

POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income (Unaudited)
For The Quarter Ended 31 October 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Oct-18	31-Oct-17	31-Oct-18	31-Oct-17
	RM	RM	RM	RM
Revenue	189,508,163	171,684,088	621,925,519	614,268,587
Cost of Sales	(153,294,298)	(136,625,347)	(519,817,579)	(492,327,561)
Gross Profit	<u>36,213,865</u>	<u>35,058,741</u>	<u>102,107,940</u>	<u>121,941,026</u>
Selling and distribution expenses	(7,790,613)	(6,745,045)	(29,199,344)	(27,128,586)
Administration expenses	(4,987,822)	(5,782,250)	(22,642,596)	(27,135,822)
Other income / (expenses)	3,212,501	(357,270)	8,522,930	1,046,030
Finance costs	(278,735)	(346,727)	(1,259,919)	(1,508,252)
Profit / (Loss) before tax	26,369,196	21,827,449	57,529,011	67,214,396
Income tax expenses	(5,236,879)	(3,536,391)	(10,263,342)	(11,436,959)
Profit / (Loss) for the period	<u>21,132,317</u>	<u>18,291,058</u>	<u>47,265,669</u>	<u>55,777,437</u>
Other Comprehensive Income/(Expenses) net of tax - Foreign currency translation	2,048,516	(1,188,546)	(4,658,255)	(501,041)
Total Comprehensive Income/(Loss) for the period	<u>23,180,833</u>	<u>17,102,512</u>	<u>42,607,414</u>	<u>55,276,396</u>
Profit / (Loss) after tax attributable to :				
Owners of the Company	20,859,675	17,841,472	47,137,658	55,772,295
Non-Controlling Interests	272,642	449,586	128,011	5,142
Profit / (Loss) for the period	<u>21,132,317</u>	<u>18,291,058</u>	<u>47,265,669</u>	<u>55,777,437</u>
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	22,913,927	16,650,825	42,484,489	55,268,910
Non-Controlling Interests	266,906	451,687	122,925	7,486
Total Comprehensive Income/(Loss) for the period	<u>23,180,833</u>	<u>17,102,512</u>	<u>42,607,414</u>	<u>55,276,396</u>
Basic Earnings Per Share (in sen)	9.50	8.35	21.47	26.11
Diluted Earnings Per Share (in sen)	8.90	7.45	20.11	23.49

(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 31 October 2018

	Unaudited	Audited
	As At	As At
	31-Oct-18	31-Oct-17
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	166,160,333	140,086,639
Land held for property development	20,912,187	20,912,187
Investment properties	12,194,375	11,651,702
Deferred tax assets	4,622	37,800
	<u>199,271,517</u>	<u>172,688,328</u>
Current assets		
Inventories	76,368,009	72,418,949
Trade and other receivables	64,918,624	66,874,379
Deposits, bank and cash balances	89,887,631	92,857,041
	<u>231,174,264</u>	<u>232,150,369</u>
TOTAL ASSETS	<u>430,445,781</u>	<u>404,838,697</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	119,845,505	114,838,405
Treasury shares	(2,836,481)	(2,836,481)
Translation reserve	(10,217,695)	(5,564,526)
Retained profits	210,199,734	178,474,845
Equity attributable to owners of the Company	<u>316,991,063</u>	<u>284,912,243</u>
Non-controlling interests	36,584	(86,341)
TOTAL EQUITY	<u>317,027,647</u>	<u>284,825,902</u>
Non-current liabilities		
Bank borrowings and hire purchase payables	17,764	160,856
Deferred tax liabilities	6,234,000	5,962,000
	<u>6,251,764</u>	<u>6,122,856</u>
Current liabilities		
Trade and other payables	80,913,349	82,251,474
Bank borrowings and hire purchase payables	18,628,269	22,345,849
Dividend payable	4,398,100	6,532,416
Current tax liabilities	3,226,652	2,760,200
	<u>107,166,370</u>	<u>113,889,939</u>
TOTAL LIABILITIES	<u>113,418,134</u>	<u>120,012,795</u>
TOTAL EQUITY AND LIABILITIES	<u>430,445,781</u>	<u>404,838,697</u>

(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 31 October 2018

	←-----Attributable to Owners of the Company-----→					→	Non-controlling interests	Total equity		
	<-----Non-distributable----->				Distributable				Total	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					55,772,295	55,772,295	5,142	55,777,437		
Other comprehensive income for the period										
- Foreign currency translation				(503,385)	-	(503,385)	2,344	(501,041)		
Total comprehensive income for the period	-	-	-	(503,385)	55,772,295	55,268,910	7,486	55,276,396		
Dividends										
- by the Company					(15,074,745)	(15,074,745)		(15,074,745)		
- by subsidiary to non-controlling interests					-	-	-	0		
Utilised of share premium account	15,800		(15,800)			-		0		
Exercise of warrants	1,419,700					1,419,700		1,419,700		
At 31 October 2017	114,838,405	(2,836,481)	-	(5,564,526)	178,474,845	284,912,243	(86,341)	284,825,902		
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					47,137,658	47,137,658	128,011	47,265,669		
Other comprehensive income for the period										
- Foreign currency translation				(4,653,169)		(4,653,169)	(5,086)	(4,658,255)		
Total comprehensive income for the period	-	-	-	(4,653,169)	47,137,658	42,484,489	122,925	42,607,414		
Dividends										
- by the Company					(15,412,769)	(15,412,769)		(15,412,769)		
- by subsidiary to non-controlling interests					-	-	-	-		
Exercise of Warrants 2015/2020	5,007,100					5,007,100		5,007,100		
At 31 October 2018	119,845,505	(2,836,481)	-	(10,217,695)	210,199,734	316,991,063	36,584	317,027,647		

(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 31 October 2018

	31-Oct-18	31-Oct-17
	RM	RM
Cash flows from operating activities		
Profit / (Loss) before tax	57,529,011	67,214,396
Adjustments for :		
Depreciation and amortisation	8,261,967	8,903,168
Property, plant and equipment written off	1,853,184	91,546
Fire insurance compensation	(4,282,505)	-
Reversal of receivables impairment	(4,503,370)	(1,061,280)
(Gain) / loss on disposal on other investment	-	(49,305)
(Gain) / loss on disposal of PPE	47,056	(322,539)
Inventories value written off	1,077,122	223,675
Bad debt written off	-	20,548
Unrealised (gain) / loss on forex	(1,003,548)	(2,571,327)
Net interest expense	66,010	(119,491)
Operating profit/ (loss) before working capital changes	59,044,927	72,329,391
Inventories	(5,026,182)	(2,480,673)
Trade and other receivables	11,745,178	6,643,098
Trade and other payables	(1,338,125)	(6,321,239)
Cash from / (for) operations	64,425,798	70,170,577
Interest paid	(66,010)	119,491
Tax (paid) / refund	(9,524,890)	(10,966,312)
Net cash from operating activities	54,834,898	59,323,756
Cash flows from investing activities		
Proceeds from disposal of other investment	-	571,626
Purchase of property, plant and equipment	(40,618,417)	(24,072,905)
Net cash from investing activities	(40,618,417)	(23,501,279)
Cash flow from financing activities		
Net movements in bank borrowings	(3,860,672)	(6,475,627)
Net decrease / (increase) in fixed deposits pledged	(109,450)	(4,392,157)
Proceeds from the exercise of Warrants 2015/2020	5,007,100	1,419,700
Dividends paid	(17,547,087)	(12,811,893)
Net cash (used in) from financing activities	(16,510,109)	(22,259,977)
Effects on foreign exchange translation	(785,232)	3,307,506
Net increase/(decrease) change in cash and cash equivalents	(3,078,860)	16,870,006
Cash and cash equivalents at beginning of the financial year	88,464,884	71,594,878
Cash and cash equivalents at end of the financial period	85,386,024	88,464,884
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	89,887,631	92,857,041
Less : Fixed deposit pledged to bank	(4,501,607)	(4,392,157)
	85,386,024	88,464,884

(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.

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	2,196,892	15-Jan-18
Final dividend	3 sen	31-Oct-17	6,597,150	15-May-18
First Interim	2 sen	31-Oct-18	4,398,100	27-Aug-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	278,013	343,901	12	0	0	0	621,926
Profit / (Loss) Before Tax	30,724	25,325	(51)	(522)	2,053	0	57,529
Profit / (Loss) After Tax	24,567	21,219	(51)	(522)	2,053	0	47,266
Assets	369,932	187,611	56	30,538	17,149	(174,840)	430,446
Liabilities	51,502	61,898	0	18	12,833	(12,833)	113,418

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 RM 146.54 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	144,000
Poh Huat Furniture Industries (M) Sdn Bhd	J.A. Nathan & Co	A firm in which Tay Khim Seng is a senior partner	Legal Fees	Nil	38,969

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	31-Oct-18 RM'000	31-Oct-17 RM'000	+ / - %	31-Oct-18 RM'000	31-Oct-17 RM'000	+ / - %
Malaysia	87,250	70,124	24.4	278,013	231,823	19.9
Vietnam	102,246	101,349	0.9	343,901	381,232	(9.8)
South Africa	12	211	(94.3)	12	1,214	(99.0)
Total	189,508	171,684	10.4	621,926	614,269	1.2

For the quarter under review, we recorded a higher turnover of RM189.51 million compared to RM171.68 million recorded in the previous year corresponding quarter ended 31 October 2017. The 10.4% increase in turnover is attributable mainly to higher shipment of furniture from our Malaysian operations.

Our Malaysian operations continue to do well as we received more orders for our panel-based bedroom sets for the US market. In the US, panel-based furniture has been seeing greater demand as first time house owners and urban dwellers opted for more affordable, ready-to-install furniture. Shipment of traditional office furniture remained strong.

Shipment of furniture from our Vietnamese operations increased moderately as the group has been updating and adjusting its product mix, mainly to meet the change in consumer preferences.

Year-on-year, the Group's USD denominated sales increased by 9.2% to USD151.2 million from the previous year, of which Malaysian operations achieved a 29.7% growth to USD65.4 million due to the strong shipment

for panel-based bedroom furniture. In Vietnam, USD denominated sales declined slightly by 2.4% to USD85.8 million, due to the shift in US consumers' trend for more affordable range of furniture.

Profit / (Loss)	Individual quarter			Cumulative quarters		
	31-Oct-18	31-Oct-17	+ / -	31-Oct-18	31-Oct-17	+ / -
Before Tax	RM'000	RM'000	%	RM'000	RM'000	%
Malaysia	14,295	12,632	13.2	30,724	34,447	(10.8)
Vietnam	11,603	10,682	8.6	25,325	35,359	(28.4)
South Africa	246	(365)	167.4	(51)	(1,275)	96.0
Australia	(166)	(73)	(127.4)	(522)	(457)	(14.2)
Others	391	(1,049)	137.3	2,053	(860)	138.7
Total	26,369	21,827	20.8	57,529	67,214	(14.4)

In line with the higher sales, both our Malaysian and Vietnamese operations recorded higher profit before tax of RM14.29 million and RM11.60 million respectively in the current reporting period. Our Vietnamese operations continued to do well with an 8.6% increase profit before tax despite a lower marginal sales growth of 0.9%. The improvement was mainly due to better control of raw material usage and manufacturing efficiency. In Malaysia, profit before tax margin was marginally lower to 16.4% from 18.0% previously due to the increase in orders for panel-based bedroom sets which have a higher raw material component.

For the year ended 31 October 2018, the Group average gross profit margin was lower at 16.4% against 19.9% in the previous corresponding financial year. The lower gross profit margin was mainly due to higher raw material and manufacturing overhead costs which rose from 55.9% and 10.5% of total sales respectively in the previous corresponding financial year to 59.7% and 11.8% of total sales respectively in the current financial year. Labour costs however fell from 13.9% of total sales in the previous year to 12.7% of total sales in the current financial year, due mainly to the higher sales of panel-based products from our Malaysian operations.

During the current financial year, we recorded a net other income of RM8.52 million, comprising mainly bad debt recovered from the sale of our factories in Qingdao, China of RM4.50 mil and compensation from gross insurance claims proceeds of RM4.28 million. Total net other income recorded in the previous corresponding financial year was RM1.05 million, mainly from the bad debt recovered from Qingdao, China above.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

Profit / (Loss)	Individual quarter	Preceding quarter	+ / -
	31-Oct-18	31-Jul-18	
Before Tax	RM'000	RM'000	%
Malaysia	14,295	7,524	90.0
Vietnam	11,603	3,569	225.1
South Africa	246	5	4,820.0
Australia	(166)	(102)	(62.7)
Others	391	(494)	179.1
Total	26,369	10,502	151.1

In line with the pre-festive year end peak shipments, we recorded a higher turnover of RM189.51 million during the current reporting period compared to RM145.00 million in the preceding reporting period ended 31 July 2018.

In Malaysia, we recorded higher sales of RM87.25 million in the current reporting period compared to RM66.58 million in the preceding reporting period. Gross profit increased from RM12.88 million in preceding reporting period to RM20.11 million in the current reporting period. Raw material costs dropped significantly from 65.8% of total sales in the preceding quarter to 56.8% in the current quarter due to softer prices of particle board, the main raw material used for the manufacturing of panel-based furniture. Consistent with the higher gross profits,

profit before tax improved from RM7.50 million in the preceding reporting period to RM14.30 million in the current reporting period.

In Vietnam, we also recorded higher sales of RM102.25 million against RM78.41 million in the preceding quarter. Gross profit increased from RM8.92 million in preceding reporting period to RM16.10 million in the current reporting period due to higher sales, lower material prices and better overhead absorption rate from the higher production volume. In line with the higher shipment, profit before tax for our Vietnamese subsidiary increased from RM3.57 million in the preceding quarter to a high of RM11.60 million in the current quarter under review.

The Group recorded net other income of RM3.21 million during the current reporting period compared to RM1.79 million in the preceding reporting period ended 31 July 2018, as a result of forex gain of RM1.71 million against a gain of RM0.91 million previously.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

According to the World Bank, global economic growth will remain robust at 3.1% in 2018 before slowing gradually over the next two years. Growth in emerging market and developing economies overall are projected to be higher as exporters matures and commodity prices stabilises compared to advanced economies as central banks gradually remove monetary stimulus.

The US economy continued to do well in the first half of 2018, driven by a strong job market, lower taxes and increase in agricultural exports ahead of the tariff war. Growth in the second half of 2018 however, is expected to moderate as trade war threatens business demand and the Federal Reserve raises interest rates further.

The US furniture and furnishing sector continue to do well as households have more cash to spend due strong employment, wage growth and the recently approved US tax cuts. 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. A prolonged slowdown on household formation, especially amongst the young, may have adverse impact on the demand and pricing for our products.

The imposition of duties on China sourced furniture, while at a reduced rate of 10%, have resulted in furniture made elsewhere more competitive. US furniture importers, which have already responded by diverting part of their orders to other furniture exporters in South East Asia prior to the imposition of the duties, will likely place more orders with producers in Vietnam and Malaysia.

We are mindful of the depleting timber resources, raising labour costs and forex volatility, which may have adverse impact on our operations and financial performance. We will work closely with our customers to mitigate increases in raw material prices, labour costs and pricing adjustments due to exchanges rates fluctuations.

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 year-to-date RM'000
Current taxation - Malaysian	3,025	5,885
Current taxation - Overseas	1,940	4,075
Deferred taxation	272	303
Total Taxation	5,237	10,263

Malaysian income tax was estimated at 19% which was lower than the statutory tax rate of 24%, due to the over provision of prior year taxation and non-taxable income received. 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

The Company had on 17 July 2018 entered into a contract with JSNJ Investment Pty Ltd, Australia (the owner and developer) for the purchase of a 3,212 sqm detached warehouse cum office-showroom in Cranbourne West, Victoria, Australia for a total cash consideration of AUD4.948 million. The acquisition has been completed on 3 September 2018.

Save for the above, 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	18,485	0	18,485
Secured hire purchase - Malaysian Ringgit	143	18	161
Unsecured trade bills - Malaysian Ringgit	0	0	0
Unsecured trade bills - US Dollar	0	0	0
Total	18,628	18	18,646

The weighted average fixed interest rate for the trade bills ranged from 3.1% to 5.0% while the fixed interest rate for the hire purchase ranged from 4.7% to 5.1%.

USD denominated loans were not hedged against the Ringgit as most of our sales proceeds are transacted in USD currency. The USD denominated loans were translated at RM4.18 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

On 26 Jun 2018, the Directors have declared the first interim single-tier dividend of 2 sen per ordinary share in respect of the financial period ended 30 April 2018, payable on 27 August 2018 to depositors registered in the Records of Depositors of business on 6 August 2018.

On 29 October 2018, the Directors have declared the second interim single-tier dividend of 2 sen per ordinary share in respect of the financial period ended 31 October 2018, payable on 20 December 2018 to depositors registered in the Records of Depositors of business on 30 November 2018.

The Directors have also recommended a final single-tier 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 dividend declared / proposed for the current financial year-to-date was 6 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 year-to-date
Profit attributable to Owners of the Company	(RM'000)	21,860	47,138
Weighted average number of shares	('000 shares)	219,565	219,565
Basic earnings per share	(sen)	9.50	21.47

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 year-to-date
Profit attributable to Owners of the Company	(RM'000)	21,860	47,138
Weighted average number of shares	('000 shares)	219,565	219,565
Effect of dilution from Warrants 2015/2020	('000 shares)	14,851	14,851
Adjusted weighted average number of shares	('000 shares)	234,416	234,416
Diluted earnings per share	(sen)	8.90	20.11

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 year-to-date RM'000
(a) Interest income	210	734
(b) Other income including investment income	340	2,857
(c) Interest expense	(166)	(800)
(d) Depreciation and amortization	(2,206)	(8,262)
(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	(46)	(47)
(h) Impairment of assets	83	(1,853)
(i) Foreign exchange gain / (loss)	1,711	(1,244)
(j) Gain / (loss) on derivatives	nil	nil
(k) Exceptional items (due to fire insurance compensation)	nil	4,283

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

CHUA SYER CIN
Independent Non-Executive Director
Chairman
Audit Committee

12 December 2018
Muar, Johor Darul Takzim.