

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 October 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Oct-2024	31-Oct-2023	31-Oct-2024	31-Oct-2023
	RM	RM	RM	RM
Revenue	131,068,722	105,936,276	475,703,385	428,111,301
Cost of Sales	(105,232,260)	(88,146,029)	(391,467,946)	(353,285,182)
Gross Profit	<u>25,836,462</u>	<u>17,790,247</u>	<u>84,235,439</u>	<u>74,826,119</u>
Selling and distribution expenses	(6,778,073)	(5,740,811)	(24,544,098)	(22,552,685)
Administration expenses	(6,501,452)	(7,163,850)	(27,697,794)	(28,589,224)
Other income / (expenses)	(905,135)	10,521,174	6,484,424	12,590,044
Finance costs	(308,632)	(329,161)	(623,499)	(703,380)
Profit / (Loss) before tax	11,343,170	15,077,599	37,854,472	35,570,874
Income tax expense	(2,492,102)	(4,288,694)	(8,498,462)	(8,860,047)
Profit / (Loss) for the period	8,851,068	10,788,905	29,356,010	26,710,827
Other Comprehensive Income / (Expense) net of tax				
- Foreign currency translation differences	(12,288,875)	4,934,354	(27,721,692)	5,044,502
Total Comprehensive Income / (Expense) for the period	(3,437,807)	15,723,259	1,634,318	31,755,329
Profit / (Loss) after tax attributable to : Owners of the Company	8,851,068	10,788,905	29,356,010	26,710,827
Total Comprehensive Income / (Expense) attributable to : Owners of the Company	(3,437,807)	15,723,259	1,634,318	31,755,329
Basic Earnings Per Share (in sen)	3.34	4.07	11.08	10.08
Diluted Earnings Per Share (in sen)	3.34	4.07	11.08	10.08

(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 31 October 2024**

	As At 31-Oct-2024 RM	As At 31-Oct-2023 RM
ASSETS		
Non-current assets		
Property, plant and equipment	117,378,564	130,460,575
Right-of-use assets	24,108,915	26,679,974
Land held for property development	19,524,842	19,524,842
Investment properties	35,876,444	37,837,742
Deferred tax assets	581,868	385,918
Other receivable	3,200,000	3,200,000
	<u>200,670,633</u>	<u>218,089,051</u>
Current assets		
Inventories	63,642,980	55,536,704
Trade and other receivables	42,702,276	34,969,406
Short term investment	70,521,634	50,123,216
Deposits, bank and cash balances	223,615,761	258,437,920
	<u>400,482,651</u>	<u>399,067,246</u>
TOTAL ASSETS	<u>601,153,284</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	(19,636,900)	8,084,792
Retained profits	373,011,638	364,853,412
TOTAL EQUITY	<u>515,451,060</u>	<u>535,014,526</u>
Non-current liabilities		
Lease liabilities	15,085,458	16,716,717
Hire Purchase payables	259,573	194,628
Deferred tax liabilities	6,819,041	6,799,891
	<u>22,164,072</u>	<u>23,711,236</u>
Current liabilities		
Trade and other payables	61,121,251	55,589,119
Lease liabilities	658,709	685,032
Hire Purchase payables	261,551	305,711
Dividend payable	-	-
Current tax liabilities	1,496,641	1,850,673
	<u>63,538,152</u>	<u>58,430,535</u>
TOTAL LIABILITIES	<u>85,702,224</u>	<u>82,141,771</u>
TOTAL EQUITY AND LIABILITIES	<u>601,153,284</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 31 October 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				26,710,827	26,710,827
Other comprehensive income for the period					
- Foreign currency translation			5,044,502		5,044,502
Total comprehensive income for the period	-	-	5,044,502	26,710,827	31,755,329
Dividends distribution to owner of the Company				(18,548,062)	(18,548,062)
At 31 October 2023	164,912,803	(2,836,481)	8,084,792	364,853,412	535,014,526
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				29,356,010	29,356,010
Other comprehensive income for the period					
- Foreign currency translation			(27,721,692)		(27,721,692)
Total comprehensive income for the period	-	-	(27,721,692)	29,356,010	1,634,318
Dividends distribution to owner of the Company				(21,197,784)	(21,197,784)
At 31 October 2024	164,912,803	(2,836,481)	(19,636,900)	373,011,638	515,451,060

(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 31 October 2024

	31-Oct-2024	31-Oct-2023
	RM	RM
Cash flows from / (for) operating activities		
Profit / (Loss) before tax	37,854,472	35,570,874
Adjustments for :		
Depreciation and amortisation	12,124,981	12,657,130
Reversal of inventories previously written-down	-	(36,000)
Property, plant and equipment written off	-	551,435
Bad Debt written off / (recovered)	705,298	101,643
(Gain) / Loss on disposal of property, plant and equipment	(111,577)	(1,980,418)
(Gain) on disposal of short-term investments	(673,618)	(1,042,208)
Dividend (Income)	(1,956,975)	(1,771,427)
Unrealised (gain) / loss on forex	(4,748,599)	547,224
Net interest (income) / expense	(7,900,670)	(5,998,272)
Operating profit/ (loss) before working capital changes	<u>35,293,312</u>	<u>38,599,981</u>
Inventories	(8,106,276)	29,220,924
Trade and other receivables	(6,889,569)	26,095,577
Trade and other payables	5,532,131	(6,840,649)
Cash from / (for) operations	<u>25,829,598</u>	<u>87,075,833</u>
Net interest received / (paid)	7,900,670	5,998,272
Tax (paid) / refund	(8,833,344)	(13,971,794)
Net cash from / (for) operating activities	<u>24,896,924</u>	<u>79,102,311</u>
Cash flows from / (for) investing activities		
Dividends received	1,956,975	1,771,427
Net (increase) / decrease in pledged fixed deposits	301,755	(446,925)
Net (increase) / decrease in fixed deposits with tenure more than 3 months	43,559,438	(108,107,595)
Net (increase) / decrease in other short term investments	(19,724,800)	11,854,865
Net (purchase) / proceeds of property, plant and equipment	(996,328)	(929,312)
Net cash from / (for) investing activities	<u>25,097,040</u>	<u>(95,857,540)</u>
Cash flow from / (for) financing activities		
(Repayment) / Addition of hire purchase payables	20,784	(409,115)
Net increase / (decrease) in lease liabilities	(1,657,582)	(633,197)
Dividends paid	(21,197,784)	(23,847,508)
Net cash from / (for) financing activities	<u>(22,834,582)</u>	<u>(24,889,820)</u>
Net increase/ (decrease) in cash and cash equivalents	27,159,382	(41,645,049)
Effects on foreign exchange translation	(18,120,348)	3,089,193
Cash and cash equivalents at beginning of the financial year	<u>124,388,354</u>	<u>162,944,210</u>
Cash and cash equivalents at end of the financial period	<u><u>133,427,388</u></u>	<u><u>124,388,354</u></u>
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	223,615,761	258,437,920
Less : Fixed deposit pledged to bank	(6,307,884)	(6,609,639)
Less : Fixed deposit with tenure more than 3 months	(83,880,489)	(127,439,927)
	<u><u>133,427,388</u></u>	<u><u>124,388,354</u></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
Second Interim	2 sen	31-Oct-24	5,299,446	23-Jul-24
Third Interim	2 sen	31-Oct-24	5,299,446	15-Oct-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	299,627	176,076	0	0	475,703
Profit / (Loss) Before Tax	29,663	9,326	526	(1,661)	37,854
Profit / (Loss) After Tax	23,131	7,556	346	(1,677)	29,356
Assets	310,202	254,369	31,574	5,008	601,153
Liabilities	51,992	33,342	368	0	85,702

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 as at 31 October 2023 other than corporate guarantee granted to financial institutions amounting to RM110.19 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 year-to-date (RM)
Poh Huat Furniture Industries (M) Sdn Bhd	Tay Kim Huat	Director	Rental of land	60,000	240,000
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Office Solutions (M) Sdn Bhd	Tay Kim Huat's daughter	Sales of furniture	10,121	71,984

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	31-Oct-24 RM'000	31-Oct-23 RM'000	+ / - %	31-Oct-24 RM'000	31-Oct-23 RM'000	+ / - %
Malaysia	87,924	59,651	47.4	299,627	237,130	26.4
Vietnam	43,145	46,285	(6.8)	176,076	190,981	(7.8)
Total	131,069	105,936	23.7	475,703	428,111	11.1

The Group recorded a higher turnover of RM131.07 million in the current reporting period ended 31 October 2024 compared to RM105.94 million recorded in the previous year's corresponding reporting period ended 31 October 2023. The increase in turnover was mainly due the higher orders and shipment of office furniture from our Malaysian operations as sentiments amongst US businesses turned positive following business uncertainties during the pandemic years. Hiring among American companies remain strong and more employees are returning to the office, leading to higher spending on office equipment and furniture. Shipment of home furniture from our Vietnam factories were slightly lower as home furnishing spendings amongst American families remain subdued following the pandemic peak spending on household finishing in 2022 and 2023.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	31-Oct-24 RM'000	31-Oct-23 RM'000	+ / - %	31-Oct-24 RM'000	31-Oct-23 RM'000	+ / - %
Malaysia	7,927	11,593	(31.6)	29,663	25,553	16.1
Vietnam	3,762	3,057	23.1	9,326	10,190	(8.5)
Australia	300	314	(4.5)	526	802	(34.4)
Others	(646)	114	(666.7)	(1,661)	(974)	(70.5)
Total	11,343	15,078	(24.8)	37,854	35,571	6.4

In line with the higher turnover, gross profit from our operations rose from RM17.79 million in the previous year's corresponding reporting period ended 31 October 2023 to RM25.84 million in the current year's reporting period ended 31 October 2024. The better operational results were mainly driven by lower overheads and labour costs absorption rates amid higher capacity utilisation rate in our Malaysian operations during the reporting period under review. The higher gross profit from our Malaysian operations helped mitigate the weaker gross profit from our Vietnamese operations amid continued low-capacity utilisation rate.

In line with the higher turnover, selling and distribution expenses were slightly higher at RM6.78 million for the current reporting period ended 31 October 2024 compared to RM5.74 million in the previous year's corresponding period ended 31 October 2023. Administration expenses, however were lower at RM6.50 million for the current reporting period ended 31 October 2024 compared to RM7.16 million in the previous year's corresponding period ended 31 October 2023.

The Group recorded net deficit in other income of RM0.91 million in the current reporting period ended 31 October 2024 against a net other income of RM10.52 million in previous year's corresponding period ended 31 October 2023. The significant difference was mainly due to foreign exchange losses of RM4.86 million during the current reporting period ended 31 October 2024 compared to the foreign exchange gains of RM5.58 million in the previous year's corresponding reporting period ended 31 October 2023.

The significant reversal of the net other income gave rise to a lower profit before tax of RM11.34 million in the current reporting period ended 31 October 2024 against RM15.08 million recorded in the previous year's corresponding reporting period ended 31 October 2023.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter	Preceding quarter	+ / - %
	31-Oct-24 RM'000	31-Jul-24 RM'000	
Malaysia	7,927	6,342	25.0
Vietnam	3,762	(858)	538.5
Australia	300	(453)	166.2
Others	(646)	(653)	1.1
Total	11,343	4,378	159.1

The Group recorded higher turnover of RM131.07 million in the current reporting period ended 31 October 2024 compared to RM105.15 million recorded in the preceding reporting period ended 31 July 2024. This was mainly attributable to the seasonal peak shipment prior to the festive season in furniture spendings especially for the office segment.

In line with the higher shipment of furniture, gross profit improved from RM16.95 million in the preceding reporting period to RM25.84 million in the current reporting period due to the better factory utilisation in both our Malaysian and Vietnamese operations. In line with the higher turnover, selling and distribution expenses were higher at RM6.78 million in the current period under review compared to RM5.37 million in the preceding period ended 31 July 2024. Administrative expenses were however lower at RM6.50 million against RM7.00 million over the 2 comparative reporting periods. Give the significantly higher gross profit

for the current reporting period ended 31 October 2024, the profit before tax rose to RM11.34 million in the current reporting period under review against profit before tax of RM4.38 million in the preceding reporting period ended 31 July 2024.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

Some reports state that US consumers were substantially more optimistic about future business conditions and remained positive about future income in the recent months. However, the latest US Federal Reserve interest rate cut by 25 basis points, and implying much slower pace of rate cut in the coming year, indicating a still-elevated inflation. This could affect consumers' spending and demand for durable household items including furniture.

Although we expect less turbulence in the US currently with the elections behind us, the future direction of the country remains unpredictable. The latest statement by the US Federal Reserve shares such sentiments. The pace and sustainability of growth are subject to government policies and economic structures and this will affect the direction of the world economy. The volatility of the USD currency against Malaysian Ringgit will just bring more uncertainties to the Group. Given the above, we expect that the prospect of the Group to be mixed for the forthcoming year.

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 year-to-date RM'000
Current taxation - Local	1,503	6,546
Current taxation - Overseas	1,208	2,171
Deferred taxation	(219)	(219)
Total Taxation	2,492	8,498

Income tax for our local operations in the current financial year ended 31 October 2024 was estimated at RM6.55 million which was slightly lower than the current statutory rate of 24%, due to non-taxable on certain other incomes. Taxation from the foreign subsidiaries was accounted for RM1.95 million, of which taxation for the Vietnamese subsidiary was estimated at RM1.78 million or at taxation rate of 19% against the incentive tax rate of 15% due to some non-business incomes which were charged under statutory rate of 20% and some non-tax deductible expenses in the current reporting year ended 31 October 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 current 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.

On 12 Sept 2024, the Directors have declared the third interim dividends of 2 sen per ordinary share in respect of the current financial quarter ended 31 July 2024, paid on 15 October 2024 to depositors registered in the Records of Depositors of the Company at the close of business on 30 September 2024.

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 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 year-to-date
Profit attributable to			
Owners of the Company	(RM'000)	8,851	29,356
Weighted average number of shares	('000 shares)	264,972	264,972
Basic earnings per share	(sen)	3.34	11.08

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 year-to-date are below: -

	Current quarter RM'000	Financial year-to-date RM'000
(a) Interest income	2,058	8,211
(b) Other income including investment income	2,038	4,908
(c) Interest expense	(22)	(87)
(d) Depreciation and amortization	(3,309)	(12,125)
(e) Provision for and write off of receivables	(705)	(705)
(f) Reversal of inventories written-off	0	0
(g) Gain / (loss) on disposal of unquoted investments / properties	674	785
(h) Impairment of assets	0	0
(i) Foreign exchange gain / (loss)	(4,862)	(6,472)
(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

19 December 2024
Muar, Johor Darul Takzim.