

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)**  
**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income (Unaudited)**  
**For The Quarter Ended 31 January 2019**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Jan-19	31-Jan-18	31-Jan-19	31-Jan-18
	RM	RM	RM	RM
Revenue	197,057,885	161,890,985	197,057,885	161,890,985
Cost of Sales	(163,117,088)	(136,792,681)	(163,117,088)	(136,792,681)
Gross Profit	<u>33,940,797</u>	<u>25,098,304</u>	<u>33,940,797</u>	<u>25,098,304</u>
Selling and distribution expenses	(9,429,006)	(7,356,691)	(9,429,006)	(7,356,691)
Administration expenses	(6,338,155)	(6,240,880)	(6,338,155)	(6,240,880)
Other income / (expenses)	584,257	(3,071,822)	584,257	(3,071,822)
Finance costs	(309,780)	(417,279)	(309,780)	(417,279)
<b>Profit / (Loss) before tax</b>	<b>18,448,113</b>	<b>8,011,632</b>	<b>18,448,113</b>	<b>8,011,632</b>
Income tax expenses	(3,187,093)	(1,911,903)	(3,187,093)	(1,911,903)
<b>Profit / (Loss) for the period</b>	<b><u>15,261,020</u></b>	<b><u>6,099,729</u></b>	<b><u>15,261,020</u></b>	<b><u>6,099,729</u></b>
Other Comprehensive Income/(Expenses) net of tax - Foreign currency translation	(2,224,187)	(8,388,893)	(2,224,187)	(8,388,893)
<b>Total Comprehensive Income/(Loss) for the period</b>	<b><u>13,036,833</u></b>	<b><u>(2,289,164)</u></b>	<b><u>13,036,833</u></b>	<b><u>(2,289,164)</u></b>
Profit / (Loss) after tax attributable to :				
Owners of the Company	15,263,497	6,239,619	15,263,497	6,239,619
Non-Controlling Interests	(2,477)	(139,890)	(2,477)	(139,890)
<b>Profit / (Loss) for the period</b>	<b><u>15,261,020</u></b>	<b><u>6,099,729</u></b>	<b><u>15,261,020</u></b>	<b><u>6,099,729</u></b>
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	13,036,845	(2,136,414)	13,036,845	(2,136,414)
Non-Controlling Interests	(12)	(152,750)	(12)	(152,750)
<b>Total Comprehensive Income/(Loss) for the period</b>	<b><u>13,036,833</u></b>	<b><u>(2,289,164)</u></b>	<b><u>13,036,833</u></b>	<b><u>(2,289,164)</u></b>
Basic Earnings Per Share (in sen)	6.94	2.84	6.94	2.84
Diluted Earnings Per Share (in sen)	6.48	2.61	6.48	2.61

(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 2018)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)**  
**Condensed Consolidated Statements of Financial Position (Unaudited)**  
**As At 31 January 2019**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As At</b>	<b>As At</b>
	<b>31-Jan-19</b>	<b>31-Oct-18</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	166,342,700	166,160,335
Land held for property development	20,912,187	20,912,187
Investment properties	12,148,353	12,194,375
Deferred tax assets	4,544	4,622
	<u>199,407,784</u>	<u>199,271,519</u>
<b>Current assets</b>		
Inventories	91,050,195	76,368,009
Trade and other receivables	67,059,441	64,918,624
Deposits, bank and cash balances	83,530,939	89,887,631
	<u>241,640,575</u>	<u>231,174,264</u>
<b>TOTAL ASSETS</b>	<b><u>441,048,359</u></b>	<b><u>430,445,783</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	119,845,505	119,845,505
Treasury shares	(2,836,481)	(2,836,481)
Translation reserve	(12,444,346)	(10,217,694)
Retained profits	225,463,233	210,199,736
Equity attributable to owners of the Company	<u>330,027,911</u>	<u>316,991,066</u>
Non-controlling interests	36,571	36,583
<b>TOTAL EQUITY</b>	<b><u>330,064,482</u></b>	<b><u>317,027,649</u></b>
<b>Non-current liabilities</b>		
Bank borrowings and hire purchase payables	17,383	17,764
Deferred tax liabilities	6,234,000	6,234,000
	<u>6,251,383</u>	<u>6,251,764</u>
<b>Current liabilities</b>		
Trade and other payables	67,079,210	80,913,349
Bank borrowings and hire purchase payables	33,831,725	18,628,269
Dividend payable	-	4,398,100
Current tax liabilities	3,821,559	3,226,652
	<u>104,732,494</u>	<u>107,166,370</u>
<b>TOTAL LIABILITIES</b>	<b><u>110,983,877</u></b>	<b><u>113,418,134</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>441,048,359</u></b>	<b><u>430,445,783</u></b>

(The Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2018)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)**  
**Condensed Consolidated Statements of Changes In Equity (Unaudited)**  
**For The Quarter Ended 31 January 2019**

	← Attributable to Owners of the Company →				Total RM	Non- controlling interests RM	Total equity RM
	Share capital RM	Treasury shares RM	Translation reserve RM	Distributable Retained profits RM			
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				6,239,619	6,239,619	(139,890)	6,099,729
Other comprehensive income for the period - Foreign currency translation			(8,376,033)		(8,376,033)	(12,860)	(8,388,893)
Total comprehensive income for the period	-	-	(8,376,033)	6,239,619	(2,136,414)	(152,750)	(2,289,164)
Dividends by the Company				(19,419)	(19,419)		(19,419)
Exercise of Warrants 2015/2020	4,791,300				4,791,300		4,791,300
<b>At 31 January 2018</b>	<b>119,629,705</b>	<b>(2,836,481)</b>	<b>(13,940,559)</b>	<b>184,695,045</b>	<b>287,547,710</b>	<b>(239,091)</b>	<b>287,308,619</b>
At 1 November 2018	119,845,505	(2,836,481)	(10,217,694)	210,199,736	316,991,066	36,583	317,027,649
Profit after tax for the period				15,263,497	15,263,497	(2,477)	15,261,020
Other comprehensive income for the period - Foreign currency translation			(2,226,652)		(2,226,652)	2,465	(2,224,187)
Total comprehensive income for the period	-	-	(2,226,652)	15,263,497	13,036,845	(12)	13,036,833
Dividends by the Company					-		-
Exercise of Warrants 2015/2020					-		-
<b>At 31 January 2019</b>	<b>119,845,505</b>	<b>(2,836,481)</b>	<b>(12,444,346)</b>	<b>225,463,233</b>	<b>330,027,911</b>	<b>36,571</b>	<b>330,064,482</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 2018)

**POH HUAT RESOURCES HOLDINGS BERHAD (443169-X)**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**  
**For The Quarter Ended 31 January 2019**

	<b>31-Jan-19</b>	<b>31-Jan-18</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from / (for) operating activities</b>		
Profit / (Loss) before tax	18,448,113	8,011,632
Adjustments for :		
Depreciation and amortisation	2,289,556	2,030,053
(Gain) / loss on disposal of PPE	(316,689)	-
Inventories value written off	-	1,077,122
Dividend (Income)	(128,659)	-
Unrealised (gain) / loss on forex	(1,451,116)	(1,045,543)
Net interest expense	109,121	45,463
Operating profit/ (loss) before working capital changes	<u>18,950,326</u>	<u>10,118,727</u>
Inventories	(14,682,186)	(1,117,097)
Trade and other receivables	(689,701)	12,040,278
Trade and other payables	(13,834,138)	1,490,330
Cash from / (for) operations	<u>(10,255,699)</u>	<u>22,532,238</u>
Interest paid	(109,121)	(45,463)
Tax (paid) / refund	(2,592,186)	(2,327,971)
<b>Net cash from / (for) operating activities</b>	<b><u>(12,957,006)</u></b>	<b><u>20,158,804</u></b>
<b>Cash flows from / (for) investing activities</b>		
Net proceeds / (purchase) of property, plant and equipment	(3,118,380)	(1,583,679)
Dividends received	128,659	
Net decrease / (increase) in fixed deposits pledged	54,326	309,953
<b>Net cash from / (for) investing activities</b>	<b><u>(2,935,395)</u></b>	<b><u>(1,273,726)</u></b>
<b>Cash flow from / (for) financing activities</b>		
Net movements in bank borrowings	15,203,075	10,017,690
Proceeds from the exercise of Warrants 2015/2020	-	4,791,300
Dividends paid	(4,398,100)	(6,551,836)
<b>Net cash from / (for) financing activities</b>	<b><u>10,804,975</u></b>	<b><u>8,257,154</u></b>
Net increase/ (decrease) in cash and cash equivalents	(5,087,426)	27,142,232
Effects on foreign exchange translation	(1,214,940)	(2,977,623)
Cash and cash equivalents at beginning of the financial year	<u>85,386,024</u>	<u>88,464,884</u>
<b>Cash and cash equivalents at end of the financial period</b>	<b><u><u>79,083,658</u></u></b>	<b><u><u>112,629,493</u></u></b>
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	83,530,939	116,711,697
Less : Fixed deposit pledged to bank	(4,447,281)	(4,082,204)
	<b><u><u>79,083,658</u></u></b>	<b><u><u>112,629,493</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 2018)

## **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 2018.

The significant accounting policies adopted are consistent with those adopted for the annual audited financial statements for the year ended 31 October 2018. 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 2018.

### **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 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 was 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 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 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-18	4,398,100	20-Dec-18

**A7. OPERATING SEGMENTS**

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

(RM'000)	Malaysia	Vietnam	Australia	Others	Elimination	Total
Sales	89,935	107,123	0	0	0	197,058
Profit / (Loss) Before Tax	9,573	8,794	(6)	87	0	18,448
Profit / (Loss) After Tax	7,669	7,511	(6)	87	0	15,261
Assets	373,507	198,703	30,584	16,787	(178,533)	441,048
Liabilities	47,745	67,671	6	12,504	(16,942)	110,984

**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 2018.

**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 2018 other than corporate guarantee granted to financial institutions amounting to RM 146.54 million at current reporting 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 period-to-date (RM)
Poh Huat Furniture Industries (M) Sdn Bhd	Tay Kim Huat	Director	Rental of Showroom	36,000	36,000
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	Nil

## BMSB LISTING REQUIREMENTS

### B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	31-Jan-19 RM'000	31-Jan-18 RM'000	+ / - %	31-Jan-19 RM'000	31-Jan-18 RM'000	+ / - %
Malaysia	89,935	67,090	34.1	89,935	67,090	34.1
Vietnam	107,123	94,801	13.0	107,123	94,801	13.0
Others	0	0	0.0	0	0	0.0
<b>Total</b>	<b>197,058</b>	<b>161,891</b>	<b>21.7</b>	<b>197,058</b>	<b>161,891</b>	<b>21.7</b>

For the quarter under review, we recorded a higher turnover of RM197.06 million compared to RM161.89 million recorded in the previous year corresponding quarter ended 31 January 2018. The 21.7% increase in turnover was attributable mainly to higher shipment of furniture from both our Malaysian and Vietnamese operations.

Our Malaysian operations registered a strong increase in turnover as we received significantly more orders for our panel-based bedroom sets from customers who have bought from us a year ago as well as new customers who have started to place orders for our ready-to-install panel based furniture.

Shipment of furniture from our Vietnamese operations also recorded double digit gains due to higher order and volume of shipment of furniture. Compared to a year ago, the products mix was however more for the affordable segment of the US market as our customers emphasised volume over higher value items.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	31-Jan-19 RM'000	31-Jan-18 RM'000	+ / - %	31-Jan-19 RM'000	31-Jan-18 RM'000	+ / - %
Malaysia	9,573	3,684	159.9	9,573	3,684	159.9
Vietnam	8,794	6,158	42.8	8,794	6,158	42.8
Australia	(6)	(95)	93.7	(6)	(95)	93.7
Others	87	(1,735)	105.0	87	(1,735)	105.0
<b>Total</b>	<b>18,448</b>	<b>8,012</b>	<b>130.3</b>	<b>18,448</b>	<b>8,012</b>	<b>130.3</b>

In line with the higher sales, both our Malaysian and Vietnamese operations recorded significantly higher profit before tax of RM9.57 million and RM8.79 million respectively in the current reporting period.

In Malaysia, gross profit increased from RM13.22 million in the previous' year corresponding period to RM18.41 million in the current reporting period. Gross profit margin also improved from 19.7% to 20.5% due to lower raw material costs as a percentage of sale and better absorption of overheads from increase production and shipment of panel-based bedroom sets. The Malaysian operations also recorded significantly lower foreign exchange losses of RM0.72 mil in the current reporting period against RM2.65 million previously, due to the more stable US Dollars to RM exchange rates during the period under review. The higher gross profits, couple with lower forex losses have resulted in a 1.6 times jump in the profit before tax for the Malaysian operations.

Gross profits from our Vietnamese operations also increased substantially from RM11.87 million in the previous year corresponding report period to RM15.53 million in the current reporting period. Despite the shift in our products mix to the more affordable ranges, our Vietnamese operations recorded improvement in gross profit margin due to better manufacturing efficiency and higher plant utilisation rate.

## B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter	Preceding quarter	+ / - %
	31-Jan-19 RM'000	31-Oct-18 RM'000	
Malaysia	9,573	14,295	(33.0)
Vietnam	8,794	11,603	(24.2)
Australia	(6)	(166)	96.4
Others	87	637	(86.3)
<b>Total</b>	<b>18,448</b>	<b>26,369</b>	<b>(30.0)</b>

The Group continued to record higher turnover during the current quarter despite the pre-festive year end peak shipments during the preceding quarter.

In Malaysia, we recorded marginally higher sales of RM88.93 million in the current reporting period compared to RM87.25 million in the preceding reporting period. Gross profit however was lower at RM18.41 million compared to RM20.11 million in preceding reporting period. Raw material costs increased from 56.78% of total sales in the preceding reporting period to 60.37% in the current quarter due to higher wood / board consumption during the initial production period for new designs of the panel-based bedroom set. Consistent with the lower gross profits, profit before tax declined from RM14.30 million in the preceding reporting period to RM9.57 million in the current reporting period.

In Vietnam, we also recorded higher sales of RM107.12 million against RM102.25 million in the preceding quarter. Gross profit however declined from RM18.00 million in preceding reporting period to RM15.53 million in the current reporting period due to keener price competition and higher direct labour costs. Consequently, profit before tax for our Vietnamese subsidiary declined from RM11.60 million in the preceding quarter to RM8.79 million in the current quarter under review.



The Group recorded a lower net other income of RM0.58 million during the current reporting period compared to RM3.21 million in the preceding reporting period ended 31 October 2018, as a result of forex loss of RM0.47 million against a gain of RM1.71 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. Emerging market and developing economies will grow about 4.5% whereas growth in developed economies is expected to hover around 2.0% in 2019.

Despite anticipated moderation in key economic indicators in the first quarter of 2019, the US economy fundamentals remain favourable. The Institute for Supply Management said its non-manufacturing activity index, (which accounts for more than two-thirds of U.S. economic activity), increased 3.0 points to 59.7 in February 2019 (a reading above 50 indicates expansion in the sector). However, hiring for non-manufacturing activity appeared to be slowing, with a measure of services industries employment dropping to a six-month low. Elsewhere, sales of new US single-family homes is expected to moderate after hitting a seven-month high in December 2018 due to tighter supply of land and labour as well as higher expectation of interest rate hike and higher mortgage rates.

The US furniture and furnishing sector continued to do well as households have more cash to spend due to strong employment, wage growth and the approved USD1.5 trillion tax cut by the US government. Going forward, the moderation in the pace of hiring and the expectations of slower economic growth as stimulus from tax cut and increased government spending wanes will likely mean lower furniture spending by businesses and households. The economic outlook may also be clouded by slowing growth in China and Europe.

While the imposition of duties on China sourced furniture have resulted in our customers diverting some of their orders to our factories in Vietnam, we face some challenges both in our operations and in the marketplace. Competition over the last couple of years have intensify and there are now more factories operating in Vietnam, resulting in surplus capacity and price competition in Vietnam and the South East Asia region. While we received more orders from our customers, keener price competition and shift toward more affordable ranges will put further pressure on profit margins. We would also have to be more accommodative to customers' requests for non-core furniture products which affects productivity.

To stay ahead of our competitors, we will continue to adjust our products offerings to cater for the changes in demographics and market trends. We will strive for better manufacturing efficiency and work with our customers to mitigate increases in raw material prices and labour costs.

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

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

**B5. TAXATION**

	Current quarter RM'000	Financial period-to-date RM'000
Current taxation - Malaysian	1,904	1,904
Current taxation - Overseas	1,283	1,283
Deferred taxation	0	0
<b>Total Taxation</b>	<b>3,187</b>	<b>3,187</b>

Malaysian income tax was estimated at 20% which was lower than the statutory tax rate of 24%, due to the increase in export allowance and other tax incentives as well as other non-taxable income received. Taxation for Vietnamese subsidiary was estimated at 15% 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 period 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	25,153		25,153
Secured hire purchase - Malaysian Ringgit	224	17	241
Unsecured trade bills - Malaysian Ringgit	2,663		2,663
Unsecured trade bills - US Dollar	5,792		5,792
<b>Total</b>	<b>33,832</b>	<b>17</b>	<b>33,849</b>

The weighted average fixed interest rate for the trade bills ranged from 4.1% 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 RM4.09 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 2018.

## B9. DIVIDEND

The Directors have proposed a final single-tier dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2018, for the shareholders' approval at the forthcoming Annual General Meeting of the Company. The dividend, if approved, will be paid on 29 May 2019 to depositors registered in the Records of Depositors of the Company at the close of business on 14 May 2019.

Total dividends declared / proposed for the financial year ended 31 October 2018 were 6 sen per ordinary share.

The Directors have not declared any dividend in respect of the current financial period ending 31 January 2019 (against no declaration of dividend in the previous financial period ended 31 January 2018).

## 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)	15,263	15,263
Weighted average number of shares	('000 shares)	219,905	219,905
<b>Basic earnings per share</b>	<b>(sen)</b>	<b>6.94</b>	<b>6.94</b>

### *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)	15,263	15,263
Weighted average number of shares	('000 shares)	219,905	219,905
Effect of dilution from Warrants 2015/2020	('000 shares)	15,773	15,773
Adjusted weighted average number of shares	('000 shares)	235,678	235,678
<b>Diluted earnings per share</b>	<b>(sen)</b>	<b>6.48</b>	<b>6.48</b>

## B11. AUDIT QUALIFICATION REPORT

The preceding financial statements for the year ended 31 October 2018 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 2018.

## **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	85	85
(b) Other income including investment income	800	800
(c) Interest expense	(194)	(194)
(d) Depreciation and amortization	(2,290)	(2,290)
(e) Provision for and write off of receivables	nil	nil
(f) Provision for and write off of inventories	nil	nil
(g) Gain / (loss) on disposal of unquoted investments / properties	317	317
(h) Impairment of assets	nil	nil
(i) Foreign exchange gain / (loss)	(470)	(470)
(j) Gain / (loss) on derivatives	nil	nil
(k) Exceptional items (due to fire insurance compensation)	nil	nil

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

**CHUA SYER CIN**  
Independent Non-Executive Director  
Chairman  
Audit Committee

15 March 2019  
Muar, Johor Darul Takzim.