

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income (Unaudited)
For The Quarter Ended 30 April 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30-Apr-18	30-Apr-17	30-Apr-18	30-Apr-17
	RM	RM	RM	RM
Revenue	125,529,574	127,646,751	287,420,559	291,105,567
Cost of Sales	(106,532,527)	(99,165,076)	(243,325,208)	(228,296,955)
Gross Profit	<u>18,997,047</u>	<u>28,481,675</u>	<u>44,095,351</u>	<u>62,808,612</u>
Selling and distribution expenses	(6,979,461)	(5,976,225)	(14,336,152)	(13,631,598)
Administration expenses	(5,681,585)	(7,338,294)	(11,922,465)	(14,639,411)
Other income / (expenses)	6,591,410	(599,087)	3,519,588	(17,758)
Finance costs	(281,244)	(355,683)	(698,523)	(805,409)
Profit / (Loss) before tax	12,646,167	14,212,386	20,657,799	33,714,436
Income tax expenses	(1,815,289)	(3,725,168)	(3,727,192)	(5,707,427)
Profit / (Loss) for the period	<u>10,830,878</u>	<u>10,487,218</u>	<u>16,930,607</u>	<u>28,007,009</u>
Other Comprehensive Income/(Expenses) net of tax - Foreign currency translation	(687,881)	(2,372,418)	(9,076,774)	2,287,764
Total Comprehensive Income/(Loss) for the period	<u>10,142,997</u>	<u>8,114,800</u>	<u>7,853,833</u>	<u>30,294,773</u>
Profit / (Loss) after tax attributable to :				
Owners of the Company	10,838,281	10,604,474	17,077,900	28,274,713
Non-Controlling Interests	(7,403)	(117,256)	(147,293)	(267,704)
Profit / (Loss) for the period	<u>10,830,878</u>	<u>10,487,218</u>	<u>16,930,607</u>	<u>28,007,009</u>
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	10,138,758	8,226,486	8,002,344	30,564,427
Non-Controlling Interests	4,239	(111,686)	(148,511)	(269,654)
Total Comprehensive Income/(Loss) for the period	<u>10,142,997</u>	<u>8,114,800</u>	<u>7,853,833</u>	<u>30,294,773</u>
Basic Earnings Per Share (in sen)	4.94	4.97	7.78	13.24
Diluted Earnings Per Share (in sen)	4.59	4.48	7.24	11.94

(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 2017)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statements of Financial Position (Unaudited)
As At 30 April 2018

	Unaudited	Audited
	As At	As At
	30-Apr-18	31-Oct-17
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	130,431,558	140,086,639
Land held for property development	20,912,187	20,912,187
Investment properties	12,286,418	11,651,702
Deferred tax assets	4,441	37,800
	<u>163,634,604</u>	<u>172,688,328</u>
Current assets		
Inventories	69,606,138	72,418,949
Trade and other receivables	59,089,364	66,874,379
Deposits, bank and cash balances	104,135,832	92,857,041
	<u>232,831,334</u>	<u>232,150,369</u>
TOTAL ASSETS	396,465,938	404,838,697
EQUITY AND LIABILITIES		
EQUITY		
Share capital	119,845,505	114,838,405
Treasury shares	(2,836,481)	(2,836,481)
Translation reserve	(14,640,082)	(5,564,526)
Retained profits	195,533,324	178,474,845
Equity attributable to owners of the Company	<u>297,902,266</u>	<u>284,912,243</u>
Non-controlling interests	(234,852)	(86,341)
TOTAL EQUITY	<u>297,667,414</u>	<u>284,825,902</u>
Non-current liabilities		
Bank borrowings and hire purchase payables	160,856	160,856
Deferred tax liabilities	5,962,000	5,962,000
	<u>6,122,856</u>	<u>6,122,856</u>
Current liabilities		
Trade and other payables	65,655,643	82,251,474
Bank borrowings and hire purchase payables	24,468,133	22,345,849
Dividend payable	2,551,892	6,532,416
Current tax liabilities	-	2,760,200
	<u>92,675,668</u>	<u>113,889,939</u>
TOTAL LIABILITIES	<u>98,798,524</u>	<u>120,012,795</u>
TOTAL EQUITY AND LIABILITIES	396,465,938	404,838,697

(The Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2017)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statements of Changes In Equity (Unaudited)
For The Quarter Ended 30 April 2018

	←-----Attributable to Owners of the Company-----→					→	Non-controlling interests	Total equity			
	<-----Non-distributable----->				Distributable				Total	RM	RM
	Share capital	Treasury shares	Share premium	Translation reserve	Retained profits						
RM	RM	RM	RM	RM	RM	RM	RM				
At 1 November 2016	113,402,905	(2,836,481)	15,800.00	(5,061,141)	137,777,295	243,298,378	(93,827)	243,204,551			
Profit after tax for the period					28,274,713	28,274,713	(267,704)	28,007,009			
Other comprehensive income for the period											
- Foreign currency translation				2,289,714	-	2,289,714	(1,950)	2,287,764			
Total comprehensive income for the period	-	-	-	2,289,714	28,274,713	30,564,427	(269,654)	30,294,773			
Dividends											
- by the Company					(8,539,128)	(8,539,128)		(8,539,128)			
- by subsidiary to non-controlling interests						-	(1,423)	(1,423)			
Exercise of warrants						-		-			
At 30 April 2017	113,402,905	(2,836,481)	15,800	(2,771,427)	157,512,880	265,323,677	(364,904)	264,958,773			
At 1 November 2017	114,838,405	(2,836,481)	-	(5,564,526)	178,474,845	284,912,243	(86,341)	284,825,902			
Profit after tax for the period					17,077,900	17,077,900	(147,293)	16,930,607			
Other comprehensive income for the period											
- Foreign currency translation				(9,075,556)		(9,075,556)	(1,218)	(9,076,774)			
Total comprehensive income for the period	-	-	-	(9,075,556)	17,077,900	8,002,344	(148,511)	7,853,833			
Dividends											
- by the Company					(19,421)	(19,421)		(19,421)			
- by subsidiary to non-controlling interests						-	-	-			
Exercise of Warrants 2015/2020	5,007,100					5,007,100		5,007,100			
At 30 April 2018	119,845,505	(2,836,481)	-	(14,640,082)	195,533,324	297,902,266	(234,852)	297,667,414			

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2017)

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statement of Cash Flows (Unaudited)
For The Quarter Ended 30 April 2018

	30-Apr-18	30-Apr-17
	RM	RM
Cash flows from operating activities		
Profit / (Loss) before tax	20,657,799	33,714,436
Adjustments for :		
Depreciation and amortisation	4,037,396	4,217,183
Property, plant and equipment written off	1,936,604	80,150
Fire insurance compensation	(4,282,505)	-
Reversal of receivables impairment	(4,503,370)	-
(Gain) / loss on disposal on other investment	-	(49,304)
(Gain) / loss on disposal of PPE	-	(37,736)
Inventories value written down	1,077,122	140,000
Fair value (gain) / loss on derivatives	-	(222,185)
Unrealised (gain)/ loss on forex	(973,523)	(92,878)
Net interest expense	92,048	78,830
Operating profit/(loss) before working capital changes	<u>18,041,571</u>	<u>37,828,496</u>
Inventories	1,735,689	(5,697,232)
Trade and other receivables	17,544,411	22,254,464
Trade and other payables	(16,595,831)	(30,130,724)
Cash from / (for) operations	<u>20,725,840</u>	<u>24,255,004</u>
Interest paid	(92,048)	(78,830)
Tax (paid)/refund	(3,935,500)	(5,526,813)
Net cash from operating activities	<u>16,698,292</u>	<u>18,649,361</u>
Cash flows from investing activities		
Proceeds from disposal of other investment	-	571,625
Purchase of property, plant and equipment	(3,173,546)	(21,378,025)
Net cash from investing activities	<u>(3,173,546)</u>	<u>(20,806,400)</u>
Cash flow from financing activities		
Net movements in bank borrowings	2,122,284	(2,105,134)
Net decrease / (increase) in fixed deposits pledged	309,953	-
Proceeds from issue of new shares pursuant to the exercise of Warrants 2015/2	5,007,100	-
Dividends paid	(6,551,836)	(8,540,551)
Net cash (used in) from financing activities	<u>887,501</u>	<u>(10,645,685)</u>
Effects on foreign exchange translation	(2,823,503)	931,323
Net increase/(decrease) change in cash and cash equivalents	11,588,744	(11,871,401)
Cash and cash equivalents at beginning of the financial year	<u>88,464,884</u>	<u>71,594,878</u>
Cash and cash equivalents at end of the financial period	<u><u>100,053,628</u></u>	<u><u>59,723,477</u></u>
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	104,135,832	59,723,477
Less : Fixed Deposit Pledged To Bank	(4,082,204)	-
	<u><u>100,053,628</u></u>	<u><u>59,723,477</u></u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited

Financial Statements for the year ended 31 October 2017)

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 2017.

The significant accounting policies adopted are consistent with those adopted for the annual audited financial statements for the year ended 31 October 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 October 2017.

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 were 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.

The total number of shares repurchased by the Company as at end of financial current period is 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 were resold or cancelled during the reporting period. The repurchase transactions were financed by internally generated funds. The Company has not purchased any of its own shares during the financial period under review.

Exercise of Warrants

A total of 215,800 new Poh Huat shares were issued and quoted on the Official List of Bursa Malaysia pursuant to the exercise of 215,800 Warrants 2015/2020 at the issue price RM1.00 per share during the current reporting period.

Save for the above, the Company has not issued any shares, debts or convertible securities during the current reporting period.

A6. DIVIDEND PAID

The dividends paid during the financial period-to-date were as follows:

Type of Dividend	Dividend per share	For the year ended	Amount RM	Payment date
Second Interim	2 sen	31-Oct-17	4,354,944	30-Nov-17
Special Interim	1 sen	31-Oct-17	2,177,472	15-Jan-18

A7. OPERATING SEGMENTS

The Group adopted geographical segment as its reporting format. The segment information for the financial year-to-date is as below: -

(RM'000)	Malaysia	Vietnam	SA	Australia	Others	Elimination	Total
Sales	124,180	163,241	0	0	0	0	287,421
Profit / (Loss) Before Tax	8,905	10,153	(302)	(254)	2,156	0	20,658
Profit / (Loss) After Tax	6,856	8,475	(302)	(254)	2,156	0	16,931
Assets	358,961	175,857	266	14,065	18,114	(170,797)	396,466
Liabilities	40,264	67,528	763	2,589	14,023	(26,368)	98,799

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 2017.

A9. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER

No material events subsequent to the current reporting period that have not been reflected in the financial statements of the interim period.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

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

A11. CHANGES IN CONTINGENT LIABILITIES / ASSETS

There were no changes in contingent liabilities/assets since the last financial year ended at 31 October 2017 other than corporate guarantee granted to financial institutions amounting to RM141.82 million at current financial period.

A12. CAPITAL COMMITMENTS

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

A13. RELATED PARTY TRANSACTIONS

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

Subsidiary	Transacting Party	Relationship	Nature of Transaction	Current quarter (RM)	Financial year-to-date (RM)
Poh Huat Furniture Industries (M) Sdn Bhd	Tay Kim Huat	Director	Rental of Showroom	36,000	72,000
Poh Huat Furniture Industries (M) Sdn Bhd	J.A. Nathan & Co	A firm in which Tay Khim Seng is a senior partner	Legal Fees	1,864	4,554

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	30-Apr-18 RM'000	30-Apr-17 RM'000	+ / - %	30-Apr-18 RM'000	30-Apr-17 RM'000	+ / - %
Malaysia	57,090	49,074	16.3	124,180	103,694	19.8
Vietnam	68,440	78,124	(12.4)	163,241	186,699	(12.6)
South Africa	-	449	(100.0)	-	713	(100.0)
Total	125,530	127,647	(1.7)	287,421	291,106	(1.3)

For the current reporting period, we recorded a lower turnover of RM125.53 million compared to RM127.65 million recorded in the previous year corresponding reporting period ended 30 April 2017.

Our Malaysian operations registered a strong 16.3% increase in turnover over the previous year's corresponding period despite a lower USD currency to Ringgit exchange rate as we continued to receive strong orders for our panel-based bedroom sets for the US market. Our export of the traditional office furniture also remained strong during the reporting period. In USD term, our Malaysian operations recorded even higher sales growth of 35.9%, from USD10.27 million in the previous reporting period to USD13.96 million in the current reporting period

Our Vietnamese operations continued to do well with sustained sales of USD17.56 million in the current reporting period against USD17.77 million in the previous corresponding reporting period. Our Vietnamese operations however recorded a decrease of 12.4% in Ringgit turnover due to the substantially lower average VND to Ringgit exchange rate of RM0.17 per 1,000 VND used for translating our Vietnamese results into Ringgit Malaysian at the end of the current reporting period compared to RM0.19 per 1,000 VND previously.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	30-Apr-18 RM'000	30-Apr-17 RM'000	+ / - %	30-Apr-18 RM'000	30-Apr-17 RM'000	+ / - %
Malaysia	5,221	7,822	(33.3)	8,905	16,326	(45.5)
Vietnam	3,995	7,339	(45.6)	10,153	18,716	(45.8)
South Africa	(16)	(240)	93.3	(302)	(548)	44.9
Australia	(159)	(125)	(27.2)	(254)	(151)	(68.2)
Others	3,605	(584)	717.3	2,156	(629)	442.8
Total	12,646	14,212	(11.0)	20,658	33,714	(38.7)

Despite higher sales, our Malaysian operations reported a lower gross profit margin of 18.1% in the current reporting period against 26.9% in the previous corresponding reporting period. The lower margin is due to the progressive increase in raw material costs as well as the weakening of the USD against the Ringgit which has resulted in lower Ringgit selling prices for our products. For the first 6-month period ended 30 April 2018, raw material costs and direct labour rose to 62.2% and 8.4% respectively of total sales compared to 50.2% and 7.7% respectively in the previous reporting period. The higher raw material costs were however mitigated by a reduction in manufacturing overhead of approximately 11.6% of sales compared to 11.9% in the previous corresponding quarter due to the economy of scale from the higher production volume.

On 26 April 2018, the Company came to an agreement with the insurer for the fire insurance compensation of RM4.29 million for the fire incident in our Malaysian plant in January 2018. Taking into consideration the total net book values of RM3.02 million for the assets damaged by the fire, we recorded a net gain of RM1.27 million as other income during the current reporting period.

In line with the lower sales, profit before tax for our Vietnamese operations declined to RM4.00 million during current reporting period. Profit before tax margin weakened to 5.84% against 9.39% previously due to the shift in our product mix to the affordable ranges and progressive increases in raw material and labour costs over the last 12 months. For the first 6-month period ended 30 April 2018, raw material costs and direct labour were 58.0% and 16.1% of total sales respectively against 56.6% and 15.0% respectively in the previous corresponding period.

During the current reporting period, we received a sum of RM4.50 million (or RMB7.30 million) from Qingdao Dengta Brewage Co Ltd being the final payment under the Settlement of Enforcement Proceedings Agreement for the disposal of our former subsidiary, Poh Huat Furniture Industries (Qingdao) Co Ltd in 2011. Nett of legal fees of RM0.55 million, we recorded a net other income of RM 3.95 million for the final settlement in the current quarter ended 30 April 2018.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter	Preceding quarter	+ / - %
	30-Apr-18 RM'000	31-Jan-18 RM'000	
Malaysia	5,221	3,684	41.7
Vietnam	3,995	6,158	(35.1)
South Africa	(16)	(286)	94.4
Australia	(159)	(95)	(67.4)
Others	3,605	(1,449)	348.8
Total	12,646	8,012	57.8

We recorded a lower turnover of RM125.53 million during the current reporting period compared to RM161.89 million in the preceding reporting period ended 31 January 2018. The lower turnover was mainly due to the seasonal low following the year-end festive peak in the preceding quarter.

In Malaysia, we recorded lower sales of RM57.09 million in the current reporting period against RM67.09 million in the preceding reporting period. In line with the lower sales, gross profit for current reporting period dropped to RM9.27 million against RM13.22 million in preceding reporting period. The lower gross profit notwithstanding, profit before tax improved from RM3.68 million in the preceding reporting period to RM5.22 million in the current reporting period. The improvement is attributable to the forex loss of RM2.65 million in the preceding reporting period ended 31 January 2018 against a minimal forex gain of RM0.11 million and the net gain of RM1.27 million arising from the finalisation of the fire insurance claim mentioned in B1 above.

In Vietnam, we also recorded lower sales of RM68.44 million against RM94.80 million in the preceding quarter. In line with the lower shipment, profit before tax for our Vietnamese subsidiary declined from RM6.16 million in the preceding quarter to a low of RM4.00 million in the current quarter under review.

During the current reporting period, we also recorded net other income of RM3.60 million as detailed in Note B1 above against a loss of RM1.45 million in the preceding reporting period

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

The global economic activity continues to firm up and global growth forecast for 2018 and 2019 have been revised by 0.2% point higher to 3.9% year-on-year. The revision reflects increased global growth momentum and the expected impact of the recently approved US tax policy changes. The tax reform in the US is expected to have a positive effect on economic growth and consumer sentiments.

The positive outlook notwithstanding, tighter supply and higher expectation of interest rate hike have resulted in higher house prices and rising mortgage rate, making home ownership less affordable. There is also mismatch in the market as much of that stock is at the expensive end of the spectrum and therefore not much help for the majority of first-time buyers who represent the biggest portion of the population but account for less than a third of transactions.

While we continue to enjoy sustained orders from our customers, we have noticed a shift in our product mix to the more affordable ranges. A prolonged slowdown on household formation, especially amongst the young, may have adverse impact on the demand and pricing for our products. We remain alert to the acceleration of the raw material and labour costs and movement of the USD against the ringgit direction. As before, we will continue to adjust our products offerings to cater for the changes in demographics and market trends. We will also have to work closely with our customers to mitigate increases in raw material prices, labour costs and pricing adjustments.

The recent threats of a trade war between the US and China, while far from resolved, may potentially have positive implications for us as tariff, if imposed on China sourced furniture, will make our products more competitive against those made in China.

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

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

B5. TAXATION

	Current quarter RM'000	Financial period-to-date RM'000
Current taxation - Malaysian	1,024	2,049
Current taxation - Overseas	760	1,647
Deferred taxation	31	31
Total Taxation	1,815	3,727

Domestic current income tax was estimated at 23% which was approximate to the statutory tax rate of 24%. Taxation for Vietnamese subsidiary was estimated at 16% which was lower than statutory tax of 20% as a result of export incentive granted by the authorities. No tax was incurred in other foreign subsidiaries during the current financial year under review.

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 report.

B7. GROUP BORROWINGS

The Group borrowings, as at end of the reporting period were as below: -

Currency denominations	Current RM'000	Non-Current RM'000	Total RM'000
Secured trade bills - US Dollar	13,743	0	13,743
Secured hire purchase - Malaysian Ringgit	167	161	328
Unsecured trade bills - Malaysian Ringgit	755	0	755
Unsecured trade bills - US Dollar	9,803	0	9,803
Total	24,468	161	24,629

The weighted average fixed interest rate for the trade bills ranged from 3.0% to 3.5% while the fixed interest rate for the hire purchase ranged from 4.6% to 5.1%.

USD denominated loans were not hedged to Ringgit as most of our sales proceeds are transacted in USD currency. The USD denominated loans were translated at RM3.92 per USD during the current reporting period.

B8. MATERIAL LITIGATION

There is no material litigation, pending or threatening, by or against the Company and its subsidiaries (as plaintiff or defendant) since the last financial year ended 31 October 2017.

B9. DIVIDEND

The final single-tier dividend of 3 sen per ordinary share in respect of the financial year ended 31 October 2017 has been approved at the Annual General Meeting on 10 April 2018, payable on 15 May 2018 to depositors registered in the Records of Depositors of the Company at the close of business on 30 April 2018.

The Directors have declared a first single-tier interim dividend of 2 sen per ordinary share in respect of the current financial period ended 30 April 2018 (against no declaration of dividend in the previous financial period ended 30 April 2017), payable on 27 August 2018 to depositors registered in the Records of Depositors of the Company at the close of business on 6 August 2018.

Total dividend declared for the current financial year-to-date is 2 sen per ordinary share.

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 issue (excluding treasury shares) during the financial period under review.

		Current quarter	Financial period-to-date
Profit attributable to Owners of the Company	(RM'000)	10,838	17,078
Weighted average number of shares	('000 shares)	219,565	219,565
Basic earnings per share	(sen)	4.94	7.78

Diluted earnings per share

The diluted earnings per share are calculated by dividing the profit attributable to Owners of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares) that would have been issued upon full conversion of Warrants 2015/2020.

		Current quarter	Financial period-to-date
Profit attributable to Owners of the Company	(RM'000)	10,838	17,078
Weighted average number of shares	('000 shares)	219,565	219,565
Effect of dilution from Warrants 2015/2020	('000 shares)	16,446	16,446
Adjusted weighted average number of shares	('000 shares)	236,011	236,011
Diluted earnings per share	(sen)	4.59	7.24

B11. AUDIT QUALIFICATION REPORT

The preceding financial statements for the year ended 31 October 2017 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 2017.

B13. OTHER DISCLOSURES

Items which have been included in the Condensed Consolidated Statements of Profit or Loss for the current quarter and financial period-to-date were below: -

	Current quarter RM'000	Financial period-to-date RM'000
(a) Interest income	151	370
(b) Other income including investment income	737	1,400
(c) Interest expense	(198)	(462)
(d) Depreciation and amortization	(2,007)	(4,037)
(e) Provision for and write off of receivables	nil	nil
(f) Provision for and write off of inventories	nil	(1,077)
(g) Gain/(loss) on disposal of unquoted investments/properties	nil	nil
(h) Impairment of assets (due to fire accident on 21 January 2018)	(1,937)	(1,937)
(i) Foreign exchange gain/(loss)	115	(3,862)
(j) Gain/(loss) on derivatives	nil	nil
(k) Exceptional items (due to fire insurance compensation)	3,205	4,283

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

CHUA SYER CIN
Independent Non-Executive Director
Chairman
Audit Committee

26 Jun 2018
Muar, Johor Darul Takzim.