

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Oct-2022	31-Oct-2021	31-Oct-2022	31-Oct-2021
	RM	RM	RM	RM
Revenue	167,324,285	53,052,705	703,152,461	554,738,940
Cost of Sales	(127,703,400)	(48,311,351)	(549,175,287)	(463,237,692)
Gross Profit	39,620,885	4,741,354	153,977,174	91,501,248
Selling and distribution expenses	(6,804,118)	(3,139,089)	(28,746,384)	(26,363,636)
Administration expenses	(5,870,925)	(6,402,327)	(30,250,053)	(30,548,046)
Other income / (expenses)	5,618,826	148,086	12,672,446	3,860,766
Finance costs	(433,105)	(378,766)	(1,204,255)	(1,073,140)
Profit / (Loss) before tax	32,131,563	(5,030,742)	106,448,928	37,377,192
Income tax expense	(8,555,717)	1,493,302	(22,396,690)	(5,159,662)
Profit / (Loss) for the period	23,575,846	(3,537,440)	84,052,238	32,217,530
Other Comprehensive Income / (Expense) net of tax				
- Foreign currency translation differences	(2,018,712)	(2,575,260)	8,135,266	5,072,311
Total Comprehensive Income / (Expense) for the period	21,557,134	(6,112,700)	92,187,504	37,289,841
Profit / (Loss) after tax attributable to : Owners of the Company	23,575,846	(3,537,440)	84,052,238	32,217,530
Total Comprehensive Income / (Expense) attributable to : Owners of the Company	21,557,134	(6,112,700)	92,187,504	37,289,841
Basic Earnings Per Share (in sen)	8.90	(1.34)	31.72	12.16
Diluted Earnings Per Share (in sen)	8.90	(1.34)	31.72	12.16

(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 October 2022

	As At 31-Oct-2022 RM	As At 31-Oct-2021 RM
ASSETS		
Non-current assets		
Property, plant and equipment	135,659,094	136,803,572
Right-of-use assets	27,484,475	27,924,515
Land held for property development	20,924,424	20,912,187
Investment properties	38,919,017	40,440,971
Deferred tax assets	692,399	470,547
	<u>223,679,409</u>	<u>226,551,792</u>
Current assets		
Inventories	84,028,628	126,942,090
Trade and other receivables	64,317,196	46,575,928
Short term investment	60,935,873	40,000,000
Deposits, bank and cash balances	188,439,256	117,420,300
	<u>397,720,953</u>	<u>330,938,318</u>
TOTAL ASSETS	<u>621,400,362</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	3,040,291	(5,094,975)
Retained profits	356,690,647	293,836,193
TOTAL EQUITY	<u>521,807,260</u>	<u>450,817,540</u>
Non-current liabilities		
Hire purchase payables	305,539	514,664
Lease liabilities	17,209,207	16,167,932
Deferred tax liabilities	6,572,394	5,819,000
	<u>24,087,140</u>	<u>22,501,596</u>
Current liabilities		
Trade and other payables	62,058,358	65,542,237
Bank borrowings	-	11,033,428
Lease liabilities	665,698	595,406
Dividend payable	5,299,446	5,299,446
Current tax liabilities	7,482,460	1,700,457
	<u>75,505,962</u>	<u>84,170,974</u>
TOTAL LIABILITIES	<u>99,593,102</u>	<u>106,672,570</u>
TOTAL EQUITY AND LIABILITIES	<u>621,400,362</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 October 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				32,217,530	32,217,530
Other comprehensive income for the period					
- Foreign currency translation			5,072,311		5,072,311
Total comprehensive income for the period	-	-	5,072,311	32,217,530	37,289,841
Dividends by the Company				(13,248,615)	(13,248,615)
At 31 October 2021	164,912,803	(2,836,481)	(5,094,975)	293,836,193	450,817,540
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				84,052,238	84,052,238
Other comprehensive income for the period					
- Foreign currency translation			8,135,266		8,135,266
Total comprehensive income for the period	-	-	8,135,266	84,052,238	92,187,504
Dividends by the Company				(21,197,784)	(21,197,784)
At 31 October 2022	164,912,803	(2,836,481)	3,040,291	356,690,647	521,807,260

(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 October 2022

	31-Oct-2022	31-Oct-2021
	RM	RM
Cash flows from / (for) operating activities		
Profit before tax	106,448,928	37,377,192
Adjustments for :		
Depreciation and amortisation	12,759,896	12,102,503
Inventories written-down	1,836,000	
Property, plant and equipment written off	854,266	515,215
(Gain) / loss on disposal of PPE	(108,115)	(1,054,272)
Dividend Income	(1,068,728)	(1,334,562)
Unrealised (gain) / loss on forex	(1,676,278)	(465,465)
Net interest (income) / expense	(512,240)	(182,019)
Operating profit/ (loss) before working capital changes	118,533,729	46,958,592
Inventories	43,914,536	(32,671,028)
Trade and other receivables	(18,163,644)	24,722,202
Trade and other payables	(5,249,798)	(33,010,512)
Cash from / (for) operations	139,034,823	5,999,254
Net interest received / (paid)	512,240	182,019
Tax (paid) / refund	(13,341,448)	(11,896,288)
Net cash from / (for) operating activities	126,205,615	(5,715,015)
Cash flows from / (for) investing activities		
Dividends received	1,068,728	1,334,562
Net (increase) / decrease in pledged fixed deposits	(575,657)	(417,760)
Net (increase) / decrease in fixed deposits with tenure more than 3 months	(13,872,332)	(5,460,000)
Net (increase) / decrease in other short term investments	(20,935,873)	(40,000,000)
Net (purchase) / proceeds of property, plant and equipment	(7,608,800)	(12,892,763)
Net cash from / (for) investing activities	(41,923,934)	(57,435,961)
Cash flow from / (for) financing activities		
Net movements in bank borrowings	(11,769,397)	2,262,748
Net increase / (decrease) in lease liabilities	(616,736)	(903,998)
Dividends paid	(21,197,784)	(18,548,061)
Net cash from / (for) financing activities	(33,583,917)	(17,189,311)
Net increase/ (decrease) in cash and cash equivalents	50,697,764	(80,340,287)
Effects on foreign exchange translation	5,873,203	965,827
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	162,944,210	106,373,243
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	188,439,256	117,420,300
Less : Fixed deposit pledged to bank	(6,162,714)	(5,587,057)
Less : Fixed deposit with tenure more than 3 months	(19,332,332)	(5,460,000)
	162,944,210	106,373,243

(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 year 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
Second Interim	2 sen	31-Oct-22	5,299,446	28-Oct-22

A7. OPERATING SEGMENTS

The Group had adopted geographical segment as its reporting format. The segment information for the financial year was as below:

(RM'000)	Malaysia	Vietnam	Australia	Others	Total
Sales	348,541	354,611	0	0	703,152
Profit / (Loss) Before Tax	62,875	43,613	902	(941)	106,449
Profit / (Loss) After Tax	47,430	36,715	859	(952)	84,052
Assets	315,143	268,945	31,940	5,372	621,400
Liabilities	58,070	41,436	82	5	99,593

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 year.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

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

A11. CHANGES IN CONTINGENT LIABILITIES / ASSETS

There were 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 year.

A12. CAPITAL COMMITMENTS

There were no capital commitments during the current reporting year.

A13. RELATED PARTY TRANSACTIONS

The Group related party transactions in the current quarter and financial year-to-date were as follows:

Subsidiary	Transacting Party	Relationship	Nature of Transaction	Current quarter (RM)	Financial year-to-date (RM)
Poh Huat Furniture Industries (M) Sdn Bhd	Tay Kim Huat	Director	Rental of showroom & land	60,000	276,000
J.A Nathan & Co	Tay Khim Seng	Director	Legal fees	0	2,085
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Office Solutions (M) Sdn Bhd	Tay Kim Huat's daughter	Sales of furniture	122,856	206,630
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Office Solutions (M) Sdn Bhd	Tay Kim Huat's daughter	Purchases of stationary & furniture	5,000	53,158

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

	Individual quarter			Cumulative quarters		
	31-Oct-22 RM'000	31-Oct-21 RM'000	+ / - %	31-Oct-22 RM'000	31-Oct-21 RM'000	+ / - %
Malaysia	91,443	34,704	163.5	348,541	205,827	69.3
Vietnam	75,881	18,349	313.5	354,611	348,912	1.6
Total	167,324	53,053	215.4	703,152	554,739	26.8

The Group recorded a higher turnover of RM167.32 million in the current reporting period under review compared to RM53.05 million recorded in the previous corresponding reporting period ended 31 October 2021.

Revenue for both our Malaysia and Vietnam operations during the current reporting period under review was significantly higher as production activities in both our Malaysia and Vietnam operations recovered to pre-pandemic levels. The Group's strong turnover was partly due to the strengthening of the US Dollar against the Ringgit and Vietnamese Dong. The results of the 2 corresponding reporting periods however are not comparable as the previous years' corresponding reporting period was affected by a 2½-month pandemic production halts in both of our operations.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	31-Oct-22 RM'000	31-Oct-21 RM'000	+ / - %	31-Oct-22 RM'000	31-Oct-21 RM'000	+ / - %
Malaysia	21,936	283	7,651.2	62,875	4,037	1,457.5
Vietnam	10,430	(5,265)	298.1	43,613	33,284	31.0
Australia	284	272	4.4	902	350	157.7
Others	(519)	(321)	(61.7)	(941)	(294)	(220.1)
Total	32,131	(5,031)	738.7	106,449	37,377	184.8

In line with the significantly higher shipment from our Malaysia operations, manufacturing overheads as a percentage of total production costs normalised, resulting in significantly higher gross profits RM25.94 million compared to RM5.68 million in the previous year corresponding reporting period. Our Vietnam operation, similarly, reported a higher gross profit of RM13.68 million in the current reporting period compared to losses of RM0.94 million in the previous corresponding reporting period.

On a consolidated basis, gross profit rose from RM4.74 million in the previous year corresponding reporting period to RM39.62 million in the current reporting period. Given the higher gross profit and the forex gains of RM3.98 million for the reporting period under review, we are delighted to report a 7-fold increase in profit before tax of RM32.13 million in the current reporting period compared to a deficit of RM5.03 million in previous corresponding reporting period ended 31 October 2021.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter	Preceding quarter	+ / - %
	31-Oct-22 RM'000	30-Jul-22 RM'000	
Malaysia	21,936	17,320	26.7
Vietnam	10,430	10,060	3.7
Australia	284	63	350.8
Others	(519)	(717)	27.6
Total	32,131	26,726	20.2

The Group registered broadly similar turnover of RM167.32 million during the current reporting period compared to RM166.52 million in preceding reporting period ended 31 July 2022. The sustained shipment of furniture is commendable even though the US economy is clearly slowing and demand for furniture in the US has moderated during the reporting period.

In line with the sustained turnover, the Group achieved almost similar gross profit of RM39.62 million in current reporting period compared to RM38.61 million in the preceding reporting period ended 31 July 2022. The above notwithstanding, the Group profit before tax improved from RM26.73 million in the preceding reporting period to RM32.13 million in the current reporting period, due to higher foreign exchange gains as the Ringgit and Vietnamese Dong weakened against the US Dollar during the period under review.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

The global economy is facing headwinds as a result of the high costs of living, rising interest costs and lingering pandemic concerns are weighting down consumption and supply constraints.

Amid weakening consumption, demand for furniture has also moderated. US import of furniture has slowed down in recent months as US importers liquidate their over-inventoried positions and this trend is expected to continue as slowdown in the US housing sector amidst rising interest rates and higher costs of living will adversely impact purchases of furniture in the foreseeable future. On the positive side, China's resurging Covid cases and the supply chain constraints will re-affirm South East Asia as an important sourcing region for US furniture importers.

On the balance, we are cautious of the prospects of the global furniture trade and its impact on our operations and financial results of the Group for the next financial year.

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

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

B5. TAXATION

	Current quarter RM'000	Financial year-to-date RM'000
Current taxation - Local	6,632	14,744
Current taxation - Overseas	1,369	7,098
Deferred taxation	555	555
Total Taxation	8,556	22,397

For the current reporting year ended 31 October 2022, income tax rate for our local operation was estimated at 23.4%, which is closed to the current statutory rate of 24%, due to non-taxable of certain non-operational incomes. Taxation rate for Vietnam subsidiary was estimated at higher rate of 16% against the incentive tax rate of 15% due to certain non-operation incomes were charged at common tax rate of 20%.

B6. STATUS OF CORPORATE PROPOSALS / UTILISATION OF PROCEEDS

There were no other corporate proposals or utilisation of proceeds announced but not completed as at the date of the current reporting year.

B7. GROUP BANK BORROWINGS

There were no bank borrowings as at end of the current reporting year.

B8. MATERIAL LITIGATION

There was 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 July 2022 to depositors registered in the Records of Depositors of the Company at the close of business on 13 July 2022.

On 29 September 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, paid on 28 October 2022 to depositors registered in the Records of Depositors of the Company at the close of business on 14 October 2022.

On 31 October 2022, the Directors have declared a third interim dividend of 2 sen per share in respect of the current financial quarter ended 31 October 2022, payable on 10 January 2023 to depositors registered in the Records of Depositors of the Company at the close of business on 15 December 2022.

The Directors have also recommended a final dividend of 2 sen per ordinary share for the shareholders' approval at the forthcoming Annual General Meeting of the Company. The dividend entitlement and payment date for the proposed dividend will be determined, and thereafter announced at a later date.

Total dividends declared/ proposed were 8 sen per ordinary share in the current financial year ended 31 October 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 year-to-date
Profit attributable to			
Owners of the Company	(RM'000)	23,576	84,052
Weighted average number of shares	('000 shares)	264,972	264,972
Basic earnings per share	(sen)	8.90	31.72

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 year.

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 year-to-date are below: -

	Current quarter RM'000	Financial year-to-date RM'000
(a) Interest income	445	1,276
(b) Other income including investment income	2,362	4,617
(c) Interest expense	(335)	(764)
(d) Depreciation and amortization	(3,593)	(12,697)
(e) Provision for and write off of receivables	0	0
(f) Provision for and write off of inventories	(1,836)	(1,836)
(g) Gain / (loss) on disposal of unquoted investments / properties	675	713
(h) Impairment of assets	(272)	(272)
(i) Foreign exchange gain / (loss)	3,980	7,950
(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

30 December 2022
Muar, Johor Darul Takzim.