

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-x)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For The Quarter Ended 30 April 2011 - Unaudited**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30-Apr-11	30-Apr-10	30-Apr-11	30-Apr-10
	RM	RM	RM	RM
<b>Continuing Operations</b>				
Revenue	75,078,540	74,247,056	169,117,897	158,649,091
Cost of Sales	(65,422,807)	(63,618,334)	(149,766,772)	(137,229,470)
<b>Gross Profit</b>	<b>9,655,733</b>	<b>10,628,722</b>	<b>19,351,125</b>	<b>21,419,621</b>
Selling and distribution expenses	(4,551,595)	(4,388,719)	(9,221,963)	(9,097,127)
Administration expenses	(4,070,890)	(3,552,985)	(8,332,890)	(7,359,194)
Finance costs	(422,793)	(510,064)	(950,002)	(1,083,429)
Other income / (expenses)	(1,565,389)	(742,805)	(1,043,174)	526,257
<b>Profit / (Loss) before taxation</b>	<b>(954,934)</b>	<b>1,434,149</b>	<b>(196,904)</b>	<b>4,406,128</b>
Income tax expenses	127,508	(372,825)	(47,554)	(800,488)
<b>Profit / (Loss) for the period</b>	<b>(827,426)</b>	<b>1,061,324</b>	<b>(244,458)</b>	<b>3,605,640</b>
<b>Other Comprehensive Income net of tax</b>	<b>(4,620,510)</b>	<b>(6,765,656)</b>	<b>(6,128,956)</b>	<b>(8,571,757)</b>
<b>Total Comprehensive Income for the period</b>	<b>(5,447,936)</b>	<b>(5,704,332)</b>	<b>(6,373,414)</b>	<b>(4,966,117)</b>
Profit / (Loss) attributable to :				
Owners of the Parent	(890,342)	969,933	(236,823)	3,536,858
Non-Controlling Interest	62,916	91,391	(7,635)	68,782
	<b>(827,426)</b>	<b>1,061,324</b>	<b>(244,458)</b>	<b>3,605,640</b>
Total Comprehensive Income attributable to :				
Owners of the Parent	(5,633,760)	(5,721,116)	(6,394,820)	(4,987,961)
Non-Controlling Interest	185,824	16,784	21,406	21,844
	<b>(5,447,936)</b>	<b>(5,704,332)</b>	<b>(6,373,414)</b>	<b>(4,966,117)</b>
Basic Earnings Per Share (in sen)	(0.79)	0.86	(0.21)	3.12

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2010)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-x)**  
**Condensed Consolidated Statement of Financial Position - Unaudited**  
**As At 30 April 2011**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>30-Apr-11</b>	<b>31-Oct-10</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	128,082,711	130,881,895
Intangible assets	296,148	296,148
	<u>128,378,859</u>	<u>131,178,043</u>
<b>Current assets</b>		
Inventories	56,587,009	58,622,835
Trade and other receivables	38,546,281	39,015,323
Deposits, cash and bank balances	23,887,491	23,265,280
	<u>119,020,781</u>	<u>120,903,438</u>
<b>TOTAL ASSETS</b>	<b><u>247,399,640</u></b>	<b><u>252,081,481</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	113,387,105	113,387,105
Revaluation reserve	6,787,594	6,787,594
Translation reserve	(21,413,797)	(15,255,800)
Retained profits	27,094,869	27,332,168
	<u>125,855,771</u>	<u>132,251,067</u>
Non-controlling interest	2,317,191	2,295,785
<b>TOTAL EQUITY</b>	<b><u>128,172,962</u></b>	<b><u>134,546,852</u></b>
<b>Non-current liabilities</b>		
Bank borrowings	3,750,726	4,220,100
Deferred tax liabilities	6,680,000	6,680,000
	<u>10,430,726</u>	<u>10,900,100</u>
<b>Current liabilities</b>		
Trade and other payables	67,709,485	71,509,000
Bank borrowings	41,009,946	35,045,832
Tax payable	76,521	79,235
Dividend payable	462	462
	<u>108,795,952</u>	<u>106,634,529</u>
<b>Total Liabilities</b>	<b><u>119,226,678</u></b>	<b><u>117,534,629</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>247,399,640</u></b>	<b><u>252,081,481</u></b>

(The Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2010)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-x)**  
**Condensed Consolidated Statement of Changes In Equity**  
**For The Period Ended 30 April 2011 - Unaudited**

	←-----Attributable to Owners of the Parent-----→				Total RM	Non-Controlling Interest RM	Total Equity RM
	Share Capital RM	Revaluation Reserve RM	Translation Reserve RM	Distributable Retained Profits RM			
Balance as at 1 November 2009	113,387,105	6,787,594	(5,055,214)	18,307,904	133,427,389	2,224,916	135,652,305
Total comprehensive income for the period			(8,524,819)	3,536,858	(4,987,961)	21,844	(4,966,117)
<b>Balance as at 30 April 2010</b>	<b>113,387,105</b>	<b>6,787,594</b>	<b>(13,580,033)</b>	<b>21,844,762</b>	<b>128,439,428</b>	<b>2,246,760</b>	<b>130,686,188</b>
Balance as at 1 November 2010	113,387,105	6,787,594	(15,255,800)	27,332,168	132,251,067	2,295,785	134,546,852
Dividends Paid				(476)	(476)		(476)
Total comprehensive income for the period			(6,157,997)	(236,823)	(6,394,820)	21,406	(6,373,414)
<b>Balance as at 30 April 2011</b>	<b>113,387,105</b>	<b>6,787,594</b>	<b>(21,413,797)</b>	<b>27,094,869</b>	<b>125,855,771</b>	<b>2,317,191</b>	<b>128,172,962</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 2010)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-x)**  
**Condensed Consolidated Statement of Cash Flows**  
**For The Period Ended 30 April 2011 - Unaudited**

	<b>30-Apr-11</b>	<b>30-Apr-10</b>
	<b>RM</b>	<b>RM</b>
Cash flows from operating activities		
Profit / (Loss) before tax	(196,904)	4,406,128
Adjustments for :		
Depreciation and amortisation	4,344,924	4,461,285
Bad debts written off / Doubtful Debts Recover	8,173	0
Property, plant and equipment written off	1,163	14,339
(Gain) / Loss on disposal of property, plant and equipment	(44,998)	-
Other non-cash items	29,041	(46,938)
Interest income and expenses	568,592	645,112
Operating profit / (loss) before changes in working capital	<u>4,709,991</u>	<u>9,479,926</u>
Net change in current assets	2,496,695	(7,505,264)
Net change in current liabilities	(3,799,515)	(4,020,622)
Net income tax paid	(50,268)	(1,118,832)
Interest paid	(568,592)	(645,112)
<b>Net cash from operating activities</b>	<b><u>2,788,311</u></b>	<b><u>(3,809,904)</u></b>
Net cash from investing activities	<b>(6,606,334)</b>	<b>(4,418,344)</b>
Cash flow from financing activities		
Net movements in borrowings	5,494,740	9,389,143
Dividend paid	(938)	-
<b>Net cash from financing activities</b>	<b><u>5,493,802</u></b>	<b><u>9,389,143</u></b>
Effect on exchange rate changes	(1,053,568)	(304,271)
Net change in cash and cash equivalents	622,211	856,624
Cash and cash equivalents at beginning of financial year	<u>23,265,280</u>	<u>16,759,093</u>
Cash and cash equivalents at end of the period	<b><u><u>23,887,491</u></u></b>	<b><u><u>17,615,717</u></u></b>
Cash and cash equivalents at end of the period consists of		
Bank and cash balances	23,887,491	17,615,717
Less: Bank overdrafts	-	-
	<b><u><u>23,887,491</u></u></b>	<b><u><u>17,615,717</u></u></b>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2010)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### A1. ACCOUNTING POLICIES

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 October 2010. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 October 2010, except for the followings:

FRS 7, Financial Instruments: Disclosure.

FRS 101 (revised), Presentation of Financial Statements.

FRS 123 (revised), Borrowing Costs

FRS 132, Financial Instruments: Presentation

FRS 139, Financial Instruments: Recognition and Measurement.

IC Interpretation 9, Reassessment of Embedded Derivatives

IC Interpretation 10, Impairment and Interim Financial Reporting

Amendments to FRS 5, 8, 107,108,110,116,117,118,119,123, 127, 128, 134, 136, 138

Amendments to FRS 139, 140

IC Interpretations 9, 10, 17

The principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are set out below:

(i) ***FRS 101(revised), Presentation of Financial Statements***

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The effects of the changes in presentation are as follows:

- (a) The gains and losses that were previously recognised directly in the statement of changes in equity in the preceding financial year’s corresponding period are presented as components in Other Comprehensive Income in the statement of comprehensive income.
- (b) The total comprehensive income for the preceding financial year’s corresponding period is presented separately and allocation is made to show the amount attributable to owners of the parent and to non-controlling interests.

Total Comprehensive Income for the financial period is presented as a one-line item in the statement of changes in equity.

(ii) **FRS 139: Financial instruments: Recognition and Measurement**

Prior to the adoption of FRS 139, financial derivatives were recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and liabilities, including derivatives, are recognised at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provision of the instruments.

With the adoption of FRS 139, financial assets and financial liabilities recognised and unrecognised in the prior financial year are classed into the following categories:

	Pre-FRS 139	Post- FRS 139
1	Long term equity investment	Available for sales investment
2	Current investment	Financial assets at fair value through profit or loss
3	Unrecognised derivative assets	Financial assets at fair value through profit or loss
4	Long term borrowings	Financial liabilities at amortised cost
5	Unrecognised derivative liabilities	Financial liabilities at fair value through profit or loss

The measurement bases applied to the financial assets and liabilities in the prior financial year were changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments.

Subsequent to their initial recognition, the financial assets and liabilities are measured as follows:

	Category	Measurement basis
1	Financial instruments at fair value through profit or loss	At fair value through profit or loss
2	Held to maturity investments	At amortised cost effective interest method
3	Loans and receivable	At amortised cost effective interest method
4	Available for sales investments	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
5	Loans and other financial liabilities	At amortised cost effective interest method

All financial assets other than those classified as at fair value through profit or loss are subject to impairment test of FRS 139.

In accordance with FRS 139, the recognition, de-recognition and measurement requirements are applied prospectively from 1 November 2010. The effects of the re-measurement on 1 November 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits and other operating reserves as disclosed in the statement of changes in equity. There was no effect of the reclassification to the comparative of the prior financial year's consolidated statement of financial position in the financial quarter under review.

(iii) **FRS 7, Financial Instrument: Disclosures**

Prior to the adoption of FRS 7, the disclosures for financial instruments were based on the requirements of the original FRS 132, Financial Instruments: Disclosure and Presentation. With the adoption of FRS 7, financial assets and financial liabilities are disclosed in the statement of financial position based on their respective classifications. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures are required in these interim financial statements.

(iv) **IC Interpretation 10, Impairment and Interim Financial Reporting**

Prior to the adoption of IC Interpretation 10, impairment losses for equity investment recognised in an earlier interim period were reversed in a later interim period when tests revealed that the losses have reversed. With the adoption of IC Interpretation 10 and FRS 139 on 1 November 2010, the policy has been changed to conform to the impairment requirements of FRS 139. Impairment losses recognised for available for sale equity investments in an interim period are not reversed in a subsequent interim period. This change in basis has no effect to the profit or loss of the current reporting period.

(v) **Amendment to FRS 117, Leases**

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, the Group has reassessed and determined that all leasehold land of the Group which is in substance financial leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment. The reclassification has no effect to the profit or loss of the current financial reporting period or the comparative prior financial period. The effect of the reclassification to the comparative of the prior financial year's consolidated statement of financial position is as follows:

31 October 2010	As previously reported (RM)	Reclassification (RM)	As restated (RM)
Prepaid lease payment	16,186,349	(16,186,349)	-
Property, plant & equipment	114,695,546	16,186,349	130,881,895

The adoption of the other new and revised FRSs, IC Interpretations and Amendments have no effect to the Group's consolidated financial statements of the current quarter or the comparative consolidated financial statements of the prior financial year.

The Group has not adopted any new/revised FRSs that have been issued as at the date of authorisation of these Interim Financial Statements but are not yet effective for the Group.

**A2. SEASONAL OR CYCLICAL FACTORS**

The principal business operations of the Group has historically shown moderate seasonality, where production and sales of 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**

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**

No material changes in estimates of amounts reported in prior interim periods of the current or previous financial year.

**A5. ISSUANCE, REPURCHASE AND CANCELLATION OF SHARES**

The Company has not issued any shares, debts or convertible securities during the financial quarter under review.

The Company has been authorised by shareholders to re-purchase its own shares but has not purchased any of its own shares during the financial quarter under review. As such, there are no shares being cancelled or retained as treasury shares by the Company.

**A6. DIVIDEND PAID**

No dividend was paid during the financial quarter under review.



## A7. SEGMENTAL REPORTING

The Group adopts geographical segment as its primary reporting format and no business segment analysis is prepared as the Group is principally involved in a single industry.

	6 months ended 30 April 2011						
	Malaysia RM	South Africa RM	Vietnam RM	People's Republic of China RM	British Virgin Islands RM	Eliminations RM	Consolidated RM
Revenue							
- external sales	96,788,237	3,598,677	66,698,021	2,032,962	-	-	169,117,897
- inter-segment sales	813,350	-	-	-	-	(813,350)	-
Total revenue	<u>97,601,587</u>	<u>3,598,677</u>	<u>66,698,021</u>	<u>2,032,962</u>	<u>-</u>	<u>(813,350)</u>	<u>169,117,897</u>
Segment results	(3,428,133)	113,713	4,578,579	(368,124)	-		896,035
Unallocated corporate expenses							(524,348)
Interest income							40,547
Interest expenses							<u>(609,138)</u>
Profit / (loss) before taxation							<b>(196,904)</b>
Income tax expenses							<u>(47,554)</u>
Profit / (loss) for the period							<u><b>(244,458)</b></u>

## A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

No material events subsequent to the period ended 31 October 2010 that have not been reflected in the financial statements of the interim period.

## A9. CHANGES IN THE COMPOSITION OF THE GROUP

No changes in the composition of the Group during the current reporting period.

## A10. CHANGES IN CONTINGENT LIABILITIES / ASSETS

No changes in contingent liabilities/assets since the last financial year ended at 31 October 2010 other than as follows:-

	As at 30.04.2011 RM	As at 31.10.2010 RM
Corporate guarantee to financial institutions for banking facilities granted to subsidiaries	104,769,600	92,534,462

**A11. CAPITAL COMMITMENTS**

There is no capital commitments not recognised in the current interim financial statements during the current reporting period.

**A12. 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 International Sdn Bhd	Tay Kim Huat	Director	Rental of Premises	27,000	54,000

## **BMSB LISTING REQUIREMENTS**

### **B1. PERFORMANCE REVIEW**

The Group's revenue for the current quarter ended 30 April 2011 increased marginally to RM75.08 million compared to RM74.28 million recorded in the previous year's corresponding quarter ended 30 April 2010. The increase in turnover is driven mainly by the substantially higher shipment of furniture from Malaysia of RM45.87 million compared to RM37.65 million shipped in previous year's corresponding quarter. Shipment of furniture from Vietnam for the current quarter was lower at RM27.61 million compared to RM33.96 million previous year's corresponding quarter.

Notwithstanding the higher turnover, gross profit for the current quarter was lower at RM9.66 million compared to RM10.63 million achieved in the previous year's corresponding period ended 31 April 2010. The lower profit margin for the current quarter was mainly attributable to the increase in raw material prices and the lower Ringgit proceeds realised from our US Dollar sales as the US Dollar weakened against the Ringgit during the current quarter under review.

In line with the lower gross margin, the Group sustained a loss before taxation of RM0.95 million for the quarter under review compared to a profit of RM1.43 million in the previous year's corresponding quarter ended 31 April 2010. The loss was due mainly to the higher realised foreign exchange losses RM1.02 million due to the weakening of the US Dollar against the Ringgit and provision for doubtful debts of RM0.65 million for the quarter under review. Despite lower shipment of furniture during the quarter under review, the Vietnamese operations continued to be profitable with a pretax profit of RM1.11 million whereas the Malaysian operations sustained losses of RM2.12 million. The Group's subsidiary in South Africa made a profit before taxation of RM0.17 million whereas its China operations suffered minor losses during the quarter.

During the quarter under review, the Group recorded translation losses of RM4.62 million arising mainly from the translations of the Group's foreign assets and liabilities in Vietnam and China. The Vietnamese Dong dropped significantly from VND6,369/Ringgit to VND6,993/Ringgit due to the devaluation of Vietnamese Dong by the Vietnam government.

### **B2. MATERIAL CHANGE IN PROFIT BEFORE TAXATION**

The Group's turnover for quarter under review decreased to RM75.08 million compared to the turnover of RM94.04 million for the preceding quarter ended 31 January 2011. The lower turnover is attributable mainly to the seasonal low shipment of furniture from Malaysia and Vietnam during the Chinese New Year festive season.

For the quarter under review the Group achieved a lower gross profit of RM9.66 million compared to RM9.70 million in the preceding quarter. Notwithstanding the similar gross margin level, the Group sustained a loss before taxation of RM0.95 million during the quarter under review compared to a profit before taxation of RM0.76 million in the preceding quarter. The loss was again due to the higher realised foreign exchange losses of RM1.02 million and provision for doubtful debts of RM0.65 million compared to a realised foreign exchange gain of RM52 thousands for the preceding quarter ended 31 January 2011.

### **B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR**

We anticipate 2011 to be a challenging year. The pace of recovery is slowing in several world's major economies. Recent adverse developments in the US, Europe and Asia may converge on the global economy. In the US, inflation accelerated and unemployment continued to be high as new employment came in well below expectation. Housing starts and pre-owned home sales also weakened after an encouraging pick-up in the first quarter of the year while retail sales fell for the first time in 11 months. In Europe, there are signs of worsening conditions, exacerbated by the debt crisis in several member countries. China, the biggest economies in Asia, is also slowing down as industrial output drops and inflation accelerates while the recent catastrophes have led to a severe slowdown in Japan's industrial production.

Given the above, we expect challenges for the remaining periods of the financial year. We expect lower sales proceeds from our US Dollar sales and hence lower margin as the US Dollar weakens against the Ringgit.

### **B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT**

No profit forecast or profit guarantee were issued for the current financial year.

### **B5. TAXATION**

	Current quarter RM	Financial year-to-date RM
Current taxation	(127,508)	47,554
Deferred taxation	0	0
Taxation	<u>(127,508)</u>	<u>47,554</u>

The current year taxation is mainly due to non-availability of set-off against taxable profit made by other subsidiary companies in the Group. A reversal of the current quarter taxation was due to the over provision of foreign subsidiary taxation in previous quarter.

### **B6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

No sales of unquoted investments and/or properties during the financial quarter and financial period-to-date.

**B7. QUOTED SECURITIES**

No purchase or disposal of quoted securities during the financial quarter and financial period-to-date.

**B8. STATUS OF CORPORATE PROPOSALS / UTILISATION OF PROCEEDS**

No corporate proposals or utilisation of proceeds announced but not completed as at the date of the report.

**B9. GROUP BORROWINGS**

The Group borrowings, all are secured, as at 30 April 2011 were as below :

Currency denominations	Short term (RM)	Long term (RM)	Total (RM)
Malaysia Ringgit	23,888,180	-	23,888,180
US Dollar	17,121,766	72,926	17,194,692
South Africa Rand	-	3,677,800	3,677,800
Total	<u>41,009,946</u>	<u>3,750,726</u>	<u>44,760,672</u>

**B10. FINANCIAL INSTRUMENTS - DERIVATIVES**

The Group has no outstanding financial instruments as at the end of the current reporting period.

There have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. There have been also no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

**B11. REALISED AND UNREALISED PROFITS**

	Financial year-to-date RM
Total retained profits of the Company and its subsidiaries:	
- Realised	27,088,456
- Unrealised	6,413
The group retained profits as per consolidated accounts	<u>27,094,869</u>

**B12. MATERIAL LITIGATION**

There was no material litigation since the last financial year ended 31 October 2010.

### **B13. DIVIDEND**

No interim ordinary dividend had been declared for the current reporting period.

### **B14. EARNINGS PER SHARE**

#### *Basic earnings per share*

The basic earnings per share are calculated by dividing the profit attributable to Owners of the Parent by the weighted average number of ordinary shares in issue during the period.

		Current quarter	Financial year-to-date
Earnings / (Loss) attributable to Owners of the Parent	(RM'000)	(890)	(237)
Weighted average number of shares	('000 shares)	113,387	113,387
Basic earnings/ (loss) per share	(sen)	(0.79)	(0.21)

#### *Diluted earnings per share*

The diluted earnings per share were not applicable as there were no diluted potential ordinary shares outstanding at the end of the current reporting period.

### **B15. AUDIT QUALIFICATION REPORT**

The preceding financial statements for the year ended 31 October 2010 were reported on without any qualification.

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

**BOO CHIN LIONG**  
Independent Non-Executive Director  
Chairman  
Audit Committee

23 June 2011  
Muar, Johor Darul Takzim