

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 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30-Apr-2024	30-Apr-2023	30-Apr-2024	30-Apr-2023
	RM	RM	RM	RM
Revenue	108,346,076	95,256,261	239,485,645	214,789,529
Cost of Sales	(92,866,864)	(80,695,737)	(198,031,734)	(173,490,772)
Gross Profit	<u>15,479,212</u>	<u>14,560,524</u>	<u>41,453,911</u>	<u>41,298,757</u>
Selling and distribution expenses	(5,922,408)	(5,358,307)	(12,400,471)	(10,840,494)
Administration expenses	(6,799,549)	(7,793,448)	(14,192,471)	(14,621,079)
Other income / (expenses)	5,778,517	4,738,456	7,491,928	(751,780)
Finance costs	(101,617)	(93,590)	(220,044)	(274,519)
Profit / (Loss) before tax	8,434,155	6,053,635	22,132,853	14,810,885
Income tax expense	(1,203,751)	(1,797,040)	(4,599,483)	(3,728,224)
Profit / (Loss) for the period	<u>7,230,404</u>	<u>4,256,595</u>	<u>17,533,370</u>	<u>11,082,661</u>
Other Comprehensive Income / (Expense) net of tax				
- Foreign currency translation differences	(7,570,132)	9,009,043	(6,749,004)	(804,985)
Total Comprehensive Income / (Expense) for the period	<u>(339,728)</u>	<u>13,265,638</u>	<u>10,784,366</u>	<u>10,277,676</u>
Profit / (Loss) after tax attributable to : Owners of the Company	<u>7,230,404</u>	<u>4,256,595</u>	<u>17,533,370</u>	<u>11,082,661</u>
Total Comprehensive Income / (Expense) attributable to : Owners of the Company	<u>(339,728)</u>	<u>13,265,638</u>	<u>10,784,366</u>	<u>10,277,676</u>
Basic Earnings Per Share (in sen)	2.73	1.61	6.62	4.18
Diluted Earnings Per Share (in sen)	2.73	1.61	6.62	4.18

(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 2023)

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Financial Position (Unaudited)
As At 30 April 2024

	As At 30-Apr-2024 RM	As At 31-Oct-2023 RM
ASSETS		
Non-current assets		
Property, plant and equipment	124,984,002	130,460,575
Right-of-use assets	25,992,272	26,679,974
Land held for property development	19,524,842	19,524,842
Investment properties	38,209,690	37,837,742
Deferred tax assets	197,479	385,918
Other receivable	3,200,000	3,200,000
	<u>212,108,285</u>	<u>218,089,051</u>
Current assets		
Inventories	62,869,310	55,536,704
Trade and other receivables	40,533,758	34,969,406
Short term investment	89,111,863	50,123,216
Deposits, bank and cash balances	210,749,376	258,437,920
	<u>403,264,307</u>	<u>399,067,246</u>
TOTAL ASSETS	<u>615,372,592</u>	<u>617,156,297</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	164,912,803	164,912,803
Treasury shares	(2,836,481)	(2,836,481)
Translation reserve	1,335,788	8,084,792
Retained profits	371,787,889	364,853,412
TOTAL EQUITY	<u>535,199,999</u>	<u>535,014,526</u>
Non-current liabilities		
Lease liabilities	17,277,075	16,716,717
Hire Purchase payables	344,718	194,628
Deferred tax liabilities	6,806,789	6,799,891
	<u>24,428,582</u>	<u>23,711,236</u>
Current liabilities		
Trade and other payables	53,509,111	55,589,119
Lease liabilities	669,305	685,032
Hire Purchase payables	305,711	305,711
Current tax liabilities	1,259,884	1,850,673
	<u>55,744,011</u>	<u>58,430,535</u>
TOTAL LIABILITIES	<u>80,172,593</u>	<u>82,141,771</u>
TOTAL EQUITY AND LIABILITIES	<u>615,372,592</u>	<u>617,156,297</u>

(The Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2023)

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Changes In Equity (Unaudited)
For The Quarter Ended 30 April 2024

	<-----Non-distributable ----->			Distributable	
	Share capital RM	Treasury shares RM	Translation reserve RM	Retained profits RM	Total equity RM
At 1 November 2022	164,912,803	(2,836,481)	3,040,290	356,690,647	521,807,259
Profit after tax for the period				11,082,661	11,082,661
Other comprehensive income for the period					
- Foreign currency translation			(804,985)		(804,985)
Total comprehensive income for the period	-	-	(804,985)	11,082,661	10,277,676
Dividends distribution to owner of the Company				(5,299,447)	(5,299,447)
At 30 April 2023	164,912,803	(2,836,481)	2,235,305	362,473,861	526,785,488
At 1 November 2023	164,912,803	(2,836,481)	8,084,792	364,853,412	535,014,526
Profit after tax for the period				17,533,370	17,533,370
Other comprehensive income for the period					
- Foreign currency translation			(6,749,004)		(6,749,004)
Total comprehensive income for the period	-	-	(6,749,004)	17,533,370	10,784,366
Dividends distribution to owner of the Company				(10,598,893)	(10,598,893)
At 30 April 2024	164,912,803	(2,836,481)	1,335,788	371,787,889	535,199,999

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2023)

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Cash Flows (Unaudited)
For The Quarter Ended 30 April 2024

	30-Apr-2024	30-Apr-2023
	RM	RM
Cash flows from / (for) operating activities		
Profit / (Loss) before tax	22,132,853	14,810,885
Adjustments for :		
Depreciation and amortisation	5,928,637	5,865,076
(Gain) / Loss on disposal of property, plant and equipment	(111,577)	(1,800,418)
Dividend (Income)	(984,459)	(777,922)
Unrealised (gain) / loss on forex	(3,200,869)	91,327
Net interest (income) / expense	(3,675,365)	(1,525,232)
Operating profit/ (loss) before working capital changes	<u>20,089,220</u>	<u>16,663,716</u>
Inventories	(7,332,606)	20,013,823
Trade and other receivables	(5,563,483)	27,381,842
Trade and other payables	(2,080,009)	(21,824,938)
Cash from / (for) operations	<u>5,113,122</u>	<u>42,234,443</u>
Net interest received / (paid)	3,675,365	1,525,232
Tax (paid) / refund	(5,183,374)	(7,388,338)
Net cash from / (for) operating activities	<u>3,605,113</u>	<u>36,371,337</u>
Cash flows from / (for) investing activities		
Dividends received	984,459	777,922
Net (increase) / decrease in pledged fixed deposits	204,422	(512)
Net (increase) / decrease in fixed deposits with tenure more than 3 months	(7,417,246)	(81,214,919)
Net (increase) / decrease in other short term investments	(38,988,647)	(39,972,625)
Net (purchase) / proceeds of property, plant and equipment	1,540,736	(459,148)
Net cash from / (for) investing activities	<u>(43,676,276)</u>	<u>(120,869,282)</u>
Cash flow from / (for) financing activities		
Net movements in bank borrowings	-	-
(Repayment) / Addition of hire purchase payables	150,090	(198,884)
Net increase / (decrease) in lease liabilities	544,631	(86,255)
Dividends paid	(10,598,892)	(10,598,892)
Net cash from / (for) financing activities	<u>(9,904,171)</u>	<u>(10,884,031)</u>
Net increase/ (decrease) in cash and cash equivalents	(49,975,334)	(95,381,976)
Effects on foreign exchange translation	(4,926,035)	75,032
Cash and cash equivalents at beginning of the financial year	<u>119,535,281</u>	<u>162,944,210</u>
Cash and cash equivalents at end of the financial period	<u>64,633,912</u>	<u>67,637,266</u>
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	210,749,376	174,347,743
Less : Fixed deposit pledged to bank	(6,405,217)	(6,163,226)
Less : Fixed deposit with tenure more than 3 months	(139,710,247)	(100,547,251)
	<u>64,633,912</u>	<u>67,637,266</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2023)

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 2023.

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 2023 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 2023.

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 2023.

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
First Interim	2 sen	31-Oct-24	5,299,446	26-Jan-24
Final	2 sen	31-Oct-23	5,299,446	3-May-24

A7. OPERATING SEGMENTS

The Group has adopted geographical segment as its reporting format. The segment information for the current financial period is as below:

(RM'000)	Malaysia	Vietnam	Australia	Others	Total
Sales	141,536	97,950	0	0	239,486
Profit / (Loss) Before Tax	15,394	6,422	679	(362)	22,133
Profit / (Loss) After Tax	11,938	5,341	617	(363)	17,533
Assets	302,556	273,043	34,315	5,459	615,373
Liabilities	44,526	35,299	346	2	80,173

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 2023.

A9. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE YEAR

There are 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 2023 other than corporate guarantee granted to financial institutions amounting to RM114.24 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 year-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 land	60,000	120,000
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Office Solutions (M) Sdn Bhd	Tay Kim Huat's daughter	Sales of furniture	12,320	22,393

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	30-Apr-24 RM'000	30-Apr-23 RM'000	+ / - %	30-Apr-24 RM'000	30-Apr-23 RM'000	+ / - %
Malaysia	67,370	49,652	35.7	141,536	120,783	17.2
Vietnam	40,976	45,604	(10.1)	97,950	94,006	4.2
Total	108,346	95,256	13.7	239,486	214,789	11.5

The Group recorded a higher turnover of RM108.35 million in the current reporting period ended 30 April 2024 compared to RM95.26 million recorded in the previous corresponding reporting period ended 30 April 2023. The higher turnover was mainly due the gradual pick-up in orders from our US customers for our Malaysian operations which focused mainly on the office segment. This is in line with the pick-up in business activities and the progressive return to full time working arrangement amongst US workers.

Orders from our Vietnamese factories remained low as our US customers continued to clear the excess inventories. Demand for durables goods including household furniture were also low in recent months following weaker economic growth in the US.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	30-Apr-24 RM'000	30-Apr-23 RM'000	+ / - %	30-Apr-24 RM'000	30-Apr-23 RM'000	+ / - %
Malaysia	7,212	4,435	62.6	15,394	8,894	73.1
Vietnam	1,183	1,480	(20.1)	6,422	6,011	6.8
Australia	336	161	108.7	679	470	44.5
Others	(297)	(22)	(1,250.0)	(362)	(564)	35.8
Total	8,434	6,054	39.3	22,133	14,811	49.4

In line with the higher turnover, gross profit from our operations rose to RM15.48 million in the current reporting period ended 30 April 2024 compared to RM14.56 million achieved in the previous corresponding period ended 30 April 2023. The better operational results were mainly driven by the higher sales from our Malaysian operations which enjoyed better capacity utilisation rate and economy of scale while cost of raw materials and labour costs were general stable during the 2 corresponding reporting periods.

The Group also recorded higher net other income of RM5.78 million in the current reporting period under review, mainly from higher interest income of RM2.24 million compared to interest income of RM0.66 million in the previous corresponding reporting period ended 30 April 2023. This gave rise to a net increase in profit before tax of RM8.43 million in the current reporting period ended 30 April 2024 against RM6.05 million recorded in the previous corresponding reporting period ended 30 April 2023.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter	Preceding quarter	+ / - %
	30-Apr-24 RM'000	31-Jan-24 RM'000	
Malaysia	7,212	8,182	(11.9)
Vietnam	1,183	5,240	(77.4)
Australia	336	343	(2.0)
Others	(297)	(66)	(350.0)
Total	8,434	13,699	(38.4)

The Group recorded slightly lower turnover of RM108.35 million in the current reporting period ended 30 April 2024 compared to RM131.14 million recorded in the preceding reporting period ended 31 January 2024. The lower turnover was in line with the seasonal low following the pre-festive/ year-end peak shipment of furniture in the preceding reporting period ended 31 January 2024. Shipment from our Vietnamese operations were particularly low due to the lower household spending on durable goods.

In line with the lower shipment of furniture, our gross profit fell from RM25.97 million in the preceding reporting period to RM15.48 million in the current reporting period due to the lower factory utilisation in both our Malaysian and Vietnamese operations. Gross profit from our Vietnamese operations were particularly low as the factory overheads were disproportionately higher due to the lower production level in the current reporting period ended 30 April 2024. The drop in gross profits were however mitigated by the higher net other income of RM5.78 million and the lower administrative expenses in line with the lower level of activities during the current reporting period under review. All in all, profit before tax in the current reporting period under review was lower at RM8.43 million compared to RM13.70 million in the preceding reporting period ended 31 January 2024.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

While the global economy has recovered since the Covid-19 pandemic, many uncertainties remain. The pace and sustainability of growth are subject to various factors, government policies, economic structures and geo-political uncertainties. The U.S. economy grew at a sluggish 1.3% annual pace from January through March 2024, the weakest quarterly rate since January 2022. The US GDP growth rate continued with its downward trend of 1.6% in the month of April 2024 compared to 3.4% a year ago.

As reported in the preceding reporting period, the US furniture market continues with its slow recovery trajectory with importers and retailers clearing their excess inventories. With the US economy slowing, we expect lower consumers' spending on durable goods. This will likely affect demand for durable household items including furniture. As mentioned previously, we are working closely with our customers to develop products more suitable to the new trends and opportunities emerging from the paradigm shift brought on by changes in consumers' priority and work arrangement as well as the generational shift as millennials enter the market.

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

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

B5. TAXATION

	Current quarter RM'000	Financial period-to-date RM'000
Current taxation - Local	1,504	3,456
Current taxation - Overseas	(300)	1,143
Deferred taxation	0	0
Total Taxation	1,204	4,599

Income tax for our local operations in the current financial period ended 30 April 2024 was estimated at RM3.46 million which was slightly lower than the current statutory rate of 24%, due to non-taxable on certain other incomes. Taxation for the Vietnamese subsidiary was estimated at RM1.09 million or at taxation rate of 17% against the incentive tax rate of 15% due to the interest income was charged under statutory rate of 20% and some non-tax deductible expenses in the current reporting period ended 30 April 2024.

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 BANK BORROWINGS

There are no Group borrowings as at end of the reporting period.

B8. MATERIAL LITIGATION

There are 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 2023.

B9. DIVIDENDS

On 4 December 2023, the Directors have declared the first interim dividends of 2 sen per ordinary share in respect of the current financial quarter ended 31 January 2024, paid on 26 January 2024 to depositors registered in the Records of Depositors of the Company at the close of business on 29 December 2023.

On 26 June 2024, the Directors have declared the second interim dividends of 2 sen per ordinary share in respect of the current financial quarter ended 30 April 2024, paid on 23 July 2024 to depositors registered in the Records of Depositors of the Company at the close of business on 11 July 2024.

Total dividends declared were 4 sen per ordinary share in the current financial period ending 31 October 2024.

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 year under review.

		Current quarter	Financial period-to-date
Profit attributable to			
Owners of the Company	(RM'000)	7,230	17,533
Weighted average number of shares	('000 shares)	264,972	264,972
Basic earnings per share	(sen)	2.73	6.62

Diluted earnings per share

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

B11. AUDIT QUALIFICATION REPORT

The preceding financial statements for the year ended 31 October 2023 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 2023.

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	2,244	3,717
(b) Other income including investment income	943	1,734
(c) Interest expense	(21)	(42)
(d) Depreciation and amortization	(2,947)	(5,929)
(e) Provision for and write off of receivables	0	0
(f) Reversal of inventories written-off	0	0
(g) Gain / (loss) on disposal of unquoted investments / properties	100	112
(h) Impairment of assets	0	0
(i) Foreign exchange gain / (loss)	2,271	1,974
(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

26 June 2024
Muar, Johor Darul Takzim.