

notice of annual general meeting

NOTICE IS HEREBY GIVEN that the 3rd Annual General Meeting of the Company will be held at the Kayangan Suites, Putai Spring Resort, 20 Km, Jalan Pontian Lama, 81110, Putai, Johor on 21 March 2001 at 10.30 a.m. for the transaction of the following businesses:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts for the financial year ended 31 October 2000 together with the Reports of the Directors and the Auditors thereon.

(Resolution 1)
2. To approve the payment of Directors' fees for the financial year ended 31 October 2000.

(Resolution 2)
3. To declare a first and final tax-exempt dividend of 5% in respect of the financial year ended 31 October 2000.

(Resolution 3)
4. To re-elect the following Directors who retire in accordance with Article 81 of the Company's Articles of Association:-  
(a) Datin Madziah binti Manoor  
(b) Mr Boi Chin Long

(Resolution 4)  
(Resolution 5)
5. To re-appoint Messrs SC Lim & Co as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 6)

AS SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following resolution with or without amendment as an ordinary resolution:-
- "That subject always to the Companies Act, 1965, the Articles of Association of the Company and the approval of the Kuala Lumpur Stock Exchange, the Directors of the Company do hereby propose that the following business be transacted at the Annual General Meeting of the Company to be held on 21 March 2001 at 10.30 a.m. at the Kayangan Suites, Putai Spring Resort, 20 Km, Jalan Pontian Lama, 81110, Putai, Johor, to-wit: to issue and allot shares in the capital of the Company at any time upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.
- (Resolution 7)
7. To transact any other ordinary business of the Company for which due notice shall have been given.

continued

NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the proposed first and final tax-exempt dividend in respect of the financial year ended 31 October 2000, if approved, will be paid on 20 April 2001 to depositors registered in the Record of Depositors at the close of business on 3 April 2001.

A depositor shall qualify for entitlement only in respect of:-

- (a) Shares transferred into the Depositor's Securities Account before 12.30 p.m. on 3 April 2001 in respect of ordinary transfers;
- (b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

BY ORDER OF THE BOARD

YAP SOW IENG (15 006470)

Secretary

Muar, Johor Darul Takzim

3 March 2001

Notes:-

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. To be valid, the form of proxy, if any, submitted must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting and the duly signed copy of the proxy must be submitted to the Company not less than 48 hours before the time of the Annual General Meeting.

3. In the event the members/ proxy holder, the form of proxy that does not state any proxy, shall be deemed that the rest of the form of proxy, other than the provision of the proxy, is null and void and shall be void.

4. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same, provided that the total number of proxies shall not exceed the number of shares held by the member.

5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

6. If an appointment is accepted, the form of proxy must be recorded under its common seal or under its hand and signature and duly countersigned.

Explanation Note on Special Business

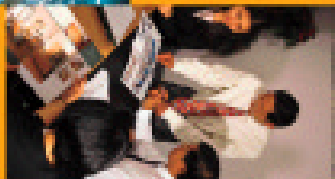
7. The Ordinary Resolution proposed under Item 6, if passed, shall empower the Directors to allot and issue shares of the Company for such purposes as they consider would be in the interest of the Company, and the authority of the Directors to do so shall be valid and effective from the date of the passing of the resolution at the Annual General Meeting of the Company.

company profile

Amidst a sea of furniture manufacturers, we, the P&H Group of companies, emerge as a safe harbour of strength. With more than 10 years of manufacturing excellence, we are proud to be one of the most progressive furniture producers in the South East Asia.

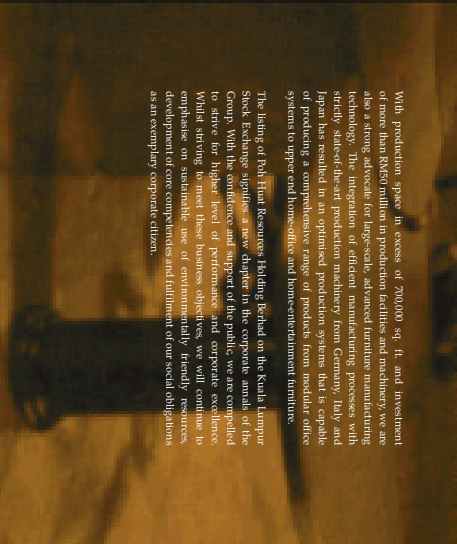
Driven by our vision to be the preferred furniture manufacturer amongst global furniture buyers, we have over the last 10 years established ourselves as a mature producer of world class office systems and home products. Our success has been supported by a committed staff force of close to 1,000 people and an integrated manufacturing base that encompasses a total land area of more than 20 acres.

A pioneer in the concept of high-tech, eco-friendly manufacturing, we are committed to the innovative use of natural veneer, solid and reconstituted wood-panels in the manufacture of high quality furniture to promote optimum recovery of scarce timber resources and conservation of the environment. Coupled with our philosophy of providing premium quality, innovative products at competitive prices, our products, marketed under the brandname of AT Office System® and AT Home System, have found acceptance in more than 60 countries in 5 continents. With the strength of a truly global distribution network, our annual shipment of furniture has enjoyed remarkable growth, with turnover increasing from slightly over RM4 million in 1993 to approximately RM150 million in 2000.



With production space in excess of 200,000 sq. ft. and investment of more than RM50 million in production facilities and machinery, we are able to serve as a secure, large-scale, advanced furniture manufacturing base for our clients. In addition, our state-of-the-art production machinery from Germany and Japan has resulted in an optimised production system that is capable of producing a comprehensive range of products from modular office systems to upper end home-office and home-entertainment furniture.

The listing of P&H Furniture Holding Inc. on the Kuala Lumpur Stock Exchange signifies a new chapter in the corporate annals of the Group. With the confidence and support of the public, we are compelled to strive for higher level of performance and corporate excellence. Whilst striving to meet these business objectives, we will continue to emphasise on sustainable use of environmentally friendly resources, development of core competencies and fulfilment of our social obligations as an exemplary corporate citizen.



corporate information

BOARD OF DIRECTORS

Dato' HJ Zakaria bin Mohamed  
(Chairman)

Tay Kim Huat  
(Managing Director)

Tay Kim Han  
(Executive Director)

Ng Ah Poh  
(Executive Director)

Datin Madziah binti Mansor

Boo Chin Long

AUDIT COMMITTEE

Boo Chin Long \*

(Chairman)

Datin Madziah binti Mansor \*

(Member)

Tay Kim Huat  
(Member)

\* Independent Non-executive Director

COMPANY SECRETARY

Yap Sow Long  
LS 006470

REGISTERED OFFICE

1-10, 1<sup>st</sup> Floor  
Jalan Arab  
84000 Muar  
Johor Darul Takzim  
Tel No. : 06 - 952 4328

REGISTRARS

Malaysian Share Registration Services Sdn Bhd  
7th Floor, Exchange Square  
Bukit Kepong  
50200 Kuala Lumpur  
Tel No. : 03 - 206 8099  
Fax No. : 03 - 206 3734

AUDITORS

SC Lim & Co.  
(Member of the B.R. International Accounting Firms)  
Public Accountants  
1-3, 1<sup>st</sup> Floor  
Jalan Arab  
84000 Muar  
Johor Darul Takzim

PRINCIPAL BANKERS

Malayan Banking Berhad  
Standard Chartered Bank Malaysia Berhad  
OCBC Bank (Malaysia) Berhad  
United Overseas Bank (Malaysia) Bhd

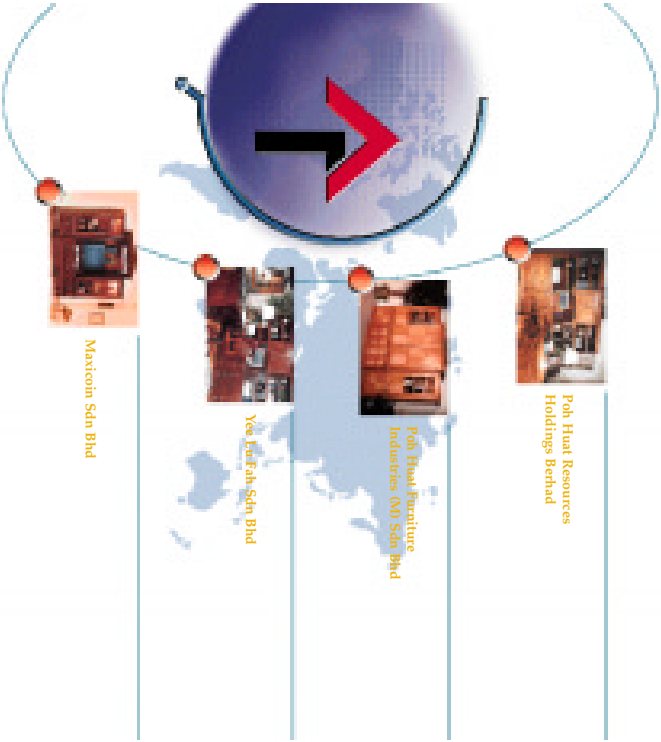
SOLICITORS

Jeff Leong, Poon & Wong  
J.A. Nathan & Co.

STOCK EXCHANGE LISTING

Second Board of the Kuala Lumpur Stock Exchange

corporate structure



audit committee

Constitution

The Audit Committee was established by the Board of Directors as the prime body to ensure a high standard of corporate responsibility, integrity and accountability to shareholders in line with the corporate governance and disclosure standard expected from that of a public company.

The present members of the Audit Committee are:-

- 1. Mr Baso Chin Liang  
Chairman of the Audit Committee  
Independent Non-Executive Director
- 2. Puan Madanah binti Mansor  
Member of the Audit Committee  
Independent Non-Executive Director
- 3. Mr Tay Kim Hui  
Member of the Audit Committee  
Managing Director

hereinafter referred to as the "Committee".

Terms of Reference

The terms of reference of the Committee are as follows:-

Objectives

The primary objective of the Committee is to assist the Board of Directors in fulfilling their responsibilities in matters relating to financial accounting and control and ensure good practices are adopted in the review and disclosure of the affairs of the Company and of the Group.

The Committee shall also provide the necessary independent and neutral avenue for reporting and feedback between the internal and external auditors

and the Board of Director of the Company and of the Group. Specifically, the Audit Committee will:-

- 1. oversee and appraise the quality of the audits conducted by the Company's external auditors and where applicable, the internal auditors in order to strengthen the confidence of the shareholders and public in the Group's reported results;
- 2. maintain, by scheduling regular meetings, open lines of communication amongst the Board of Directors, external auditors and internal auditors where applicable, internal auditors to exchange views and information as well as confirm their respective authority and responsibilities; and
- 3. provide assistance to the Board of Directors in fulfilling their fiduciary duties and responsibilities relating to the conduct of the business and affairs of the Group

Composition

The members of the Committee shall be appointed by the Board of Directors from amongst their members and shall comprise no fewer than 3 members of whom a majority shall be independent non-executive directors.

The members of the Committee shall elect a Chairman from among their number who is not an executive director or employee of the Company or any related corporation. The Chairman elected shall be subjected to endorsement by the Board.

If a member of the Committee for any reason ceases to be a member with the result that the number of members is reduce to below 3, the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

Meetings

The Committee will meet at least once a quarter and such additional meetings as may be required for the Committee to fulfil its duties. In addition, the Chairman of the Committee may call a meeting of the Committee if a request is made by any Committee member, the Company's Managing Director, the external auditors or where applicable, the internal auditors.

At all meetings of the Committee, the Chairman of the Committee, if present, shall preside. If the Chairman of the Committee is absent, the members present at the meeting shall elect a Chairman for the meeting. The Chairman may appoint a secretary to record the proceedings of all meetings and administration of the affairs of the Committee.

A quorum shall consist of a majority of the members of the Committee. No business shall be transacted at any meeting unless a quorum is present.

Authority

The Committee is authorised to request any relevant information and seek the assistance of any employees of the Group in procuring the same on matters within its terms of reference. All employees of the Group are directed to co-operate with any request made by the Committee.

The Committee shall have unrestricted access to the external auditors and internal auditors where applicable, the internal auditors as well as the management of the Group. The Audit Committee shall be empowered to retain persons and experts having special competence as necessary to assist the Committee in fulfilling its responsibilities.

Duties and Responsibilities

The duties and responsibilities of the Committee shall include, but not limited, to the following:-

- 1. to consider and recommend the appointment and remuneration of the external auditors;
- 2. to oversee matters pertaining to the external audit including the review of the audit scope and plans, the external auditors' evaluation of the internal control system and their audit report;
- 3. to review, where applicable, the scope and results of internal audit procedures, the findings and recommendations of the internal audit report and the remedial or corrective action taken;
- 4. to review the regulate interim and annual financial statements and reports of the Group, to discuss matters and findings arising from the review with the Board of Directors and where necessary, the auditors and to recommend to the Board of Directors the endorsement/publication of the financial statements on a timely manner;
- 5. to identify and direct any special project or investigate and report on any matters, issues or concerns that may be agreed to by the Committee and the Board of Directors; and
- 6. to review any related party transaction that may arise within the Company or the Group.

Modifications

The terms and provisions hereinafter contained are subject to such revisions by way of modification, additions or otherwise as the Board of Directors from time to time may consider fit.

continued

# chairman's statement

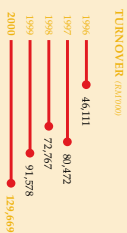


On behalf of the Board of Directors of Puh Hui Resources Holdings Berhad, it is my pleasure to present to you the Third Annual Report and the Accounts of the Company and its subsidiaries ("Group") for the financial year ended 31 October 2008.

## OPERATIONS

It was a mere year ago that we entered the new millennium with a mix of cautious optimism. The new millennium brought on hope of a new cycle of recovery following the economic crisis that has severely eroded business confidence and consumer purchasing power.

As the year unfolded, we were reassured by the sustained orders for office furniture from new and established buyers, both from the "traditional" and "non-traditional" markets. The continued demand amidst growing economic uncertainty in some of the major markets that we export to is testimony to the resilient and strong market acceptance of our traditional products. Even more encouraging is the strong progress in the Group's efforts to establish a presence in the competitive US furniture marketplace. The launching of a new line of home entertainment furniture during the previous financial year continued to enjoy good response from consumers in the US market. The highlight for the year however is the overwhelming success enjoyed by the range of upper-end small-office home-office ("SoHo") furniture which is now the Group's largest shipment to the US furniture market.



In strengthening core competencies, considerable investment in manufacturing machinery and facilities were made by the Group to increase the production capacity and efficiency. Various initiatives were also made to further improve key production processes, tighten resources management and upgrade woodworking skills. I am pleased to report that these efforts have resulted in significant improvement in productivity and operational efficiency in the new factory where the home furnishings and Sofio furniture are being manufactured.

The upgrading of the manufacturing capabilities is complemented by efforts to develop a stronger team of managers and knowledge workers with market and product knowledge and customer services being areas of priority. We belief that these efforts are vital in placing us on a stronger footing, ahead of our competitors, to weather the challenges brought on by the increasingly demanding global market environment.

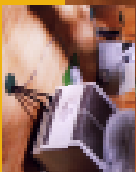
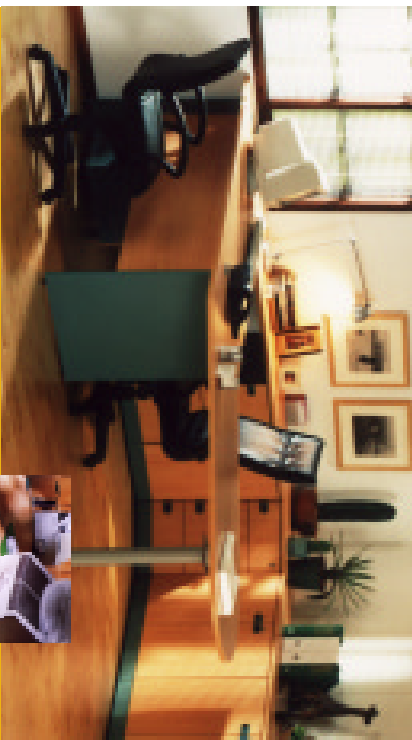
#### FINANCIAL PERFORMANCE

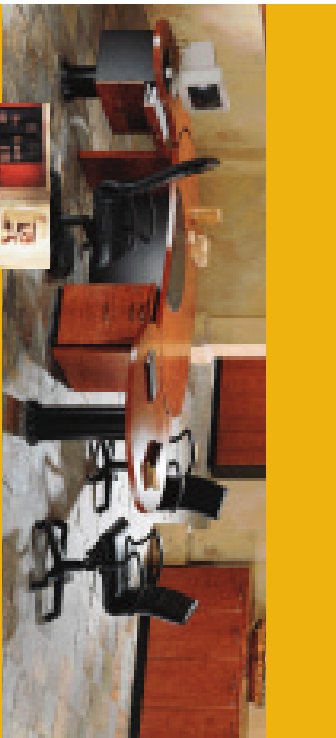
With the strong operational performance, I am pleased to be able to report that the Group achieved a commendable consolidated turnover of RM129.67 million, an improvement of more than 41% over the previous year's turnover. The consolidated profit before taxation similarly came in at a reassuring RM13.58 million compared with the RM11.89 million achieved in the previous year.

The commendable results of the Group's also translate into a net cash position of RM10.68 million whilst managing a significantly lower level of borrowings of RM10.13 million, most of which are trade financing facilities. With this financial strength the Group is well poised to consider and pursue investment opportunities, the priority being in the wood-based manufacturing and distribution activities.

#### DIVIDEND

In line with the financial performance of the Group and as a token of appreciation for your continued support, the Directors have the pleasure in recommending a first and final tax-exempt dividend of 5% with total dividend payout of RM2.30 million for the financial year ended 31 October 2000.





NET EARNINGS PER SHARE (€000)



#### CORPORATE DEVELOPMENT

The turn of the millennium also witnessed the maturing of the Group. The listing of the Company on the Second Board of the Kuala Lumpur Stock Exchange on 29 March 2000 is the culmination of the shared vision and hard work of all within the Group. The strong response of the public for the Company's initial public offering and the commendable debut price accorded by the investing community on the first day of trading are a testament to the Company's share as affirmation of the good performance and prospects of the Group.

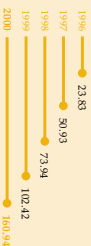
During the year, the Group also welcomed Malaysian Sdn Bhd as a new member of the Group. The acquisition of Malaysian, a company with a 4-acre piece of industrial land near the Group's main operational base, provided the Group with a good opportunity to secure additional land for future expansion.

#### PROSPECTS

Amidst the cloud of uncertainty in the world economy, we take comfort in the peaceful transition of the US administration and the clear expansionary fiscal and financial policies of the Federal Reserve. These developments are expected to provide the needed boost in confidence and impetus for economic growth to mitigate the potential of a severe slowdown both in the US economy and to a greater extent, the global economy.



NET TANGIBLE ASSET PER SHARE (€000)



Looking ahead, we have identified upgrading of products, development of new and deepening of existing markets and strengthening of the entire supply-production-delivery pipeline as key strategic thrusts in propelling us toward greater excellence. The sophistication of the global furniture market means a more comprehensive approach in product positioning and service offerings, with particular emphasis on stronger market research, not only in product design, but equally on the entire supply chain and delivery process. Indeed, this is the belief that we have the essential infrastructure and a cohesive team of energetic people that will place us on a solid footing, ready to capitalise on the opportunities brought about by the eventual recovery of the global economy.

#### ACKNOWLEDGEMENT

On behalf of the Board, I take this opportunity to thank all our valued customers for their confidence and support that have contributed to the rapid growth and continued success of the Group.

The success that we have enjoyed is the results of the co-operation and the sharing of common goals with our business associates in delivering the best to our valued customers to our business associates. I, on behalf of the Board, extend our sincerest appreciation for your invaluable support and assistance.

We also have the good fortune of a group of dedicated employees whose diligence is not only reflected in the commendable results attained by the Group but also in the good reputation and impression that they have created, both within the industry and the community at large.

Last but not least, we wish to thank you, our valued shareholders for your perseverance and faith in our abilities and your continuous support to the Group.

Thank you.

**Datuk Haji Zakaria bin Mohamed**  
Chairman

Muar Johor Darul Takzim  
23 February 2001

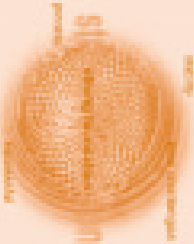


5-year proforma financial highlights



	FINANCIAL YEAR ENDED 31 OCTOBER				
	2000 Group RM'000	1999 Group RM'000	1998 Group RM'000	1997 Group RM'000	1996 Group RM'000
Turnover	129,669	91,578	72,767	80,472	46,111
Profit before taxation	13,578	11,890	13,501	13,350	6,470
Profit after taxation and attributable to shareholders	10,467	11,958	12,735	10,484	5,333
Total shareholders' fund	74,733	48,086	34,714	24,061	11,724
	8671	8671	8671	8671	8671
Net earnings per share*	22.83	25.85	27.68	22.79	11.59
Net tangible asset per share*	166.94	102.42	73.94	50.93	23.83

\* Based on the issued and paid up share capital of 46,000,000 shares.



financial

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directors' report

The Directors have pleasure in submitting their report together with the audited accounts of the Group and of the Company for the financial year ended 31 October 2000.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are as described in Note 9 to the accounts.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit after taxation	10,467,442	2,910,180
Retained earnings brought forward	32,833,339	-
Retained earnings available for appropriation	43,302,781	2,910,180
Less: Dividends	(2,300,000)	(2,300,000)
Retained earnings carried forward	41,002,781	610,180

DIVIDENDS

No dividend has been declared or paid by the Company since the end of the previous financial year.

The Directors proposed a first and final tax exempt dividend of 5% amounting to RM 2,300,000 in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the notes to the accounts.

continued

RESTRUCTURING SCHEME

During the financial year, the Company entered into an agreement for the acquisition of the entire issued and paid-up share capital of Poh Hiat Furniture Industries (M) Sdn. Bhd. ("PHFI"), a company incorporated in Malaysia, for a total purchase consideration of RM 43,114,231. The consideration is based on the adjusted consolidated net tangible assets of PHFI after taking into account of the revaluation of landed properties and investment in the subsidiary company of PHFI. The total purchase consideration was satisfied by the issuance of 34,999,998 new ordinary shares of RM 1.00 each in the Company at an issue price of approximately RM 1.23 per share. The acquisition was completed on 8th December 1999.

In conjunction with the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the Kuala Lumpur Stock Exchange, the Company carried out a public issue of 11,000,000 new ordinary shares of RM 1.00 each in the Company at an issue price of RM 1.80 per share. The prospectus for the public issue was issued on 24th February 2000 and the Company was admitted to the Official List of the Second Board of the Kuala Lumpur Stock Exchange on 29th March 2000.

BAD AND DOUBTFUL DEBTS

Before the profit and loss accounts and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances that would render the amount written off for bad debts or the amount of provision for doubtful debts, in the accounts of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the profit and loss accounts and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company were written down to an amount that they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances that would render the values attributed to the current assets in the accounts misleading.

directors' report

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist :

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year that secures the liability of any other person; and
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent liability or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the accounts of the Group and of the Company that would render any amount stated in the accounts misleading.

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors :

- (a) the results of the operations of the Group and of the Company for the financial year ended 31 October 2000 were not substantially affected by any item, transaction or event of a material and unusual nature;
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year ended 31 October 2000.

continued

ISSUE OF SHARES

During the financial year, the authorised share capital of the Company was increased from RM 100,000 comprising 100,000 ordinary shares of RM 1.00 each to RM 100,000,000 comprising 100,000,000 ordinary shares of RM 1.00 each by the creation of 99,900,000 new ordinary shares of RM1.00 each.

During the financial year, the Company issued new ordinary shares of RM 1.00 each as follows :

Date of Allotment	Number of Shares	Consideration
08/12/99	34,999,998	Shares issued at approximately RM1.23 per share in consideration for the acquisition of Poh Hua Furniture Industries (M) Sdn Bhd.
20/03/00	11,000,000	Public issue at RM 1.80 per share

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

No shares were issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS OF THE COMPANY

The Directors who served since the date of last report are :

- 1) Dato/Haji Zakaria Bin MdAmud (Appointed on 09/12/1999)
- 2) Tay Kim Hui (Appointed on 09/12/1999)
- 3) Ng Ah Poh (Appointed on 09/12/1999)
- 4) Tay Kim Hui (Appointed on 09/12/1999)
- 5) Datin Mazidah Binti Mansor (I) (Appointed on 09/12/1999)
- 6) Bas Chin Long (Appointed on 09/12/1999)
- 7) Lim Li Chuan (I) (Resigned on 10/12/1999)
- 8) Majelis Bin Magid (Resigned on 10/12/1999)

In accordance with the Company's Articles of Association, Datin Mazidah Binti Mansor (I) and Mr Bas Chin Long retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

directors' report

DIRECTORS' INTEREST

According to the register of directors' shareholdings, the interest of the Directors in office at the end of the financial year in the shares of the Company and its related corporations were as follows :

Name of Directors	Ordinary Shares of RM 1 each			
	Balance as at 01.11.99 or date of appointment	Bought	Sold	Balance as at 31.10.00
Dayi Hafiz Zahrir Bin Mohamed	10,900,000	-	(5,790,000)	6,710,000
Indirect interest	-	-	-	-
Tay Kim Hui	9,889,757	-	-	9,889,757
- Direct interest	-	-	-	-
- Indirect interest	1,431,908	-	-	1,431,908
Ng Ah Poh	-	-	-	-
- Direct interest	6,871,951	-	(1,160,000)	5,711,951
Tay Kim Hui	-	-	-	-
- Direct interest	3,869,384	-	(960,000)	2,909,384
Datin Madziah Binti Mansor (i)	-	-	-	-
Boo Chin Long	-	3,000	-	3,000
- Direct interest	-	-	-	-

By virtue of its interest in the shares of the Company, Mr. Tay Kim Hui is also deemed to have an interest in the shares of all the subsidiary companies to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Group's and the Company's accounts or the fixed salary of a full-time employee of the Group or of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest save as disclosed in Note 24 to the accounts.

During and at the end of the financial year, no arrangements subsisted to which the Company or a related corporation was a party, whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

continued

AUDITORS

The auditors, Messrs. S. C. Lim & Co., Public Accountants, have indicated their willingness to accept re-appointment.

.....  
DIRECTOR : TAY KIM HUIAT  
.....

.....  
DIRECTOR : NG AH POH  
.....

Maurice John David Tobin  
Date: 8th January 2001

statement by directors

We, the undersigned, being two of the Directors of Pok Hui Resources Holdings Berhad, do hereby state that, in the opinion of the Directors, the accounts set out on pages 26 to 27 are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to exhibit a true and fair view of the state of affairs of the Group and of the Company as at 31 October 2003 and of the results of the Group and of the Company and the cash flows of the Group for the year ended on that date.

On behalf of the Board,

.....  
DIRECTOR : TAY KIM HUAT

.....  
DIRECTOR : NGAH POH

Name: Johar Daniel Jakam  
Date: 16th January 2004

statutory declaration

I, TAY KIM HUAT, the Director primarily responsible for the financial management of Pok Hui Resources Holdings Berhad, do solemnly and sincerely declare that the accounts set out on pages 26 to 27 are to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1968.

Subscribed and solemnly declared  
by the abovesigned TAY KIM HUAT  
at Klang in the state of Johor  
Daniel Jakam on 16th January, 2004

.....  
TAY KIM HUAT

Before me:  
Commissioner for Oaths  
K. Ramani  
No. 1014

report of the auditors  
to the members of Poh Huat Resources Holdings Berhad

We have audited the accounts set out on pages 28 to 57. The preparation of the accounts is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the accounts based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we consider necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the accounts. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the accounts. We believe our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accounts are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the state of affairs of the Group and of the Company as at 31 October 2000 and of the results of the Group and of the Company and of the cash flows of the Group for the year ended on that date; and
  - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the accounts of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

continued

We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for those purposes.

Our auditors' report on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment made under Sub-section (3) of Section 174 of the Act.

.....  
**S. C. LIM & CO.**  
No. 4/F 0601  
Public Accountants

.....  
**LIM SWEI CHONG**  
No. 1177/12/02 (I)  
Partner

Muaq Johar David Jekiam  
Date: 18th January, 2001

consolidated balance sheet

as at 31 October 2000

	Notes	2000 RM	1999 RM
<b>SHARE CAPITAL</b>			
RESERVES	(4)	46,000,000	35,000,000
	(5)	26,753,407	13,083,705
<b>SHAREHOLDERS' FUNDS</b>		74,753,407	48,083,705
DEFERRED TAXATION	(6)	1,900,000	830,000
HIRE PURCHASE CREDITORS	(7)	833,932	202,057
TERM LOAN	(8)	-	9,162,253
		77,487,339	58,280,015
.....			
REPRESENTED BY :			
INVESTMENT	(10)	25,527	23,527
		53,941,931	49,042,394
<b>FUND ASSETS</b>	(11)		
EXPENDITURE CARRIED FORWARD	(12)	62,302	301,327
GOODWILL ON CONSOLIDATION	(13)	636,931	668,777
<b>CURRENT ASSETS</b>			
Stocks	(14)	19,468,617	20,346,113
Trade debtors		26,403,535	16,788,480
Other debtors, deposits and prepayments		2,126,600	603,056
Deposits, bank and cash balances	(15)	10,682,687	10,380,807
		99,285,439	48,120,456

The accompanying notes form an integral part of the accounts.

continued

	Notes	2000	1999
<b>LESS : CURRENT LIABILITIES</b>			
Trade creditors		17,282,139	9,239,048
Other creditors and accruals		5,186,418	8,913,229
Short-term bank borrowings	(16)	10,134,363	14,397,106
Hire purchase creditors	(7)	307,051	873,139
Proposed dividend		2,300,000	6,150,000
Provision for taxation		1,402,630	102,094
		36,782,791	39,878,666
.....			
<b>NET CURRENT ASSETS</b>		22,800,648	8,241,290
		77,467,339	58,280,015
.....			

The accompanying notes form an integral part of the accounts.

consolidated profit and loss account

for the year ended 31 October 2000

	Notes	2000 RM	1999 RM
TURNOVER	(17)	129,667,376	91,577,746
COST OF SALES		(102,869,186)	(66,770,530)
GROSS PROFIT		26,798,190	22,816,896
OTHER OPERATING INCOME		549,400	202,517
SELLING & DISTRIBUTION EXPENSES		(4,570,115)	(3,010,781)
ADMINISTRATION EXPENSES		(7,483,659)	(6,075,228)
PROFIT FROM OPERATIONS		15,293,816	13,933,404
FINANCE COST		(1,715,379)	(2,043,501)
PROFIT BEFORE TAXATION	(18)	13,578,442	11,889,903
TAXATION	(19)	3,111,000	68,849
NET PROFIT FOR THE YEAR		10,467,442	11,958,752
EARNINGS PER SHARE (SEN)	(20)	27	34

The accompanying notes form an integral part of the accounts.

statement of changes in equity for the group

for the year ended 31 October 2000

As At 31 October 2000	Share Capital RM	Share Premium RM	Capital Reserves RM	Merge Deficit RM	Retained Earnings RM	Total RM
As at 1 November 199	2	-	9,103,364	-	32,833,139	41,936,503
Issue of shares	43,999,998	7,399,387	-	(28,849,998)	-	24,549,387
Acquisition of a subsidiary company	-	-	80,873	-	-	80,873
Net profit for the year	-	-	-	-	10,667,642	10,667,642
Dividends (Note 21)	-	-	-	-	(2,200,000)	(2,200,000)
As at 31 October 200	46,000,000	7,399,387	9,103,364	(28,849,998)	41,022,781	74,773,487

As At 31 October 1999	Share Capital RM	Capital Reserves RM	Merge Deficit RM	Retained Earnings RM	Total RM
As at 1 November 1998	2	-	-	28,564,430	28,564,432
Shares assumed in issue *	34,999,998	-	(28,849,998)	-	6,150,000
Surplus on evaluation of property	-	9,103,364	-	-	9,103,364
Net profit for the year	-	-	-	11,098,149	11,098,149
Dividends (Note 21)	-	-	-	(7,667,530)	(7,667,530)
As at 31 October 1999	35,000,000	9,103,364	(28,849,998)	32,695,049	48,085,315

\* Refer Note 4 to the accounts  
The accompanying notes form an integral part of the accounts.



consolidated cash flow statement

for the year ended 31 October 2000

	NOTES		2000	1999
			RM	RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before taxation			13,379,442	11,889,300
Adjustment for:				
Depreciation			4,188,232	2,991,364
Amortisation of goodwill on consolidation			31,846	11,846
Fixed assets written off			34,720	2,078
Loss on disposal of fixed assets			42,540	50,835
Expenditure carried forward written off			18,691	-
Interest expense			1,715,374	2,043,904
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>				
			19,608,845	17,009,427
Decrease/(increase) in stocks			477,486	7,003,397
(Increase) in trade debtors			(10,113,653)	(6,656,531)
(Increase)/Decrease in other debtors			(1,222,217)	81,982
Increase in trade creditors			8,867,702	3,718,142
(Decrease)/Increase in other creditors			(6,992,430)	1,010,113
(Decrease)/Increase in short-term borrowings			(2,375,831)	10,682,658
<b>CASH GENERATED FROM OPERATIONS</b>				
			9,246,015	18,207,941
Interest paid			(1,775,374)	(2,043,904)
Income tax paid			(710,470)	(2,922,595)
Dividends paid			(6,130,000)	(3,382,200)
<b>NET CASH FROM OPERATING ACTIVITIES</b>				
			640,167	10,337,642

The accompanying notes form an integral part of the accounts.

continued

	Notes	2000	1999
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		6,289,432	(3,441,917)
Acquisition of a subsidiary company	(22)	(1,566,880)	-
Proceeds from disposal of fixed assets		306,578	407,200
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>			
		7,068,972	(3,034,617)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from public issue net of expenses		18,700,714	-
Proceeds from term loans		5,169,678	8,399,259
Repayment of long term borrowings		(624,460)	(1,861,143)
Repayment of term loans		(66,287,782)	(67,770,669)
<b>NET CASH FROM FINANCING ACTIVITIES</b>			
		6,727,186	374,451
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		304,880	7,727,476
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>			
		10,386,607	2,653,331
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		10,691,487	10,380,807

The accompanying notes form an integral part of the accounts.

balance sheet

as at 31 October 2000

	Notes	2000 RM	1999 RM
SHARE CAPITAL	(4)	46,000,000	2
RESERVES	(5)	6,009,567	-
SHAHBOLDERS' FUNDS		54,009,567	2
.....			
REPRESENTED BY :			
INTEREST IN SUBSIDIARY COMPANIES	(9)	51,367,069	-
.....			
EXPENDITURE CARRIED FORWARD	(12)	-	301,327
.....			
CURRENT ASSETS			
Dividend receivable		3,075,000	-
Deposits, bank and cash balances	(13)	1,897,357	2
.....			
		5,012,357	2
.....			
LESS : CURRENT LIABILITIES			
Other creditors and accruals		59,859	301,327
Proposed dividend		2,380,000	-
Provision for taxation		10,000	-
.....			
		2,399,859	301,327
.....			
NET CURRENT ASSETS/LIABILITIES		2,642,498	(301,325)
.....			
		54,009,567	2
.....			

The accompanying notes form an integral part of the accounts.

profit and loss accounts

for the year ended 31 October 2000

	Notes	2000 RM	1999 RM
TURNOVER	(17)	3,075,000	-
OTHER OPERATING INCOME		36,473	-
ADMINISTRATION EXPENSES		(190,064)	-
.....			
PROFIT FROM OPERATION		2,921,409	-
FINANCE COST		(1,229)	-
.....			
PROFIT BEFORE TAXATION	(18)	2,920,180	-
TAXATION	(19)	(10,000)	-
.....			
PROFIT FOR THE YEAR		2,910,180	-
.....			

The accompanying notes form an integral part of the accounts.

statement of changes in equity for the company

for the year ended 31 October 2000

As At 31 October 2000	Share Capital RM	Share Premium RM	Retained Earnings RM	Total RM
As at 1 November 1999	2	-	-	2
Issue of shares	45,999,998	7,399,387	-	53,399,385
Net profit for the year	-	-	2,910,180	2,910,180
Dividends (Note 21)	-	-	(2,300,000)	(2,300,000)
As at 31 October 2000	46,000,000	7,399,387	610,180	54,009,567
As At 31 October 1999				
As at 1 November 1998	2	-	-	2
Net profit for the year	-	-	-	-
As at 31 October 1999	2	-	-	2

The accompanying notes form an integral part of the accounts.

notes to the accounts

year ended 31 October 2000

1. **PRINCIPAL ACTIVITIES**  
The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are described in Note 9.  
  
There have been no significant changes in the nature of these activities during the financial year.
2. **BASIS OF PREPARATION OF ACCOUNTS**  
The accounts of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.  
  
The accounts have been prepared under the historical cost convention modified to include the revaluation of land and buildings held as fixed assets.  
  
The presentation and disclosure in the current year's accounts have been modified to conform with the requirements of MAB 11, Presentation of Financial Statements. Comparative figures have been reclassified accordingly to achieve a consistent presentation.
3. **SIGNIFICANT ACCOUNTING POLICIES**  

(a) **Fixed assets and depreciation**  
Fixed assets are stated at cost or valuation less accumulated depreciation. Freehold land is not depreciated while leasehold land is amortised over the remaining period of the lease. Other fixed assets are depreciated on a straight line basis to write off the cost or valuation of such assets over their estimated useful lives. The principal annual rates of depreciation used are as follows :  

Factory buildings	2%
Plant and machinery	10%
Vehicles, furniture, fittings and equipment	2-20%

notes to the accounts

year ended 31 October 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of consolidation

The Group adopts both the acquisition and merger methods of consolidation.

The consolidated accounts incorporate the audited accounts of the Company and its subsidiary companies made up to the end of the financial year.

Merger Method

Acquisition of subsidiary company which meet the criteria for merger accounting under Malaysia Accounting Standard 2 - Accounting for Acquisitions and Mergers is accounted for using merger accounting principle. The net excess between the nominal value of shares issued as consideration and the nominal value of shares of the subsidiary company acquired is included in the consolidated accounts as Merger reserve or Contra reserve. The results of the company being merged are included for the full financial year.

Acquisition Method

When the acquisition method is adopted, the difference between the purchase consideration for the subsidiary companies and the fair value of the net assets of the subsidiary companies at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve on consolidation, as appropriate.

All inter-company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

(c) Investment in subsidiary companies

Investment in subsidiary companies is stated at cost or valuation in the Company's accounts. The investment in subsidiary companies will be reviewed at regular intervals. Where market conditions indicate that the carrying values of the residual investment differ materially from the underlying net tangible asset values of the subsidiary companies, the carrying values are adjusted to reflect the fair market value of the residual investment. Such adjustments will be recorded as provisions or losses in the consolidated accounts. Such adjustments will be recorded as provisions or losses in the consolidated accounts to the extent of any previous surplus. All other shortfalls are charged to profit and loss account.

continued

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Investment in associated company

This relates to corporations in which the Company has a long term equity interest of between 20 and 30 per cent and exercises significant influence through management participation.

The Group equity accounts for its share of the post acquisition profits and reserves of its associated company based on the audited or management accounts made up to financial year end.

The Group shall discontinue the use of equity method of accounting from the date that it ceases to have significant influence in an associated company but retains its investment either in whole or in part. The carrying amount of the investment at that date shall be regarded as cost thereafter.

(e) Investments

Investments, which are held on a long-term basis, are stated at cost. Provision is made where, in the opinion of the Directors, there is a permanent diminution in value.

(f) Stocks

Stocks are stated at the lower of cost (determined on weighted average and first-in-first-out bases, as applicable) and net realisable value. Cost of finished goods and work-in-progress include direct materials, direct labour and an appropriate proportion of production or overheads.

(g) Foreign currency conversion and translation

Transactions in foreign currencies are measured and recorded in Ringgit Malaysia by using the exchange rate in effect at the date of the transaction or at contracted rates, where applicable.

At each balance sheet date, recorded monetary balances that are denominated in a foreign currency are translated into Ringgit Malaysia at the rate of exchange prevailing at the balance sheet date.

All exchange differences are taken into the profit and loss account.

(h) Deferred taxation

Provision is made using the liability method for taxation which is deferred due to timing differences except those which are not expected to reverse in the foreseeable future. Deferred tax benefits are recognised only if there is a reasonable expectation of realisation.

notes to the accounts

year ended 31 October 2000

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- (i) **Cash and cash equivalents**
- Cash consists of cash in hand and balances with banks, including bank overdrafts. Cash equivalents comprise short term, highly liquid investments with maturities of three months or less from the date of acquisition, readily convertible to cash with insignificant risk of changes in value.
- (j) **Goodwill on consolidation**
- Where goodwill is considered to be capable of generating future economic benefits, it is capitalised in the accounts and amortised on the straight line basis over its estimated useful life of 25 years, otherwise it is written off in the profit and loss account in the year of acquisition. The carrying amount and amortisation period is reviewed annually and goodwill is written down when, in the opinion of the Directors, its value has deteriorated or when it ceases to have a useful life.
- (k) **Expenditure carried forward**
- Incorporation expenses and expenses incurred subsequent to the date of incorporation but before the commencement of operations have been deferred and capitalised as expenditure carried forward. These expenses will be written off over a period of 5 years.
- (l) **Leasing and hire purchase commitments**
- Assets acquired under finance lease agreements that give rights approximating ownership are capitalised in the balance sheet, as if they had been purchased outright. Outstanding obligations due under these lease agreements after deducting finance expenses are included as liabilities in the accounts. The excess of the lease payments over the recorded lease obligations is treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.
- Lease rental payments on operating lease are charged to the profit and loss account in the financial year they become payable.
- (m) **Interest capitalisation**
- Interest costs incurred as expenditure on assets that require a substantial period of time to get ready for their intended use are capitalised. Capitalisation of interest costs shall cease when the assets are ready for their intended use.

continued

4. SHARE CAPITAL

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Authorised:				
Ordinary shares of RM 1 each	100,000	100,000	100,000	100,000
At beginning of year	-	99,900,000	-	-
Shares assumed created	99,900,000	-	99,900,000	-
Created during the year	-	-	-	-
Balance at year end	100,000,000	100,000,000	100,000,000	100,000
Issued & fully paid:				
Ordinary shares of RM 1 each	2	2	2	2
At beginning of year	-	34,999,998	-	-
Shares assumed in issue	34,999,998	-	34,999,998	-
Issue of shares	-	-	-	-
- acquisition of subsidiary companies	11,000,000	-	11,000,000	-
- public issue	-	-	-	-
Balance at year end	46,000,000	35,000,000	46,000,000	2

In accordance with the principles of merger accounting, the issue of 34,999,998 shares in financial year 2000 as consideration for the acquisition of the subsidiary companies have been presented in the consolidated accounts as if they had already been effected in the previous financial year.

# notes to the accounts

year ended 31 October 2000

## 5. RESERVES

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
<b>Non-Distributable</b>				
Share premium	7,399,387	-	7,399,387	-
Merger deficit	(28,849,998)	-	-	-
Capital reserves:				
Revaluation reserve	9,100,364	9,100,364	-	-
Reserve on consolidation	80,873	-	-	-
<b>Distributable</b>				
Retained profits	41,002,791	32,835,339	610,180	-
	28,723,407	13,085,705	8,009,567	-

Listing expenses amounting to RM1,400,613 [Note 27(a)(v)] has been offset against the share premium of RM8,800,000 arising from the public issue.

The revaluation reserve represents the surplus arising from the revaluation of the landed properties of the Group.

Reserve on consolidation relates to reserve arising from the acquisition of a subsidiary company (Note 27 (b)).

Subject to the agreement of the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 and tax exempt income to frank the payment of dividend out of its entire retained profits without incurring additional tax liability.

continued

## 6. DEFERRED TAXATION

Movements in the provision for deferred taxation are:

	Group	
	2000	1999
	RM	RM
At 1 November	830,000	830,000
Transfer from profits & loss account	1,070,000	-
Balance as at 31 October	1,900,000	830,000

The potential deferred tax liability of the Group estimated at RM11.5 million (1999: RM1.5 million) in respect of capital allowance in excess of book depreciation is not provided for in the current financial year as it is anticipated that the tax effects of such deferrals will continue in the foreseeable future.

## 7. HIRE PURCHASE CREDITS

	Group	
	2000	1999
	RM	RM
Minimum amount payable:		
Within one year	409,724	1,054,483
Within two to five years	986,994	274,317
Interest charge allocated to future periods	1,386,718	1,328,800
	(247,735)	(231,680)
	1,140,983	1,077,196
Due within the next 12 months	307,051	875,139
Due after the next 12 months	833,932	202,057
	1,140,983	1,077,196

notes to the accounts

year ended 31 October 2000

8. TERM LOANS

	Group	
	2000 RM	1999 RM
Due within the next 12 months (Note 16)	-	1,886,812
Due after the next 12 months	-	9,162,253
		11,049,065

In financial year 1999, the bank borrowings comprising term loans, bankers' acceptances and bills payable (Note 16) were secured by way of:

- (a) An "all monies" debenture over the fixed and floating assets of the subsidiary companies; and
  - (b) A fixed charge over certain machineries and fixtures of the subsidiary companies (Note 11).
- The term loans bear interest ranging from 8.5% to 8.85% (1999: 8.5% to 10.12%) per annum. The term loans were fully settled in the current financial year.

9. INTEREST IN SUBSIDIARY COMPANIES

	Company	
	2000 RM	1999 RM
Unquoted shares - at cost	34,999,998	-
Amount due from subsidiary companies	16,367,071	-
	51,367,069	-

Amount due from subsidiary companies represents unsecured interest free advances with no fixed terms of repayment.

continued

9. INTEREST IN SUBSIDIARY COMPANIES (cont'd)

The principal activities of the subsidiary companies, all of which are incorporated in Malaysia, and the equity interest held by the Company are shown below:

Name of Company	Principal Activities	Equity Interest Held	
		2000	1999
<b>Subsidiary Company</b>			
Poh Hua Furniture Industries (M) Sdn. Bhd.	Manufacturing of furniture and investment holding.	100%	-
<b>Subsidiary Companies of</b>			
Poh Hua Furniture Industries (M) Sdn. Bhd.			
Yee Loo Poh Sdn. Bhd.	Trading of furniture and property investment holding.	100%	100%
Masison Sdn. Bhd.	Property investment holding company.	100%	-

10. INVESTMENT

This represents investment in unquoted shares stated at cost.

notes to the accounts

year ended 31 October 2000

11. FIXED ASSETS  
Group - As At 31 October 2000

	Leasehold land RM	Factory building RM	Plant and machinery RM	Vehicles, furniture, fittings and equipment RM	Total RM
<b>At Cost/Valuation</b>					
As at 1 November	8,637,104	17,540,157	26,194,986	5,026,493	57,398,740
Addition	-	945,169	4,300,770	1,692,464	7,028,403
Disposal /Written off	-	-	(682,138)	(312,700)	(1,194,838)
Acquisition of subsidiary company	2,265,000	229,000	-	-	2,494,000
As at 31 October	10,902,104	18,714,326	29,903,618	6,206,257	65,726,305
<b>Representing:</b>					
At valuation	10,902,104	13,272,729	-	-	24,174,833
At cost	-	5,441,597	29,903,618	6,206,257	41,551,472
	10,902,104	18,714,326	29,903,618	6,206,257	65,726,305

11. FIXED ASSETS (cont'd)

	Leasehold land RM	Factory building RM	Plant and machinery RM	Vehicles, furniture, fittings and equipment RM	Total RM
<b>Accumulated Depreciation</b>					
As at 1 November	-	42,359	6,005,432	2,308,535	8,356,146
Charge for the year	154,234	558,320	2,843,353	809,102	4,165,009
Disposal /Written off	-	-	(772,645)	(484,599)	(727,000)
Acquisition of subsidiary company	20,223	-	-	-	20,223
As at 31 October	174,457	400,679	8,276,140	2,633,098	11,784,374
<b>Representing:</b>					
At valuation	174,457	265,455	-	-	439,912
At cost	-	135,224	8,276,140	2,633,098	11,344,462
	174,457	400,679	8,276,140	2,633,098	11,784,374
<b>Net Book Value</b>					
As at 31 October	10,727,647	18,313,647	21,327,478	3,573,159	53,941,931
<b>Representing:</b>					
At valuation	10,727,647	13,007,274	-	-	23,734,921
At cost	-	5,306,373	21,327,478	3,573,159	30,207,010
	10,727,647	18,313,647	21,327,478	3,573,159	53,941,931

continued



# notes to the accounts

year ended 31 October 2000

## 11. FIXED ASSETS (cont'd)

As at 31 October 1999

	Landhold and freehold land	Factory building	Plant and machinery	Vehicles, furniture and equipment	Total
	RM	RM	RM	RM	RM
<b>ALCOA/Malindan</b>					
As at 1 November	5,887,885	11,721,815	24,175,020	4,260,247	46,014,667
Addition	-	586,537	2,019,966	1,110,415	3,616,918
Revaluation	3,074,234	5,231,805	-	-	8,306,039
Disposal/Written off	(294,715)	-	-	(344,169)	(538,584)
As at 31 October	8,637,104	17,540,157	26,194,986	5,026,493	57,298,740
<b>Representing:</b>					
Revaluation	8,637,104	13,272,729	-	-	21,909,833
Accumulation	-	4,267,428	26,194,986	5,026,493	33,488,907
As at 31 October	8,637,104	17,540,157	26,194,986	5,026,493	57,298,740
<b>Accumulated Depreciation</b>					
As at 1 November	211,814	354,477	3,980,370	1,691,216	6,237,677
Charge for the year	67,252	205,141	2,025,062	695,869	2,991,284
Disposal/Written off	(279,066)	(315,229)	-	(78,670)	(673,224)
As at 31 October	-	42,359	6,005,432	2,208,335	8,336,146
<b>Representing:</b>					
Accumulation	-	42,359	6,005,432	2,208,335	8,336,146
As at 31 October	-	42,359	6,005,432	2,208,335	8,336,146
<b>Net Book Value</b>					
As at 31 October	8,637,104	17,497,798	20,189,554	2,718,138	49,042,594
<b>Representing:</b>					
Accumulation	8,637,104	13,272,729	-	-	21,909,833
As at 31 October	-	4,225,069	20,189,554	2,718,138	27,132,761
As at 31 October	8,637,104	17,497,798	20,189,554	2,718,138	49,042,594

continued

## 11. FIXED ASSETS (cont'd)

(a) The following fixed assets are acquired under hire purchase plans:

	2000	1999
	RM	RM
<b>ALCOA</b>		
Plant and machinery	292,500	3,356,692
Office equipment	-	63,580
Motor vehicles	1,252,732	1,332,293
Furniture	-	170,380
As at 31 October	1,818,232	4,924,015

(b) The leasehold land and factory buildings were revalued by a firm of independent professional valuers based on the open market value method of valuation in June 1999 and February 2000.

The carrying amounts of the Group's revalued assets that would have been included in the accounts stated at cost less depreciation are as follows:

	Net Book Value	
	2000	1999
	RM	RM
Leasehold land	5,972,644	5,283,504
Factory buildings	7,964,849	7,523,668
	13,937,493	12,807,172

Deferred taxation is not provided for by the Group on the surplus arising from the revaluation of land and buildings which are held for long term use.

# notes to the accounts

year ended 31 October 2000

continued

## 12. EXPENDITURE CARRIED FORWARD

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Balance at beginning of year	241,752	9,575	9,575	9,575
Preliminary & pre-opening expenses	291,752	291,752	291,752	291,752
Leasing expenses	413,472	301,327	301,327	301,327
Less : Amount written off	(49,848)	-	-	-
Offset against share premium account	(601,327)	-	(601,327)	-
	62,302	301,327	-	301,327

## 13. GOODWILL ON CONSOLIDATION

	Group	
	2000 RM	1999 RM
Goodwill arising from the acquisition of a subsidiary company	796,161	796,161
Less : Cumulative amortisation	(199,210)	(127,284)
Balance at end of year	606,951	668,877

## 14. STOCKS

	Group	
	2000 RM	1999 RM
Raw materials	9,532,284	11,574,797
Work-in-progress	6,287,670	3,681,298
Finished goods	4,043,163	5,289,718
	19,863,117	20,545,813

## 15. DEPOSITS, BANK AND CASH BALANCES

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Bank and cash balances	10,574,235	10,277,896	1,497,317	2
Fixed deposit with licensed bank	108,432	102,911	-	-
	10,682,667	10,380,807	1,497,317	2

The fixed deposit is pledged against a bank guarantee facility granted to a subsidiary company.

## 16. SHOR-TERM BANK BORROWINGS

	Group	
	2000 RM	1999 RM
Bankers' acceptances	9,433,492	10,975,000
Bills payable	998,271	1,733,294
Term-loans due within the next 12 months (Note 8)	-	1,86,812
	10,431,763	14,575,106

The bankers' acceptances and bills payable are unsecured. The interest rates on these facilities range from 3.80% to 7.55% (1999: 4.10% to 7.95%).

## 17. TURNOVER

	Group	
	2000	1999
Revenue represents sales of goods at invoiced values net of discounts, returns and sales tax.		
Company		
Revenue represents dividend income from the investment in subsidiary companies.		

notes to the accounts

year ended 31 October 2000

18. PROFIT BEFORE TAXATION

Profit before taxation is arrived at:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
After Charging:	31,846	31,846	-	-
Amortisation of goodwill on consolidation	-	-	-	-
Audit fee - current	46,850	39,500	7,500	-
- underprovision	5,000	-	-	-
Bad debts written off	-	13,461	-	-
Depreciation	4,185,232	2,991,264	-	-
Directors' remuneration	-	-	-	-
other emoluments	423,213	300,301	-	-
- loss	256,500	-	156,500	-
Expenditure carried forward written off	18,691	-	-	-
Fixed assets written off	34,720	2,078	-	-
Interest - bills payable	372,675	294,711	-	-
- hire purchase	259,629	365,224	-	-
- term loan	533,410	924,573	-	-
- other borrowings	542,410	448,493	-	-
Loss on disposal of fixed assets	42,540	50,835	-	-
Rentals - office	-	45,000	-	-
- factory	1,488,000	814,000	-	-
- hotel	7,440	6,820	-	-
And Crediting:	(44,990)	(10,123)	(86,479)	-
Fixed asset interest income	(11,123)	-	-	-
Gain on foreign exchange	679,800	(192,596)	-	-

The number of persons employed by the Group at the end of the financial year was 862 (1999: 802).

continued

19. TAXATION

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Current	2,041,000	-	10,000	-
Deferred tax	1,070,000	-	-	-
(Over)/Under provision in previous year	-	(68,819)	-	-
	3,111,000	(68,819)	10,000	-

Group

For financial year 2000, the effective tax rate of the Group is lower than the statutory tax rate due to certain expenses eligible for double deductions and the utilisation of reimbursement allowances.

Provision for taxation was not made in the accounts for the previous year in view of the tax waiver in 1999 which had been granted in the Income Tax (Amendment) Act 1999.

Company

No provision for taxation is made on the dividend income from subsidiary company which is tax exempt. The current tax charge is provided in respect of interest income.

20. EARNINGS PER SHARE

Earnings per share for the current financial year has been calculated based on the profit after taxation of RM 10,667,442 and the weighted average number of ordinary shares in issue of 35,800,000.

Earnings per share for the previous financial year has been calculated based on the profit after taxation of RM 11,958,549 and the share capital of 35,000,000 ordinary shares assumed to be in issue.

## notes to the accounts

year ended 31 October 2000

### 21. DIVIDENDS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Interim tax exempt dividend of 25% on 6,150,000 ordinary shares of RM 1.00 each	-	1,517,500	-	-
Special tax exempt dividend of 100% on 6,150,000 ordinary shares of RM 1.00 each	-	6,150,000	-	-
First and final tax exempt dividend of 5% on 46,000,000 ordinary shares of RM 1.00 each	2,300,000	-	2,300,000	-
	2,300,000	7,667,500	2,300,000	-

### 22. ACQUISITION OF A SUBSIDIARY COMPANY

During the financial year, the Group, through its subsidiary company, Poh Huat Furniture Industries (M) Sdn. Bhd., acquired 100% equity interest in Moleston Sdn. Bhd.. The fair value of the assets acquired and the liabilities assumed are as follows:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Fixed assets at net book value	-	2,265,000	-	-
Payables	-	(1,108,226)	-	-
Depreciation earned forward	-	69,995	-	-
Reserve on consolidation	-	1,237,267	-	-
Cash flow on acquisition net of cash and cash equivalents acquired	-	(80,673)	-	-
	-	1,156,894	-	-

continued

### 23. CONTINGENT LIABILITIES

	Company	
	2000 RM	1999 RM
Guarantee to financial institutions for banking facilities granted to subsidiary companies	75,046,000	-

### 24. SIGNIFICANT RELATED PARTY TRANSACTIONS

Other than as disclosed in Note 9, the significant related party transactions for the financial year are as follows:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Dividend receivable from a subsidiary company	-	3,075,000	-	-
Rental of premises paid to a company in which a director has substantial financial interest	744,000	814,000	-	-

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on a negotiated basis.

### 25. CAPITAL COMMITMENTS

	Group	
	2000 RM	1999 RM
Authorised but not contracted for	-	19,000,000

### 26. SEGMENTAL ANALYSIS

The Group operates within one industry and mainly in Malaysia. As such, no segmental analysis has been provided.

notes to the accounts

year ended 31 October 2000

27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) In conjunction with the listing of and quotation for its entire issued and paid-up share capital comprising 46,000,000 ordinary shares of RM1.00 each on the Second Board of the Kuala Lumpur Stock Exchange, the Company had during the financial year implemented a restructuring exercise. The restructuring exercise, which was approved by the relevant authorities, involved the following :
- (i) **Revaluation of landed properties**  
The Group realised its landed properties resulting in a surplus of RM9,103,364 over their audited net book value as at 31 October 1998. The said revaluation surplus has been incorporated into the accounts of respective subsidiary companies in the financial year ended 31 October 1999.
- (ii) **Revaluation of investment in subsidiary company**  
Poh Hui Furniture Industries (M) Sdn Bhd ("PHFI") realised its investment in its wholly owned subsidiary company, Yee Lu Poh Sdn Bhd, to the audited net tangible assets as at 31 October 1998. The said revaluation surplus for the revaluation of landed properties, resulting in a revaluation surplus of RM4,442,286.
- (iii) **Acquisition**  
Acquisition of the entire issued and paid-up share capital of PHFI for a purchase consideration of RM4,431,123 which was fully satisfied by the issuance of 39,999,998 new shares in the Company at an issue price of approximately RM1.125 per share. The purchase consideration was based on the audited net tangible assets of the PHFI Group as at 31 October 1998 after taking into account of the revaluation surplus as detailed in (i) above.
- (iv) **Public issue**  
On 29 March 2000, the Company implemented a public issue of 11,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.80 per share.
- (b) On 22 September 2000, the Company via its wholly owned subsidiary company, PHFI completed the acquisition of the entire issued and paid-up share capital of Maxicon Sdn Bhd comprising 100,000 ordinary shares of RM1.00 each for a total cash consideration of RM1,136,694.

continued

28. SUBSEQUENT EVENT

In line with the Group's rationalisation programme, Poh Hui Furniture Industries (M) Sdn. Bhd. had on 15 November 2000 entered into a sale and purchase agreement with its wholly owned subsidiary, Yee Lu Poh Sdn. Bhd. for the disposal of certain machinery, valued at their respective net book value as at 31 October 2000, for a total consideration of RM44,101,119. Consequently Yee Lu Poh extended its principal activities to include the manufacturing of furniture.

29. COMPARATIVE FIGURES

In accordance with the principles of merger accounting, the consolidated accounts have been presented as if the subsidiary companies had been combined with the Company throughout the current and previous financial years. Accordingly, the figures of the Group for the financial year ended 1999 have been included for comparative purposes.

statistics on shareholding

as at 28 February 2001

PRINCIPAL STATISTICS	
Authorised Share Capital	- RM10,000,000
Issued and Paid-up Share Capital	- RM46,000,000
Number of Shares	- Outstanding shares of RM1.00 each
Voting Rights	- One vote per ordinary share
Number of Shareholders	4,688

DISTRIBUTION OF SHAREHOLDINGS				
Shareholding Size of	Shareholders	No. of Shareholders	No. of Shares	% of Issued Share Capital
1 - 1,000	2,761	58.89	2,761,000	6.00
1,001 - 5,000	1,412	30.12	4,136,000	9.10
5,001 - 10,000	313	6.68	2,569,000	5.59
10,001 and over	202	4.31	36,456,000	79.31
	4,688		100,000	100.00

THE 20 LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares Held	% of Issued Share Capital
Tay Kim Hui <sup>(a)</sup>	9,899,757	21.43
Sewina Sdn Bhd	6,600,000	14.35
Ng Ah Poh	5,711,951	12.42
Lee Beng Hong	2,909,284	6.32
Lee Beng Jhang Hai <sup>(b)</sup>	2,145,000	4.66
Ng Sui Kang	600,000	1.30
Sin Sheau Yau	534,000	1.16
Toh Bee Leng	477,984	1.04
Toh Chin Chong	477,984	1.04
Yeo Gek Cheong	476,000	1.03
Tay Li Ping	321,000	0.70
Sin Sheau Yau	319,000	0.69
Yong Seng Hin <sup>(a)</sup> (Templeton) Sdn Bhd (Account for Tempest Sdn Bhd)	266,000	0.58
TA Nominees (Templeton) Sdn Bhd (Account for Tay Kim Seng)	159,000	0.35
Kesanti Securities Nominees (Templeton) Sdn Bhd (Account for Sin Sheu Yau)	156,000	0.34
Tan Chin Neo @ Tang Chen Neo	154,000	0.33
7H Capital Nominees (Templeton) Sdn Bhd (Account for Tan Huan Kang)	141,000	0.31
Green River Wood & Lumber MNC Sdn Bhd	102,000	0.22
	31,993,000	69.73

continued

SUBSTANTIAL SHAREHOLDERS  
(Based on the Register of Substantial Shareholders)

Name of Shareholders	No. of Shares Held		% of Issued Share Capital	
	Direct	Deemed	Direct	Deemed
Tay Kim Hui <sup>(a)</sup>	9,899,757	1,431,908 <sup>(b)</sup>	21.43	3.11
Sewina Sdn Bhd	6,600,000	-	14.35	-
Dato' Haji Zulkarna' bin Mohamed	-	6,600,000 <sup>(b)</sup>	-	14.35
Ng Ah Poh	5,711,951	-	12.42	-
Tay Kim Hui	2,909,284	-	6.32	-
Lee Beng Jhang Hai <sup>(b)</sup>	2,145,000	-	4.66	-

Notes:

(a) Deemed interest by virtue of the shareholding of his spouse and children

(b) Deemed interest by virtue of his substantial shareholding in Sewina Sdn Bhd

DIRECTORS' SHAREHOLDINGS  
as at 21 December 2000

Name of Directors	% of Issued		% of Issued	
	No. of Shares Held	Share Capital	Direct	Deemed
Dato' Haji Zulkarna' bin Mohamed	-	6,600,000 <sup>(b)</sup>	-	14.40
Tay Kim Hui <sup>(a)</sup>	9,899,757	1,431,908 <sup>(b)</sup>	21.43	3.11
Ng Ah Poh	5,711,951	-	12.42	-
Tay Kim Hui	2,909,284	-	6.32	-
Datin Madinah binti Munzir	-	-	-	-
Boo Chin Liang	3,000	-	0.01	-

Notes:

(a) Deemed interest by virtue of his substantial shareholding in Sewina Sdn Bhd

(b) Deemed interest by virtue of his substantial shareholding in Sewina Sdn Bhd

list of landed properties

Location	Description	Land Area (acres)	Use	Tenure/ Age of Building	Net Book Value as at 31.03.2008 RM'000
<b>Poh Huat Furniture Industries (M) Sdn Bhd</b>					
PTD No. 1302 Batu Pasir Industrial Area Maklin of Sungai Treap District of Muar Johor Darul Bidiem	1 plot of industrial land with an office building, a warehouse and ancillary structures	2.66	Office and warehousing facilities	60 years leasehold expiring in 2086/ 4 years	5,203,901
PTD No. 1331 Batu Pasir Industrial Area Maklin of Sungai Treap District of Muar Johor Darul Bidiem	1 plot of industrial land with 2 blocks of factory buildings and ancillary structures	2.36	Furniture manufacturing facilities	60 years leasehold expiring in 2086/ 4 years	5,247,014
PTD Nos. 1367 & 1368 Batu Pasir Industrial Area Maklin of Sungai Treap District of Muar Johor Darul Bidiem	2 plots of industrial land with 1 block of factory building and ancillary structures	4.75	Furniture manufacturing facilities	60 years leasehold expiring in 2086/ 2 years	7,144,899
PTD No. 1346 Batu Pasir Industrial Area Maklin of Sungai Treap District of Muar Johor Darul Bidiem	1 plot of industrial land with an office building, 1 block of factory building and ancillary structures	4.00	Office and furniture manufacturing facilities	60 years leasehold expiring in 2086/ 4 years	8,627,704
<b>Marecon Sdn Bhd</b>					
PTD No. 1473 Batu Pasir Industrial Area Maklin of Sungai Treap District of Muar Johor Darul Bidiem	1 plot of vacant industrial land	4.00	Industrial land for future expansion	60 years leasehold expiring in 2086/ n/a	22,447,777

form of proxy

POH HUAT RESOURCES HOLDINGS BERHAD

(Company No. 443168-X)  
Incorporated in Malaysia under the Companies Act, 1965

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being \_\_\_\_\_ member/ members of POH HUAT RESOURCES HOLDINGS BERHAD, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing him, \_\_\_\_\_  
as my/our proxy to attend and vote at the \_\_\_\_\_

as my/our behalf at the 3rd Annual General Meeting of the Company to be held at the Kayangan Suites, Putai Spring Resort, 20 Km, Jalan Pontian Lama, 81110, Putai, Johor on 21 March 2017 at 10.30 a.m. and, at every adjournment thereof, and to vote as indicated below:-

	For	Against
Resolution 1	Adoption of Reports and Accounts	
Resolution 2	Payment of Directors' Fees	
Resolution 3	Declaration of First and Final Tax-exempt Dividend of 5%	
Resolution 4	Re-election of Datin Madziah binti Mansor as Director	
Resolution 5	Re-election of Mr Bos Chin Lung as Director	
Resolution 6	Re-appointment of Auditors	
Resolution 7	Authority for Directors to issue shares	

Please indicate with [✓] how you wish your vote to be cast. (If/they otherwise instructed, the proxy may vote as he/she thinks fit). If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

Signature of Member(s) \_\_\_\_\_ Signature of Witness \_\_\_\_\_  
Number of shares held \_\_\_\_\_ Name of Witness \_\_\_\_\_

- Notes:-**
1. A proxy may but need not be a member of the Company and the provisions of Section 149(2)(b) of the Companies Act, 1965 shall not apply to the Company.
  2. To be valid, the form of proxy, duly completed, must be deposited at the Regional Office of the Company at 1-10, 1st Floor, Jalan Arab, Medan Main, Johor Darul Ta'zim and not later than forty-eight (48) hours before the time of the Annual General Meeting.
  3. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/her proxy, provided always that the rest of the form of proxy, other than the particulars of the proxy, have been duly completed by the member(s).
  4. The member(s) shall be entitled to appoint more than two (2) proxies to attend and vote at the same Annual General Meeting provided that the provisions of Section 149(3)(c) of the Companies Act, 1965 are complied with.
  5. Where a number of proxies were then one (1) proxy, the appointment shall be invalid unless he specifies the proportion of the holdings to be represented by each proxy.
  6. If the appointor is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorized.

Please fill along this line (1)

Stamp

The Company Secretary  
**POH HUAT RESOURCES HOLDINGS BERHAD**  
(Company No.: 441063-X)  
Incorporated in Malaysia under the Companies Act, 1965  
1-10, 1st Floor, Jalan Arab  
84000 Muar, Johor Darul Ta'zim.

Please fill along this line (2)