

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income (Unaudited)
For The Quarter Ended 31 July 2020

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31-Jul-2020	31-Jul-2019	31-Jul-2020	31-Jul-2019
	RM	RM	RM	RM
Revenue	132,807,536	164,844,966	442,787,534	508,915,712
Cost of Sales	(107,310,998)	(136,469,744)	(369,563,540)	(421,252,793)
Gross Profit	<u>25,496,538</u>	<u>28,375,222</u>	<u>73,223,994</u>	<u>87,662,919</u>
Selling and distribution expenses	(5,635,089)	(7,956,996)	(20,114,198)	(25,716,172)
Administration expenses	(6,401,119)	(6,587,510)	(19,339,984)	(18,709,861)
Other income / (expenses)	494,137	235,889	4,201,898	1,892,229
Finance costs	(217,422)	(253,321)	(648,953)	(896,172)
Profit / (Loss) before tax	13,737,045	13,813,284	37,322,757	44,232,943
Income tax expenses	(2,202,506)	(2,544,885)	(7,495,862)	(8,169,493)
Profit / (Loss) for the period	<u>11,534,539</u>	<u>11,268,399</u>	<u>29,826,895</u>	<u>36,063,450</u>
Other Comprehensive Income/(Expenses) net of tax - Foreign currency translation	1,298,003	(579,187)	3,835,942	(1,886,940)
Total Comprehensive Income/(Loss) for the period	<u>12,832,542</u>	<u>10,689,212</u>	<u>33,662,837</u>	<u>34,176,510</u>
Profit / (Loss) after tax attributable to :				
Owners of the Company	11,534,539	11,269,220	29,826,895	36,067,601
Non-Controlling Interests	-	(821)	-	(4,151)
Profit / (Loss) for the period	<u>11,534,539</u>	<u>11,268,399</u>	<u>29,826,895</u>	<u>36,063,450</u>
Total Comprehensive Income / (Loss) attributable to :				
Owners of the Company	12,832,542	10,699,358	33,662,837	34,189,364
Non-Controlling Interests	-	(10,146)	-	(12,854)
Total Comprehensive Income/(Loss) for the period	<u>12,832,542</u>	<u>10,689,212</u>	<u>33,662,837</u>	<u>34,176,510</u>
Basic Earnings Per Share (in sen)	5.00	5.09	12.92	16.30
Diluted Earnings Per Share (in sen)	4.88	4.77	12.62	15.27

(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 2019)

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]

Condensed Consolidated Statements of Financial Position

As At 31 July 2020

	Unaudited As At 31-Jul-2020	Audited As At 31-Oct-2019
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	160,836,574	173,087,335
Prepaid lease payments	-	2,625,670
Right-of-use assets	12,659,721	-
Land held for property development	20,912,187	20,912,187
Investment properties	11,977,030	12,095,591
Deferred tax assets	27,756	37,257
	<u>206,413,268</u>	<u>208,758,040</u>
Current assets		
Inventories	99,058,459	74,715,071
Trade and other receivables	53,280,638	64,412,833
Deposits, bank and cash balances	149,191,811	133,078,581
	<u>301,530,908</u>	<u>272,206,485</u>
TOTAL ASSETS	<u>507,944,176</u>	<u>480,964,525</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	132,067,500	128,718,591
Treasury shares	(2,836,481)	(2,836,481)
Translation reserve	(5,235,640)	(9,071,582)
Reserves	263,383,516	245,340,935
TOTAL EQUITY	<u>387,378,895</u>	<u>362,151,463</u>
Non-current liabilities		
Hire purchase payables	-	119,714
Lease liabilities	119,714	-
Deferred tax liabilities	6,234,000	6,234,000
	<u>6,353,714</u>	<u>6,353,714</u>
Current liabilities		
Trade and other payables	76,376,003	88,872,751
Bank borrowings	30,636,844	12,483,973
Hire purchase payables	-	234,847
Lease liabilities	24,981	-
Dividend payable	4,850,885	6,863,343
Current tax liabilities	2,322,854	4,004,434
	<u>114,211,567</u>	<u>112,459,348</u>
TOTAL LIABILITIES	<u>120,565,281</u>	<u>118,813,062</u>
TOTAL EQUITY AND LIABILITIES	<u>507,944,176</u>	<u>480,964,525</u>

(The Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2019)

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]
Condensed Consolidated Statements of Changes In Equity (Unaudited)
For The Quarter Ended 31 July 2020

	←----- Attributable to Owners of the Company ----->				Total RM	Non- controlling interests RM	Total equity RM
	<-----Non-distributable ----->			Distributable			
	Share capital RM	Treasury shares RM	Translation reserve RM	Retained profits RM			
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				36,067,601	36,067,601	(4,151)	36,063,450
Other comprehensive income for the period - Foreign currency translation			(1,878,237)		(1,878,237)	(8,703)	(1,886,940)
Total comprehensive income for the period	-	-	(1,878,237)	36,067,601	34,189,364	(12,854)	34,176,510
Dividends by the Company				(8,895,462)	(8,895,462)		(8,895,462)
Exercise of Warrants 2015/2020	3,506,937				3,506,937		3,506,937
At 31 July 2019	123,352,442	(2,836,481)	(12,095,931)	237,371,875	345,791,905	23,729	345,815,634
At 1 November 2019	128,718,591	(2,836,481)	(9,071,582)	245,340,935	362,151,463		362,151,463
Profit after tax for the period				29,826,895	29,826,895		29,826,895
Other comprehensive income for the period - Foreign currency translation			3,835,942	-	3,835,942		3,835,942
Total comprehensive income for the period	-	-	3,835,942	29,826,895	33,662,837		33,662,837
Dividends by the Company				(11,784,314)	(11,784,314)		(11,784,314)
Exercise of Warrants 2015/2020	3,348,909				3,348,909		3,348,909
At 31 July 2020	132,067,500	(2,836,481)	(5,235,640)	263,383,516	387,378,895		387,378,895

(The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2019)

POH HUAT RESOURCES HOLDINGS BERHAD [199701027671 (443169-X)]

Condensed Consolidated Statements of Cash Flows (Unaudited)

For The Quarter Ended 31 July 2020

	31-Jul-2020	31-Jul-2019
	RM	RM
Cash flows from / (for) operating activities		
Profit / (Loss) before tax	37,322,757	44,232,943
Adjustments for :		
Depreciation and amortisation	8,283,944	7,235,359
Property, plant and equipment written off	349,576	604,289
(Gain) / loss on disposal of PPE	(1,009,583)	(419,460)
(Gain) / loss on disposal of unit trust		
Dividend (Income)	(1,283,392)	(699,050)
Unrealised (gain) / loss on forex	(988,825)	(1,108,012)
Net interest (income) / expense	(241,700)	208
Operating profit/ (loss) before working capital changes	42,432,777	49,846,277
Inventories	(24,343,388)	(2,431,464)
Trade and other receivables	12,121,020	6,354,163
Trade and other payables	(12,496,748)	(2,278,340)
Cash from / (for) operations	17,713,661	51,490,636
Net interest received / (paid)	241,700	(208)
Tax (paid) / refund	(9,177,442)	(8,716,275)
Net cash from / (for) operating activities	8,777,919	42,774,153
Cash flows from / (for) investing activities		
Net proceeds / (purchase) of property, plant and equipment	(2,750,646)	(15,331,429)
Net (Purchases) / Proceeds from disposal of unit trust	-	-
Dividends received	1,283,392	699,050
Net decrease / (increase) in fixed deposits pledged	(478,651)	(315,766)
Net cash from / (for) investing activities	(1,945,905)	(14,948,145)
Cash flow from / (for) financing activities		
Net movements in bank borrowings	17,943,005	(2,665,182)
Issue of shares from exercise of Warrants	3,348,909	3,506,937
Dividends paid	(13,796,772)	(8,825,321)
Net cash from / (for) financing activities	7,495,142	(7,983,566)
Net increase/ (decrease) in cash and cash equivalents	14,327,156	19,842,442
Effects on foreign exchange translation	1,307,423	(373,077)
Cash and cash equivalents at beginning of the financial year	128,239,480	85,386,024
Cash and cash equivalents at end of the financial period	143,874,059	104,855,389
Cash and cash equivalents at end of the financial period consists of		
Bank and cash balances	149,191,811	109,672,762
Less : Fixed deposit pledged to bank	(5,317,752)	(4,817,373)
	143,874,059	104,855,389

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2019)

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 2019.

The significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 October 2019 except for the changes in accounting policies and presentation resulting from the adoption of relevant MFRSs, Amendment to MFRSs and IC Interpretations that are effective for the financial periods beginning on 1 November 2019.

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements other than the adoption of MFRS 16 Leases.

The Group have adopted MFRS 16 retrospectively from 1 November 2019 and has not restated the comparative information as permitted under the specific transition provisions in the standard. The impact arising from the adoption of MFRS 16 on opening balance as at 1 November 2019 are as follows:

	At 31-Oct-2019	Adoption of MFRS 16	At 1-Nov-2019
Property, plant and equipment	173,087,335	(10,415,663)	162,671,672
Prepaid lease payments	2,625,670	(2,625,670)	-
Right-of-use assets	-	13,041,333	13,041,333
Hire purchase payables	(354,561)	354,561	-
Lease liabilities	-	(354,561)	(354,561)

The Group has not applied in advance any accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the financial year ended 31 October 2019.

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 not been authorised by shareholders to re-purchase its own shares during the last annual general meeting.

The total number of shares repurchased by the Company as at end of current reporting period are 13,327,600 ordinary shares. All the repurchased shares are held as treasury shares and treated in accordance with the requirement of Section 127 of the Companies Act 2016. None of the treasury shares 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-19	4,575,562	14-Nov-19
Special Interim	1 sen	31-Oct-19	2,287,781	3-Jan-20
First Interim	1 sen	31-Oct-20	2,311,789	3-Jan-20
Third Interim dividend	2 sen	31-Oct-19	4,621,640	18-May-20

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	Total
Sales	209,474	233,314	0	0	442,788
Profit / (Loss) Before Tax	23,764	14,327	(424)	(344)	37,323
Profit / (Loss) After Tax	18,180	12,417	(424)	(346)	29,827
Assets	235,384	236,301	30,887	5,372	507,944
Liabilities	47,682	72,793	(2)	0	120,473

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 2019.

A9. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE YEAR

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

A10. CHANGES IN THE COMPOSITION OF THE GROUP

There are no other changes in the composition of the Group during the current reporting period.

A11. CHANGES IN CONTINGENT LIABILITIES / ASSETS

There were no changes in contingent liabilities/ assets since the last financial year ended at 31 October 2019 other than corporate guarantee granted to financial institutions amounting to RM 117.51 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	33,000	105,000
Poh Huat Furniture Industries (M) Sdn Bhd	J. A. Nathan & Co	Director	Legal Fees	4,596	44,176
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Corporation (M) Sdn Bhd	Director's child	Trade Debtor	45,615	153,503
Poh Huat Furniture Industries (M) Sdn Bhd	Corporate Image Corporation (M) Sdn Bhd	Director's child	Trade Creditor	14,529	54,936

BMSB LISTING REQUIREMENTS

B1. PERFORMANCE REVIEW

Revenue	Individual quarter			Cumulative quarters		
	31-Jul-20 RM'000	31-Jul-19 RM'000	+ / - %	31-Jul-20 RM'000	31-Jul-19 RM'000	+ / - %
Malaysia	59,359	77,426	(23.3)	209,474	240,862	(13.0)
Vietnam	73,449	87,419	(16.0)	233,314	268,054	(13.0)
Total	132,808	164,845	(19.4)	442,788	508,916	(13.0)

We recorded lower turnover of RM132.81 million for the reporting period under review, compared to RM164.85 million recorded in the previous year's corresponding reporting period ended 31 July 2019. Despite resumption of manufacturing activities both in Malaysia and Vietnam during the financial period under review, our operations continued to be affected by reduced production levels and lower demand from customers amidst the Covid-19 pandemic.

In Malaysia, we resumed operations on 4 May 2020 following the relaxation of the mandatory movement control order announced by the Malaysian government. Shipment was lower in May 2020 as we managed supply and logistics restriction following the first phase of the movement control in Malaysia. During the month of May, we focused on fulfilling orders which were previously placed or rescheduled by buyers. Operations however improved in the subsequent months of June and July 2020 as we ramped up production for orders that are confirmed by customers.

In Vietnam, we also registered lower level of shipment as we adjust our production and shipping schedules in line with customers' requirements and shipping schedules. As with our Malaysia operations, orders and shipments from Vietnam were higher in the months of June and July 2020 as US importers and retailers adjust their inventory restocking levels in line with indications of recovery of demand in the US.

Profit / (Loss) Before Tax	Individual quarter			Cumulative quarters		
	31-Jul-20 RM'000	31-Jul-19 RM'000	+ / - %	31-Jul-20 RM'000	31-Jul-19 RM'000	+ / - %
Malaysia	9,358	8,430	11.0	23,764	28,078	(15.4)
Vietnam	4,817	5,944	(19.0)	14,327	16,605	(13.7)
Australia	(213)	(119)	(79.0)	(424)	56	(857.1)
Others	(225)	(442)	49.1	(344)	(506)	32.0
Total	13,737	13,813	(0.6)	37,323	44,233	(15.6)

Despite the lower turnover and the more challenging operating environment, we managed to maintain our bottom-line performance for the current reporting period with a profit before tax of RM13.74 million compared to RM13.81 million recorded in the previous year's corresponding reporting period ended 31 July 2019.

In Malaysia, we registered lower gross profit of RM15.00 million in the current reporting period compared to RM16.17 million in the previous reporting period. Gross profit margin, however, was higher at 25.3% during the current reporting period against 20.9% previously, due to lower costs and more efficient use of raw materials. Selling expenses as a percentage of sales were slightly lower during the reporting period due to lower level of shipment while fixed administrative expenses as a percentage of sales inched up due to the lower turnover during the current reporting period.

In Vietnam, we also registered lower gross profit of RM10.91 million compared to RM12.20 million in previous year's corresponding reporting period due to reduced level of production. Gross profit margin however improved from 14.0% previously to 14.9%, mainly from our efforts to manage raw material costs. Labour costs and factory overheads as a percentage of sales were higher due to increased rehiring of new production workers and its factory inefficiency from the rehired workers.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX

Profit / (Loss) Before Tax	Individual quarter	Preceding quarter	+ / -
	31-Jul-20 RM'000	30-Apr-20 RM'000	%
Malaysia	9,358	5,180	80.7
Vietnam	4,817	4,085	17.9
Australia	(213)	(179)	(19.0)
Others	(225)	196	(214.8)
Total	13,737	9,282	48.0

Despite reduced demand and level of operations, the Group recorded higher turnover of RM132.81 million during the reporting period ended 31 July 2020 compared to RM121.18 million recorded in the preceding reporting period. Profit before tax improved to RM13.74 million in the current reporting period against RM9.3 million in the preceding period.

In Malaysia, turnover rose from RM50.57 million in the preceding reporting period to RM59.36 million in the current reporting period following the resumption of production activities in May 2020. Shipment to US customers resumed in early May 2020 as US customers confirmed orders which were previously on hold or rescheduled with manufacturing activities ramped up in the months of June and July 2020. Absolute gross profit nearly doubled from RM8.60 million in the preceding reporting period to RM15.00 million in the current reporting period. Gross profit margin improved markedly as we use less subcontracted parts and reduced overtime costs during the Covid-19 pandemic vis-à-vis the disproportionately higher labour costs in the preceding reporting period as we continued to pay basic salaries to production workers during the MCO period. The Malaysia operations also incurred lower selling and distribution costs despite higher volume of furniture shipped. Overall, profit before tax for the Malaysia operations rose from RM5.18 million in the preceding reporting period to RM9.36 million in the current reporting period.

In Vietnam, we also recorded increase in sales, albeit at a more modest level, from RM70.61 million in the preceding period to RM73.45 million in the current reporting period. Consistent with the higher turnover, absolute gross profit rose slightly from RM10.07 million in the preceding reporting period to RM10.91 million in the current reporting period. Gross profit margin also improved slightly from 14.3% in the preceding reporting period to 14.9% due to efforts in controlling manufacturing costs despite the lower labour efficiency from rehiring of production workers. In line with the higher gross profit, profit before tax for our Vietnam operations rose from RM4.09 million in the preceding reporting period to RM4.82 million in the current reporting period.

B3. PROSPECT FOR THE CURRENT FINANCIAL YEAR

The Covid-19 pandemic has brought about unprecedented economic and social hardship globally. The US economy experienced one of the sharpest declines in decades as activity in a number of sectors simply shut down since March 2020. While some of the decline were apparent right upon the onslaught of the Covid-19 pandemic, most will be felt in the second quarter of 2020, with the US GDP falling by an unprecedented 16%.

The rapid spread of Covid-19 in the US has resulted in unprecedented movement restrictions being imposed on most states. Most non-essential businesses in the US were ordered to shut down. Amidst the uncertainties brought on by the Covid-19 pandemic, US furniture importers rescheduled shipments and held back orders in the second quarter of 2020. To the surprise of many, furniture retailers in the US reported booming business in June and July 2020 from pent up demand following two months of near complete shutdown in retail activities and a spike in demand for home furniture as more and more American stay and work from home. The U.S. Department of Commerce reported that the furniture and home furnishings store sales increased 33% month-on-month in June 2020 while the retail sales increased to USD524 billion, nearly back to pre-pandemic levels.

Given the better visibility in demand, importers and distributors are now placing orders for delivery up to November 2020 in anticipation of the year end festive sales and a longer lead time for delivery amongst manufacturers in the Asia region. We have received encouraging order over the last 2 months and now have better visibility on our shipments until February 2021.

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	2,185	5,584
Current taxation - Overseas	18	1,902
Deferred taxation	0	10
Total Taxation	2,203	7,496

Malaysia current income tax rate was estimated at 23% which is closed to statutory rate of 24% during the period under review. 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	26,025	0	26,025
Unsecured trade bills - Malaysian Ringgit	4,612	0	4,612
Total	30,637	0	30,637

The weighted average fixed interest rate for the trade bills ranged from 2.00% to 3.20%.

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 RM4.24 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 2019.

B9. DIVIDENDS

On 25 November 2019, the Directors have declared a first interim dividend of 1 sen per ordinary share in respect of the current financial period ending 31 January 2020, paid on 3 January 2020 to depositors registered in the Records of Depositors of the Company at the close of business on 16 December 2019.

On 24 July 2020, the Directors have declared a second interim dividend of 2 sen per ordinary share in respect of the current financial period ended 31 July 2020, payable on 21 September 2020 to depositors registered in the Records of Depositors of the Company at the close of business on 4 September 2020.

The Directors have also declared a third interim dividend of 2 sen per ordinary share in respect of the current financial period ended 31 July 2020 (against a declaration of dividend of 2 sen in the previous financial period ended 31 July 2019). The third interim dividend will be paid on 4 December 2020 to depositors registered in the Records of Depositors of the Company at the close of business on 13 November 2020.

Total dividend declared for the current financial year-to-date is 5 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 current financial period under review.

		Current quarter	Financial period-to-date
Profit attributable to Owners of the Company	(RM'000)	11,535	29,827
Weighted average number of shares	('000 shares)	232,897	232,897
Basic earnings per share	(sen)	5.00	12.92

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)	11,535	29,827
Weighted average number of shares	('000 shares)	232,897	232,897
Effect of dilution from Warrants 2015/2020	('000 shares)	5,373	5,373
Adjusted weighted average number of shares	('000 shares)	237,270	237,270
Diluted earnings per share	(sen)	4.88	12.62

B11. AUDIT QUALIFICATION REPORT

The preceding financial statements for the year ended 31 October 2019 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 2019.

B13. OTHER DISCLOSURES

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

	Current quarter RM'000	Financial period-to-date RM'000
(a) Interest income	404	620
(b) Other income including investment income	902	3,505
(c) Interest expense	(142)	(378)
(d) Depreciation and amortization	(2,811)	(8,284)
(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	494	1,010
(h) Impairment of assets	nil	nil
(i) Foreign exchange gain / (loss)	(1,218)	308
(j) Gain / (loss) on derivatives	nil	nil
(k) Exceptional items	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 September 2020
Muar, Johor Darul Takzim.