906,688	16,573,884	45,808,731	24,033,010
Profit / (Loss) after tax attributable to : Owners of the Company	23,080,112	12,699,348	38,432,719	22,329,783
Total Comprehensive Income / (Expense) attributable to : Owners of the Company	28,906,688	16,573,884	45,808,731	24,033,010
Basic Earnings Per Share (in sen)	8.71	4.79	14.50	8.43
Diluted Earnings Per Share (in sen)	8.71	4.79	14.50	8.43

(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 30 April 2022

	As At 30-Apr-2022 RM	As At 31-Oct-2021 RM
ASSETS		
Non-current assets		
Property, plant and equipment	138,077,274	135,294,225
Right-of-use assets	29,644,633	29,433,862
Land held for property development	20,924,424	20,912,187
Investment properties	40,003,854	40,440,971
Deferred tax assets	501,809	470,547
	<u>229,151,994</u>	<u>226,551,792</u>
Current assets		
Inventories	114,930,558	126,942,090
Trade and other receivables	74,245,540	46,575,928
Short term investment	80,494,469	40,000,000
Deposits, bank and cash balances	116,363,670	117,420,300
	<u>386,034,237</u>	<u>330,938,318</u>
TOTAL ASSETS	<u>615,186,231</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	2,281,037	(5,094,975)
Reserves	326,969,466	293,836,193
TOTAL EQUITY	<u>491,326,825</u>	<u>450,817,540</u>
Non-current liabilities		
Lease liabilities	16,897,287	16,682,596
Deferred tax liabilities	5,819,000	5,819,000
	<u>22,716,287</u>	<u>22,501,596</u>
Current liabilities		
Trade and other payables	73,063,413	65,163,093
Bank borrowings	18,578,644	11,033,428
Lease liabilities	951,616	974,550
Dividend payable	5,299,446	5,299,446
Current tax liabilities	3,250,000	1,700,457
	<u>101,143,119</u>	<u>84,170,974</u>
TOTAL LIABILITIES	<u>123,859,406</u>	<u>106,672,570</u>
TOTAL EQUITY AND LIABILITIES	<u>615,186,231</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 Period Ended 30 April 2022

	<-----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				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
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				38,432,719	38,432,719
Other comprehensive income for the period					
- Foreign currency translation			7,376,012		7,376,012
Total comprehensive income for the period	-	-	7,376,012	38,432,719	45,808,731
Dividends by the Company				(5,299,446)	(5,299,446)
At 30 April 2022	164,912,803	(2,836,481)	2,281,037	326,969,466	491,326,825

(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 Period Ended 30 April 2022

	30-Apr-2022	30-Apr-2021
	RM	RM
Cash flows from / (for) operating activities		
Profit / (Loss) before tax	47,591,312	26,807,363
Adjustments for :		
Depreciation and amortisation	6,033,039	5,570,169
Property, plant and equipment written off	-	23,302
(Gain) / loss on disposal of PPE	(31,220)	(1,012,834)
Dividend (Income)	(496,523)	(658,439)
Unrealised (gain) / loss on forex	(2,236,103)	(824,890)
Net interest (income) / expense	(113,913)	143,816
Operating profit/ (loss) before working capital changes	50,746,592	30,048,487
Inventories	12,011,532	(27,735,244)
Trade and other receivables	(25,433,510)	(1,077,248)
Trade and other payables	7,900,320	(16,335,173)
Cash from / (for) operations	45,224,934	(15,099,178)
Net interest received / (paid)	113,913	(143,816)
Tax (paid) / refund	(7,609,050)	(8,857,895)
Net cash from / (for) operating activities	37,729,797	(24,100,889)
Cash flows from / (for) investing activities		
Dividends received	496,523	658,439
Net (increase) / decrease in pledged fixed deposits	(214,887)	(3,374)
Net (increase) / decrease in fixed deposits with tenure more than 3 months	(8,088,610)	-
Net (increase) / decrease in other short term investments	(40,494,469)	-
Net (purchase) / proceeds of property, plant and equipment	(5,485,320)	(6,712,092)
Net cash from / (for) investing activities	(53,786,763)	(6,057,027)
Cash flow from / (for) financing activities		
Net movements in bank borrowings	7,545,216	17,637,662
Net increase / (decrease) in lease liabilities	191,757	-
Dividends paid	(5,299,446)	(10,598,892)
Net cash from / (for) financing activities	2,437,527	7,038,770
Net increase/ (decrease) in cash and cash equivalents	(13,619,439)	(23,119,146)
Effects on foreign exchange translation	4,259,312	196,104
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	97,013,116	162,824,661
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	116,363,670	167,997,332
Less : Fixed deposit pledged to bank	(5,801,944)	(5,172,671)
Less : Fixed deposit with tenure more than 3 months	(13,548,610)	-
	97,013,116	162,824,661

(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
Final Dividend	2 sen	31-Oct-21	5,299,446	10-May-22

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	173,524	195,780	0	0	369,304
Profit / (Loss) Before Tax	23,619	23,123	555	294	47,591
Profit / (Loss) After Tax	18,868	18,716	555	294	38,433
Assets	279,714	297,480	32,543	5,449	615,186
Liabilities	52,200	71,552	105	2	123,859

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 RM110.26 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	60,000	156,000
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Office Solutions (M) Sdn Bhd	Tay Kim Huat's daughter	Sales of furniture	29,180	77,474
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Office Solutions (M) Sdn Bhd	Tay Kim Huat's daughter	Purchase of stationary	14,028	48,158

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	30-Apr-22 RM'000	30-Apr-21 RM'000	+ / - %	30-Apr-22 RM'000	30-Apr-21 RM'000	+ / - %
Malaysia	81,316	66,679	22.0	173,524	142,336	21.9
Vietnam	105,026	98,856	6.2	195,780	206,858	(5.4)
Total	186,342	165,535	12.6	369,304	349,194	5.8

The Group recorded a turnover of RM186.34 million for the current reporting period under review compared to RM165.54 million recorded in the previous corresponding reporting period ended 30 April 2021.

Production activities for both our Malaysia and Vietnam continued to do well on the back of sustained orders from our customers in North America. In particular, our Malaysia operations registered strong growth compared to the previous years' corresponding quarter as we ramped up production to clear order backlogs following the resumption of production after MCO3.0. Our Vietnam operations also registered higher shipment, albeit at a more modest level.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	30-Apr-22 RM'000	30-Apr-21 RM'000	+ / - %	30-Apr-22 RM'000	30-Apr-21 RM'000	+ / - %
Malaysia	13,382	4,927	171.6	23,619	5,811	306.5
Vietnam	13,102	10,338	26.7	23,123	21,147	9.3
Australia	285	116	145.7	555	22	2,422.7
Others	293	(121)	342.1	294	(173)	269.9
Total	27,062	15,260	77.3	47,591	26,807	77.5

In line with higher shipment from our Malaysia and the relatively fixed labour and manufacturing overheads, gross profit rose significantly from RM10.62 million in the previous corresponding reporting period to RM18.68 million in the current reporting period. Our Vietnam operations also recorded higher gross profit of RM21.42 million in the current reporting period compared to RM18.50 million in the previous corresponding reporting period as both plants enjoyed labour efficiency and better factory utilisation rate from the increased level of production activities.

Overall, gross profit improved from RM29.12 million in the previous corresponding reporting period to RM40.10 million in the current reporting period. We also recorded a high other income of RM3.24 million compared to RM2.24 million in the previous corresponding reporting period ended 30 April 2021, mainly due to foreign exchange gain of RM2.25 million in the current reporting period.

Given the higher gross profit and the comparable selling and administrative costs between the 2 corresponding periods under review, we are delighted to report a 77% increase in profit before tax of RM27.06 million in the current reporting period compared to RM15.26 million in previous corresponding reporting period ended 30 April 2021.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

	Individual quarter	Preceding quarter	
Profit / (Loss)	30-Apr-22	31-Jan-22	+ / -
Before Tax	RM'000	RM'000	%
Malaysia	13,382	10,237	30.7
Vietnam	13,102	10,021	30.7
Australia	285	270	5.6
Others	293	1	29,200.0
Total	27,062	20,529	31.8

Despite the seasonal low following the year end festive period, the Group recorded a commendable revenue of RM186.34 million in the current period under review against RM182.96 million achieved in preceding period ended 31 January 2022. In particular, orders and production activities in our Vietnam operations remained high as customers continued to place orders in anticipation of manufacturers' capacity constrain and supply chain interruption. The higher shipment of furniture from our Vietnam operations mitigated the moderation of shipment of furniture from our Malaysia operations.

In line with the higher turnover and the relatively fixed labour and manufacturing overheads, the Group achieved a higher gross profit of RM40.10 million in current reporting period compared to RM35.64 million in the preceding reporting period ended 31 January 2022. Our Malaysia operations recorded higher gross profit due to better average selling prices following adjustments in the beginning of 2022 and the use of raw materials stocked in the earlier periods.

Given the relatively fixed nature of the other operating and administrative expenses, the better gross profit gave rise to a higher profit before tax of RM27.06 million in the current reporting period under review against a profit before tax of RM20.53 million in the preceding reporting period.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

A global economic growth appears to have tapered following gains in the months after the lifting of restrictions in many countries. The Russia-Ukraine conflict has drastically undermined global security and thrown a host economic adversity globally, from shortage of basic commodities, sanctions to soaring prices. The resurgence of Covid-19 cases in China drove several major cities into another lockdown and shuttered manufacturing activities, further acerbating global supply disruptions and inflation.

The higher US furniture sales in 2021 was driven by Covid-19 recovery stimulus and pent-up demand from the work from home and stay at home following the lockdowns. While orders from our US customers remain strong, there are now signs of demand slowdown. US consumers' spending power and confidence are now weakened by soaring prices. US furniture imports contracted in the month of April 2022 while US store sales during the Memorial weekend was mixed, signalling a reversal of the upward trend.

The uncertainties in the global furniture supply chain have brought about some positive impacts on customers' decision in placing orders. The ongoing Russian-Ukraine conflict of banning the export of wood to the West and the continued strife between US and China have drove US importers to secure more supply from Asian countries, including Malaysia and Vietnam. The strengthening of the USD will help to boost our profit margin. However, the global inflation pressure, labour supply restrictions and the recent increase the minimum wage to RM1,500 per month in Malaysia will continue to put pressure on our operations.

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 - Local	2,500	4,751
Current taxation - Overseas	1,482	4,408
Deferred taxation	0	0
Total Taxation	3,982	9,159

For the current reporting period ending 30 April 2022, income tax rate for our local operation was estimated at 20% against the statutory rate of 24%, due to non-taxable of certain non-operational incomes. Taxation rate for Vietnam subsidiary was estimated at higher rate of 19% 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	16,729	0	16,729
Unsecured trade bills - Malaysian Ringgit	1,850	0	1,850
Total	18,579	0	18,579

The weighted average fixed interest rate for the trade bills ranged from 2.04% p.a. to 2.84% p.a.

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 RM4.35 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 declared a first interim dividend of 2 sen per share in respect of the current financial quarter ended 30 April 2022. No dividend was declared in the previous financial quarter ended 30 April 2021. The interim dividend will be paid on 27 Jul 2022 to depositors registered in the Records of Depositors of the Company at the close of business on 13 Jul 2022.

Total dividends declared were 2 sen per ordinary share in the current financial period ended 30 April 2022.

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 attributable to			
Owners of the Company	(RM'000)	23,080	38,433
Weighted average number of shares	('000 shares)	264,972	264,972
Basic earnings per share	(sen)	8.71	14.50

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	101	393
(b) Other income including investment income	869	2,188
(c) Interest expense	(134)	(279)
(d) Depreciation and amortization	(3,037)	(6,033)
(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	31	31
(h) Impairment of assets	0	0
(i) Foreign exchange gain / (loss)	2,247	2,557
(j) Gain / (loss) on derivatives	0	0
(k) Exceptional items	0	0

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

LEE AH TOO
Independent Non-Executive Director
Chairman
Audit Committee

28 June 2022
Muar, Johor Darul Takzim.