

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Jul-2022	31-Jul-2021	31-Jul-2022	31-Jul-2021
	RM	RM	RM	RM
Revenue	166,523,699	152,491,864	535,828,176	501,686,236
Cost of Sales	(127,908,835)	(123,216,769)	(421,471,887)	(414,926,341)
Gross Profit	38,614,864	29,275,095	114,356,289	86,759,895
Selling and distribution expenses	(6,697,206)	(7,154,521)	(21,942,266)	(23,224,547)
Administration expenses	(6,827,156)	(8,446,372)	(24,379,128)	(24,145,717)
Other income / (expenses)	1,901,187	2,146,723	7,053,620	3,712,683
Finance costs	(265,636)	(220,348)	(771,150)	(694,374)
<b>Profit / (Loss) before tax</b>	<b>26,726,053</b>	<b>15,600,577</b>	<b>74,317,365</b>	<b>42,407,940</b>
Income tax expense	(4,682,380)	(2,175,384)	(13,840,973)	(6,652,964)
<b>Profit / (Loss) for the period</b>	<b>22,043,673</b>	<b>13,425,193</b>	<b>60,476,392</b>	<b>35,754,976</b>
Other Comprehensive Income / (Expense) net of tax				
- Foreign currency translation differences	2,777,965	5,944,341	10,153,978	7,647,568
<b>Total Comprehensive Income / (Expense) for the period</b>	<b>24,821,638</b>	<b>19,369,534</b>	<b>70,630,370</b>	<b>43,402,544</b>
<b>Profit / (Loss) after tax attributable to : Owners of the Company</b>	<b>22,043,673</b>	<b>13,425,193</b>	<b>60,476,392</b>	<b>35,754,976</b>
<b>Total Comprehensive Income / (Expense) attributable to : Owners of the Company</b>	<b>24,821,638</b>	<b>19,369,534</b>	<b>70,630,370</b>	<b>43,402,544</b>
Basic Earnings Per Share (in sen)	8.32	5.07	22.82	13.49
Diluted Earnings Per Share (in sen)	8.32	5.07	22.82	13.49

(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 July 2022**

	<b>As At 31-Jul-2022 RM</b>	<b>As At 31-Oct-2021 RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	136,003,919	135,294,225
Right-of-use assets	30,597,571	29,433,862
Land held for property development	20,924,424	20,912,187
Investment properties	39,888,030	40,440,971
Deferred tax assets	507,119	470,547
	<u>227,921,063</u>	<u>226,551,792</u>
<b>Current assets</b>		
Inventories	105,597,968	126,942,090
Trade and other receivables	64,012,948	46,575,928
Short term investment	90,711,168	40,000,000
Deposits, bank and cash balances	140,398,517	117,420,300
	<u>400,720,601</u>	<u>330,938,318</u>
<b>TOTAL ASSETS</b>	<b><u>628,641,664</u></b>	<b><u>557,490,110</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	164,912,803	164,912,803
Treasury shares	(2,836,481)	(2,836,481)
Translation reserve	5,059,003	(5,094,975)
Reserves	343,713,693	293,836,193
<b>TOTAL EQUITY</b>	<b><u>510,849,018</u></b>	<b><u>450,817,540</u></b>
<b>Non-current liabilities</b>		
Lease liabilities	16,928,002	16,682,596
Deferred tax liabilities	5,819,000	5,819,000
	<u>22,747,002</u>	<u>22,501,596</u>
<b>Current liabilities</b>		
Trade and other payables	76,600,579	65,163,093
Bank borrowings	13,138,776	11,033,428
Lease liabilities	956,289	974,550
Dividend payable	-	5,299,446
Current tax liabilities	4,350,000	1,700,457
	<u>95,045,644</u>	<u>84,170,974</u>
<b>TOTAL LIABILITIES</b>	<b><u>117,792,646</u></b>	<b><u>106,672,570</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>628,641,664</u></b>	<b><u>557,490,110</u></b>

(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 31 July 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				35,754,976	35,754,976
Other comprehensive income for the period					
- Foreign currency translation			7,647,568		7,647,568
Total comprehensive income for the period	-	-	7,647,568	35,754,976	43,402,544
Dividends by the Company				(7,949,169)	(7,949,169)
<b>At 31 July 2021</b>	<b>164,912,803</b>	<b>(2,836,481)</b>	<b>(2,519,718)</b>	<b>302,673,085</b>	<b>462,229,689</b>
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				60,476,392	60,476,392
Other comprehensive income for the period					
- Foreign currency translation			10,153,978		10,153,978
Total comprehensive income for the period	-	-	10,153,978	60,476,392	70,630,370
Dividends by the Company				(10,598,892)	(10,598,892)
<b>At 31 July 2022</b>	<b>164,912,803</b>	<b>(2,836,481)</b>	<b>5,059,003</b>	<b>343,713,693</b>	<b>510,849,018</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 2021)

**POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]**

**Condensed Consolidated Statements of Cash Flows (Unaudited)**

**For The Period Ended 31 July 2022**

	<b>31-Jul-2022</b>	<b>31-Jul-2021</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from / (for) operating activities</b>		
Profit / (Loss) before tax	74,317,365	42,407,940
Adjustments for :		
Depreciation and amortisation	9,103,271	8,524,803
Property, plant and equipment written off	-	23,302
(Gain) / loss on disposal of PPE	(38,398)	(1,012,834)
Dividend (Income)	(713,222)	(1,011,584)
Unrealised (gain) / loss on forex	(1,910,188)	(1,242,491)
Net interest (income) / expense	(402,719)	(76,347)
Operating profit/ (loss) before working capital changes	<u>80,356,109</u>	<u>47,612,789</u>
Inventories	21,344,122	(22,694,123)
Trade and other receivables	(15,526,831)	19,754,894
Trade and other payables	11,437,486	(24,328,131)
Cash from / (for) operations	<u>97,610,886</u>	<u>20,345,429</u>
Net interest received / (paid)	402,719	76,347
Tax (paid) / refund	(11,191,430)	(14,564,419)
<b>Net cash from / (for) operating activities</b>	<b><u>86,822,175</u></b>	<b><u>5,857,357</u></b>
<b>Cash flows from / (for) investing activities</b>		
Dividends received	713,222	1,011,584
Net (increase) / decrease in pledged fixed deposits	(276,283)	(84,407)
Net (increase) / decrease in fixed deposits with tenure more than 3 months	(21,998,506)	-
Net (increase) / decrease in other short term investments	(50,711,168)	-
Net (purchase) / proceeds of property, plant and equipment	(6,372,638)	(10,355,476)
<b>Net cash from / (for) investing activities</b>	<b><u>(78,645,373)</u></b>	<b><u>(9,428,299)</u></b>
<b>Cash flow from / (for) financing activities</b>		
Net movements in bank borrowings	2,105,348	10,710,616
Net increase / (decrease) in lease liabilities	227,145	-
Dividends paid	(15,898,338)	(18,548,061)
<b>Net cash from / (for) financing activities</b>	<b><u>(13,565,845)</u></b>	<b><u>(7,837,445)</u></b>
Net increase/ (decrease) in cash and cash equivalents	(5,389,043)	(11,408,387)
Effects on foreign exchange translation	6,092,471	3,913,559
Cash and cash equivalents at beginning of the financial year	<u>106,373,243</u>	<u>185,747,703</u>
<b>Cash and cash equivalents at end of the financial period</b>	<b><u>107,076,671</u></b>	<b><u>178,252,875</u></b>
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	140,398,517	183,506,579
Less : Fixed deposit pledged to bank	(5,863,340)	(5,253,704)
Less : Fixed deposit with tenure more than 3 months	(27,458,506)	-
	<u>107,076,671</u>	<u>178,252,875</u>

(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
First Interim	2 sen	31-Oct-22	5,299,446	27-Jul-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	257,098	278,730	0	0	535,828
Profit / (Loss) Before Tax	40,939	33,183	618	(423)	74,317
Profit / (Loss) After Tax	32,837	27,456	618	(435)	60,476
Assets	304,625	285,936	32,610	5,471	628,642
Liabilities	51,265	66,467	58	3	117,793

**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 RM111.16 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	216,000
J.A Nathan & Co	Tay Khim Seng	Director	Legal fees	2,085	2,085
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Office Solutions (M) Sdn Bhd	Tay Kim Huat's daughter	Sales of furniture	92,933	172,855
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Office Solutions (M) Sdn Bhd	Tay Kim Huat's daughter	Purchases of stationary & furniture	0	48,158

## BMSB LISTING REQUIREMENTS

### B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	31-Jul-22	31-Jul-21	+ / -	31-Jul-22	31-Jul-21	+ / -
	RM'000	RM'000	%	RM'000	RM'000	%
Malaysia	83,574	28,787	190.3	257,098	171,123	50.2
Vietnam	82,950	123,705	(32.9)	278,730	330,563	(15.7)
<b>Total</b>	<b>166,524</b>	<b>152,492</b>	<b>9.2</b>	<b>535,828</b>	<b>501,686</b>	<b>6.8</b>

The Group recorded a higher turnover of RM166.52 million in the current reporting period under review compared to RM152.49 million recorded in the previous corresponding reporting period ended 31 July 2021.

Production activities in both our Malaysia and Vietnam operations ran smoothly on the back of sustained orders from our customers in North America. Our Malaysia operation registered strong turnover growth over to the previous year corresponding quarter due to the production halt during last year MCO3.0. Shipment of furniture from our Vietnam operation was however lower as US customers reduced imports to clear their over-inventoried warehouses.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	31-Jul-22	31-Jul-21	+ / -	31-Jul-22	31-Jul-21	+ / -
	RM'000	RM'000	%	RM'000	RM'000	%
Malaysia	17,320	(2,057)	942.0	40,939	3,754	990.5
Vietnam	10,060	17,402	(42.2)	33,183	38,549	(13.9)
Australia	64	56	14.3	618	78	692.3
Others	(718)	200	(459.0)	(423)	27	(1,666.7)
<b>Total</b>	<b>26,726</b>	<b>15,601</b>	<b>71.3</b>	<b>74,317</b>	<b>42,408</b>	<b>75.2</b>

In line with higher shipment from our Malaysia and the relatively fixed labour and manufacturing overheads, gross profit rose significantly from RM2.18 million in the previous year corresponding reporting period to RM22.10 million in the current reporting period. Our Vietnam operation, on the other hand, reported a lower gross profit of RM16.51 million in the current reporting period compared to RM27.10 million in the previous corresponding reporting period in line with the lower level of production activities.

On a consolidated basis, gross profit improved from RM29.28 million in the previous year corresponding reporting period to RM38.61 million in the current reporting period. Given the higher gross profit and the lower selling and administrative costs for the reporting period under review, we are delighted to report a 71% increase in profit before tax of RM26.73 million in the current reporting period compared to RM15.60 million in previous corresponding reporting period ended 31 July 2021.



## B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

	Individual quarter	Preceding quarter	
Profit / (Loss)	31-Jul-22	30-Apr-22	+ / -
Before Tax	RM'000	RM'000	%
Malaysia	17,320	13,382	29.4
Vietnam	10,060	13,102	(23.2)
Australia	64	285	(77.5)
Others	(718)	293	(345.1)
<b>Total</b>	<b>26,726</b>	<b>27,062</b>	<b>(1.2)</b>

The ongoing Russian-Ukraine conflict has caused disruptions in basic food and energy supplies and has fuelled global inflation. In US, high food and energy prices have curtailed consumption. In line with the moderation of demand and the over-inventoried positions amongst US furniture importers, the Group shipment of furniture moderated to RM166.52 million in the current reporting period compared to RM186.34 million in preceding reporting period ended 30 April 2022. Given the trend reversal, US customers held back orders and rescheduled shipments following the peak delivery of orders placed in the preceding reporting periods.

In line with the lower turnover, the Group achieved a lower gross profit of RM38.61 million in current reporting period compared to RM40.10 million in the preceding reporting period ended 30 April 2022. However, the Group gross profit margin in the current reporting period improved to 23.19% from 21.52% in the preceding reporting period due to the use of lower cost raw materials stocked in the earlier periods and upward selling prices adjustments with some of our customers since January 2022.

## 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 ongoing Russian-Ukraine conflict has caused disruptions of basic food and energy supply and has fuelled global inflation. Responding to high inflation rates, the US Federal Reserve announced a series of rate hikes, leading to similar responses from most central banks around the world.

In US, rate hikes have made loan and mortgage repayments higher. The higher interest rates, together with higher energy and food prices, have caused the consumers to spend less on discretionary including household furniture and furnishing. Furniture store sales for the last few months have moderated from the high of 2021, signalling a reversal of the upward trend started during the stay at home and work from home movement in 2020.

The worsened global economic outlook, inflationary pressures, lingering geopolitical tensions together with labour supply restrictions and increase in wages will continue to put pressure on our operations. Notwithstanding this, the strengthening of the USD should cushion the profitability of the Group.

Given the above, we are cautious of the fluidity in the global economic condition and its impact on our operations and financial results of the Group for the immediate future.

## 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	3,361	8,112
Current taxation - Overseas	1,321	5,729
Deferred taxation	0	0
<b>Total Taxation</b>	<b>4,682</b>	<b>13,841</b>

For the current reporting period ending 31 July 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 17% 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	10,567	0	10,567
Unsecured trade bills - Malaysian Ringgit	2,571	0	2,571
<b>Total</b>	<b>13,138</b>	<b>0</b>	<b>13,138</b>

The weighted average fixed interest rate for the trade bills at 2.89% 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 RM4.4505 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

On 28 Jun 2022, the directors have declared a first interim dividend of 2 sen per share in respect of the current financial quarter ended 30 April 2022, 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.

The Directors have declared a second interim dividend of 2 sen per share in respect of the current financial quarter ended 31 July 2022. No dividend was declared in the previous financial quarter ended 31 July 2021. The interim dividend will be paid on 28 Oct 2022 to depositors registered in the Records of Depositors of the Company at the close of business on 14 Oct 2022.

Total dividends declared were 4 sen per ordinary share in the current financial period ended 31 July 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)	22,044	60,476
Weighted average number of shares	('000 shares)	264,972	264,972
<b>Basic earnings per share</b>	<b>(sen)</b>	<b>8.32</b>	<b>22.82</b>

### *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	438	831
(b) Other income including investment income	67	2,255
(c) Interest expense	(150)	(428)
(d) Depreciation and amortization	(3,070)	(9,103)
(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	7	38
(h) Impairment of assets	0	0
(i) Foreign exchange gain / (loss)	1,414	3,971
(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

29 Sept 2022  
Muar, Johor Darul Takzim.