



Element OF STYLE

FINANCIAL STATEMENTS

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DIRECTORS' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 October 2001.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiary companies are as described in Note 5 to the financial statements.

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

RESULTS

	Group RM	Company RM
Net profit for the financial year	4,039,183	1,619,288

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

A first and final tax exempt dividend of 5% amounting to RM 2,300,000 proposed in respect of the previous financial year and dealt with in the previous directors' report was paid by the Company during the current financial year.

The Directors proposed a first and final tax exempt dividend of 2% amounting to RM 920,000 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 save as disclosed in the notes to the financial statements.

ISSUE OF SHARES AND DEBENTURES

There was no issue of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS OF THE COMPANY

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

- 1) Dato'Haji Zakariya bin Mohamed
- 2) Tay Kim Huat
- 3) Ng Ah Poh
- 4) Tay Kim Hau
- 5) Dato'Zaini bin Md Hasim (Appointed on 02.05.2001)
- 6) Boo Chin Liong
- 7) Tay Khim Seng (Appointed on 02.05.2001)
- 8) Chua Syer Cin (Appointed on 17.05.2001)
- 9) Datin Madzinah binti Mansor (f) (Resigned on 02.05.2001)

In accordance with the Company's Articles of Association, Mr Tay Kim Huat, Mr Ng Ah Poh, Dato' Zaini bin Md Hasim, Mr Tay Khim Seng and Mr Chua Syer Cin retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS'INTEREST

According to the register of directors' shareholdings, the interests 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 :-

Ordinary Shares of RM 1 each					
		Balance as at 01.11.2000 or date of appointment	Bought	Sold	Balance as at 31.10.2001
Dato'Haji Zakariya bin Mohamed	- Indirect interest	6,710,000	-	(110,000)	6,600,000
Tay Kim Huat	- Direct interest	9,859,757	-	-	9,859,757
	- Indirect interest	1,431,908	-	-	1,431,908
Ng Ah Poh	- Direct interest	5,711,951	-	-	5,711,951
Tay Kim Hau	- Direct interest	2,909,384	-	-	2,909,384
Dato' Zaini bin Md Hasim	- Direct interest	-	8,000	-	8,000
Boo Chin Liong	- Direct interest	3,000	-	-	3,000
Tay Khim Seng	- Direct Interest	294,000	-	-	294,000

None of the other directors holding office at the end of the financial year has any interest in shares and options of the Company and its related corporations.

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

DIRECTORS' Report

(continued)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the Group's and the Company's financial statements 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 26 to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company or a related corporations 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.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps :-

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances :-

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent; or
- (ii) that would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) 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; and
- (iv) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(c) At the date of this report, there does not exist :-

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

OTHER STATUTORY INFORMATION

(d) In the opinion of the Directors :-

- (i) 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 will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

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

Signed in accordance with a resolution of the Directors :-

.....
TAY KIM HUAT
DIRECTOR

.....
NG AH POH
DIRECTOR

Muar, Johor Darul Takzim.
Date : 18 February 2002

STATEMENT BY Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, the undersigned, being two of the Directors of Poh Huat Resources Holdings Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 33 to 58 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 2001 and of the results, the changes in equity and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors :-

.....
TAY KIM HUAT
Director

.....
NG AH POH
Director

Muar, Johor Darul Takzim.
Date : 18 February 2002

STATUTORY Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, TAY KIM HUAT, the Director primarily responsible for the financial management of Poh Huat Resources Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 33 to 58 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, 1960.

Subscribed and solemnly declared }
by the abovenamed TAY KIM HUAT }
at Muar in the state of Johor }
Darul Takzim on 18 February 2002 }

.....
TAY KIM HUAT

Before me :

Commissioner for Oaths
K. Ramasamy
(No. J014)

REPORT OF the Auditors

To the members of

POH HUAT RESOURCES HOLDINGS BERHAD

We have audited the financial statements set out on pages 33 to 58. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors as well as evaluating on overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements 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 2001 and of the results, the changes in equity and the cash flows of the Group and of the Company for the financial year ended on that date ; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements 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.

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

Our auditors' reports on the financial statements 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. AF 0681
Chartered Accountants

.....
LIM SWEE CHONG
No. 1177/12/02 (J)
Partner

Muar, Johor Darul Takzim.
Date : 18 February 2002

CONSOLIDATED Balance Sheet

as at 31 October 2001

	Notes	2001 RM	2000 RM
PROPERTY, PLANT AND EQUIPMENT	4	56,082,341	53,941,931
INVESTMENT	6	25,527	25,527
EXPENDITURE CARRIED FORWARD	7	-	62,302
GOODWILL ON CONSOLIDATION	8	605,085	636,931
CURRENT ASSETS			
Inventories	9	21,213,923	19,868,617
Trade and other receivables	10	21,164,906	29,032,135
Deposits, bank and cash balances	11	10,471,888	10,682,687
		52,850,717	59,583,439
LESS : CURRENT LIABILITIES			
Trade and other payables	12	17,113,163	22,638,757
Borrowings	13	8,411,350	10,441,414
Provision for taxation		300,316	1,402,620
Proposed dividend		-	2,300,000
		25,824,829	36,782,791
NET CURRENT ASSETS		27,025,888	22,800,648
		83,738,841	77,467,339
FINANCED BY :			
CAPITAL AND RESERVES			
Share Capital	14	46,000,000	46,000,000
Reserves	15	32,772,590	28,733,407
SHAREHOLDERS' FUNDS		78,772,590	74,733,407
LONG TERM AND DEFERRED LIABILITIES			
Borrowings	13	2,368,251	833,932
Deferred taxation	16	2,598,000	1,900,000
		83,738,841	77,467,339

The accompanying notes form an integral part of the financial statements

CONSOLIDATED Income Statement

for the financial year ended 31 October 2001

	Notes	2001 RM	2000 RM
REVENUE	17	118,045,438	129,667,376
COST OF SALES		(99,193,720)	(102,869,186)
GROSS PROFIT		18,851,718	26,798,190
OTHER OPERATING INCOMES		245,742	549,400
SELLING AND DISTRIBUTION EXPENSES		(6,968,795)	(4,570,115)
ADMINISTRATION EXPENSES		(5,270,621)	(7,483,659)
PROFITFROM OPERATIONS	18	6,858,044	15,293,816
FINANCE COSTS	19	(883,039)	(1,715,374)
PROFIT BEFORE TAXATION		5,975,005	13,578,442
TAXATION	20	(1,935,822)	(3,111,000)
NET PROFIT FOR THE FINANCIALYEAR		4,039,183	10,467,442
EARNINGS PER SHARE (SEN)	21	9	27
TAX EXEMPT DIVIDEND PER SHARE (SEN)		-	5

The accompanying notes form an integral part of the financial statements

CONSOLIDATED Statement of Changes in Equity

for the financial year ended 31 October 2001

	Share Capital RM	Share Premium RM	Capital Reserves RM	Merger Deficit RM	Retained Profits RM	Total RM
As at 31 October 1999	2	-	9,100,364	-	32,835,339	41,935,705
Issue of shares	45,999,998	8,800,000	-	(28,849,998)	-	25,950,000
Listing expenses	-	(1,400,613)	-	-	-	(1,400,613)
Acquisition of a subsidiary company	-	-	80,873	-	-	80,873
Net profit for the financial year	-	-	-	-	10,467,442	10,467,442
Dividend (Note 22)	-	-	-	-	(2,300,000)	(2,300,000)
As at 31 October 2000	46,000,000	7,399,387	9,181,237	(28,849,998)	41,002,781	74,733,407
Net profit for the financial year	-	-	-	-	4,039,183	4,039,183
As at 31 October 2001	46,000,000	7,399,387	9,181,237	(28,849,998)	45,041,964	78,772,590

The accompanying notes form an integral part of the financial statements

CONSOLIDATED Cash Flow Statement

for the financial year ended 31 October 2001

	Notes	2001 RM	2000 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		5,975,005	13,578,442
Adjustments for :			
Depreciation		4,544,689	4,185,232
Amortisation of goodwill on consolidation		31,846	31,846
Property, plant and equipment written off		-	34,720
(Gain) / loss on disposal of property, plant and equipment		(1,633)	42,540
Expenditure carried forward written off		62,302	18,691
Interest expense		825,919	1,691,565
Interest income		(47,105)	(41,994)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		11,391,023	19,541,042
Changes In Working Capital			
Inventories		(1,345,306)	477,496
Trade and other receivables		7,867,229	(11,337,272)
Trade and other payables		(5,525,594)	3,074,877
CASH GENERATED FROM OPERATIONS		12,387,352	11,756,143
Interest paid		(825,919)	(1,691,565)
Interest received		47,105	41,994
Tax paid		(2,340,126)	(740,474)
NET CASH FROM OPERATING ACTIVITIES		9,268,412	9,366,098
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(6,701,966)	(6,269,152)
Acquisition of a subsidiary company	23	-	(1,156,894)
Proceeds from disposal of property, plant and equipment		18,500	360,574
NET CASH (USED IN) INVESTING ACTIVITIES		(6,683,466)	(7,065,472)
CASH FLOW FROM FINANCING ACTIVITIES			
Gross proceeds from public issue		-	19,800,000
Listing expenses		-	(1,099,286)
Proceeds from term loans		1,837,148	5,189,678
Repayment of hire purchase obligations		(307,052)	(924,464)
Repayment of term loans		-	(16,238,743)
Net movements in short-term borrowings		(2,025,841)	(2,575,931)
Net increase in fixed deposits pledged		(238,001)	(5,521)
Dividend paid		(2,300,000)	(6,150,000)
NET CASH (USED IN) FINANCING ACTIVITIES		(3,033,746)	(2,004,267)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(448,800)	296,359
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		10,574,255	10,277,896
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	10,125,455	10,574,255

The accompanying notes form an integral part of the financial statements

BALANCE Sheet

as at 31 October 2001

	Notes	2001 RM	2000 RM
INVESTMENT IN SUBSIDIARY COMPANIES	5	35,099,998	34,999,998
CURRENT ASSETS			
Trade and other receivables	10	17,154,185	16,367,071
Dividend receivable		1,845,000	3,075,000
Deposits, bank and cash balances	11	1,596,996	1,937,357
		20,596,181	21,379,428
LESS : CURRENT LIABILITIES			
Trade and other payables	12	49,524	59,859
Proposed dividend		-	2,300,000
Provision for taxation		17,800	10,000
		67,324	2,369,859
NET CURRENT ASSETS		20,528,857	19,009,569
		55,628,855	54,009,567
FINANCED BY :			
CAPITAL AND RESERVES			
Share Capital	14	46,000,000	46,000,000
Reserves	15	9,628,855	8,009,567
		55,628,855	54,009,567

The accompanying notes form an integral part of the financial statements

INCOME Statement

for the financial year ended 31 October 2001

	Notes	2001 RM	2000 RM
REVENUE	17	1,965,000	3,075,000
OTHER OPERATING INCOME		29,367	36,473
ADMINISTRATION EXPENSES		(366,537)	(190,064)
PROFIT FROM OPERATIONS	18	1,627,830	2,921,409
FINANCE COSTS	19	(742)	(1,229)
PROFIT BEFORE TAXATION		1,627,088	2,920,180
TAXATION	20	(7,800)	(10,000)
NET PROFIT FOR THE FINANCIAL YEAR		1,619,288	2,910,180

The accompanying notes form an integral part of the financial statements

STATEMENT OF Changes in Equity

for the financial year ended 31 October 2001

	Share Capital RM	Share Premium RM	Retained Profits RM	Total RM
As at 31 October 1999	2	-	-	2
Issue of shares	45,999,998	8,800,000	-	54,799,998
Listing expenses	-	(1,400,613)	-	(1,400,613)
Net profit for the financial year	-	-	2,910,180	2,910,180
Dividend (Note 22)	-	-	(2,300,000)	(2,300,000)
As at 31 October 2000	46,000,000	7,399,387	610,180	54,009,567
Net profit for the financial year	-	-	1,619,288	1,619,288
As at 31 October 2001	46,000,000	7,399,387	2,229,468	55,628,855

The accompanying notes form an integral part of the financial statements

CASH FLOW Statement

for the financial year ended 31 October 2001

	Notes	2001 RM	2000 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,627,088	2,920,180
Adjustments for :			
Interest income		(29,367)	(36,473)
Dividend income		(1,845,000)	(3,075,000)
OPERATING (LOSS) BEFORE WORKING CAPITAL CHANGES		(247,279)	(191,293)
Changes In Working Capital			
Trade and other receivables		(5,224)	-
Trade and other payables		(10,335)	(241,468)
CASH (USED IN) OPERATIONS		(262,838)	(432,761)
Interest received		29,367	36,473
NET CASH (USED IN) OPERATING ACTIVITIES		(233,471)	(396,288)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of a subsidiary company	23	(2)	-
Purchase of additional shares in existing subsidiary company		(99,998)	-
Dividend received from a subsidiary company		3,075,000	-
NET CASH FROM INVESTING ACTIVITIES		2,975,000	-
CASH FLOW FROM FINANCING ACTIVITIES			
Gross proceeds from public issue		-	19,800,000
Listing expenses		-	(1,099,286)
Advances to subsidiary companies		(781,890)	(16,367,071)
Dividend paid		(2,300,000)	-
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		(3,081,890)	2,333,643
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(340,361)	1,937,355
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,937,357	2
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	1,596,996	1,937,357

The accompanying notes form an integral part of the financial statements

NOTES TO the Financial Statements

financial year ended 31 October 2001

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiary companies are as described in Note 5.

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Basis of accounting

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The financial statements of the Group and of the Company have been prepared under the historical cost convention as modified by the revaluation of land and buildings, unless otherwise indicated in the significant accounting policies.

(b) Basis of consolidation

Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Unless otherwise indicated the Group is deemed to have power to exercise control over the financial and operating policies if the Company owns directly or indirectly through its subsidiary companies, more than one half of the voting power of the subsidiary companies.

The consolidated financial statements incorporate the audited financial statements of the Company and its subsidiary companies made up to the end of the financial year. All inter-company transactions and balances are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Acquisitions of subsidiary companies which meet the criteria for the application of the merger method of accounting in accordance with Malaysian Accounting Standard (MAS) No. 2, Accounting for Acquisitions and Mergers are consolidated based on that method. If the criteria of MAS 2 are not met, then the acquisitions are accounted for under the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the financial year are included from the date of acquisition up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies net assets are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill or reserve on consolidation, as appropriate.

Under the merger method of accounting, the results of the subsidiary companies are presented as if the merger had been effected throughout the current and previous financial years. On consolidation, the difference between the carrying values of the investment over the nominal value of the shares acquired is taken to merger reserve, or deficit, as appropriate.

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation.

The Group revalues its properties comprising land and buildings every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surplus arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained profits. Subsequent to revaluation, any addition is stated at cost whilst disposal is at cost or valuation as appropriate.

Capital work-in-progress comprising building under construction and machinery under installation are not depreciated whilst leasehold land is amortised over the remaining lease period. Other property, plant and equipment are depreciated on the straight line method 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 %

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

(b) Investment in subsidiary companies

Investment in subsidiary companies is stated at cost or valuation in the Company's financial statements. The investment in subsidiary companies will be revalued every 5 years. Where market conditions indicate that the carrying values of the revalued investment differ materially from the underlying net tangible asset values of the subsidiary companies, the Directors will consider revaluations in those intervening years. Surpluses on the revaluation are taken to reserves whilst shortfalls are debited to reserves to the extent of any previous surplus and all other shortfalls are charged to income statement.

(c) Investments

Long term investments are stated at cost less provision for any permanent diminution in value.

(d) Expenditure carried forward

In previous years, expenditure carried forward comprising incorporation expenses and expenses incurred subsequent to the date of incorporation but before the commencement of operations were deferred, capitalised as expenditure carried forward and written off over a period of 5 years.

In current year, these balances have been fully charged to the income statement. This change in accounting policy was made to comply with the requirements of MASB 1, Presentation of Financial Statements. The effect of this change in accounting policy is not considered significant to the financial statements and has not been accounted for retrospectively.

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Goodwill or reserve on consolidation

Goodwill or reserve on consolidation represents the difference between the acquisition cost and the fair value of the net assets of subsidiary companies at the effective date of acquisition.

Where goodwill is considered to be capable of generating future economic benefits, it is capitalised in the financial statements and amortised on a straight line basis over its estimated useful life or 25 years, whichever is shorter ; otherwise it is written off in the income statement 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.

Reserve on consolidation is credited to capital reserve as a permanent item.

(f) Inventories

Inventories comprising raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost is determined on the weighted average and first-in-first-out bases, as applicable. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Costs of finished goods and work-in-progress include direct materials, direct labour and an appropriate proportion of production overheads.

(g) Trade receivables

Trade receivables are carried at anticipated realisable value. All known bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the financial year.

(h) Finance lease and hire purchase

Assets acquired under finance lease and hire purchase agreements are capitalised in the financial statements and the outstanding obligations after deducting finance expenses are treated as liabilities. The assets so capitalised are depreciated in accordance with the accounting policy on property, plant and equipment in note 3(a). Finance expenses are charged to the income statement over the period of the respective agreements using the sum-of-digit method.

(i) 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.

(j) Revenue recognition

(i) Sales of goods

Revenue from sales of goods are recognised upon delivery of goods.

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Revenue recognition (cont'd)

(ii) Interest income

Interest income is recognised on accrual basis unless collectability is in doubt, in which case the recognition of such income is suspended. Subsequent to suspension, income is recognised on the receipt basis until all arrears have been paid.

(iii) Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

(iv) Management fee

Management fee from subsidiary companies is recognised on accrual basis.

(k) Cash and cash equivalents

Cash and cash equivalent comprise cash in hand, bank balances, demand deposits, bank overdrafts and other short term, highly liquid investments which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(l) 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 income statements.

The principal closing rates used in translation of foreign currency are as follows :-

	2001 RM	2000 RM
US Dollar	3.8000	3.8000
Singapore Dollar	2.0800	2.1595

(m) Capitalisation of finance cost

Cost incurred in connection with financing the construction and installation of property, plant and equipment are capitalised until the assets are ready for their intended use.

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

4. PROPERTY, PLANT AND EQUIPMENT

Group - As At 31 October 2001

	Long-term leasehold land RM	Factory buildings RM	Plant and machinery RM	Vehicles, furniture, fittings and equipment RM	Capital work-in- progress RM	Total RM
At Cost / Valuation						
As at 1 November	10,902,104	18,485,326	29,903,618	6,206,257	229,000	65,726,305
Addition	-	438,964	1,649,656	177,803	4,435,543	6,701,966
Disposal/Write off	-	-	(19,860)	-	-	(19,860)
As at 31 October	10,902,104	18,924,290	31,533,414	6,384,060	4,664,543	72,408,411
Representing :						
At valuation	10,902,104	13,272,729	-	-	-	24,174,833
At cost	-	5,651,561	31,533,414	6,384,060	4,664,543	48,233,578
	10,902,104	18,924,290	31,533,414	6,384,060	4,664,543	72,408,411
Accumulated Depreciation						
As at 1 November	174,457	400,679	8,576,140	2,633,098	-	11,784,374
Charge for the year	194,680	375,143	3,114,525	860,341	-	4,544,689
Disposal/Write off	-	-	(2,993)	-	-	(2,993)
As at 31 October	369,137	775,822	11,687,672	3,493,439	-	16,326,070
Representing :						
At valuation	369,137	530,909	-	-	-	900,046
At cost	-	244,913	11,687,672	3,493,439	-	15,426,024
	369,137	775,822	11,687,672	3,493,439	-	16,326,070
Net Book Value						
As at 31 October	10,532,967	18,148,468	19,845,742	2,890,621	4,664,543	56,082,341
Representing :						
At valuation	10,532,967	12,741,820	-	-	-	23,274,787
At cost	-	5,406,648	19,845,742	2,890,621	4,664,543	32,807,554
	10,532,967	18,148,468	19,845,742	2,890,621	4,664,543	56,082,341

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group - As At 31 October 2000

	Long-term leasehold land RM	Factory buildings RM	Plant and machinery RM	Vehicles, furniture, fittings and equipment RM	Capital work-in- progress RM	Total RM
At Cost / Valuation						
As at 1 November	8,637,104	17,540,157	26,194,986	5,026,493	-	57,398,740
Addition	-	945,169	4,390,770	1,692,464	229,000	7,257,403
Disposal/Write off	-	-	(682,138)	(512,700)	-	(1,194,838)
Acquisition of subsidiary company	2,265,000	-	-	-	-	2,265,000
As at 31 October	10,902,104	18,485,326	29,903,618	6,206,257	229,000	65,726,305
Representing :						
At valuation	10,902,104	13,272,729	-	-	-	24,174,833
At cost	-	5,212,597	29,903,618	6,206,257	229,000	41,551,472
	10,902,104	18,485,326	29,903,618	6,206,257	229,000	65,726,305
Accumulated Depreciation						
As at 1 November	-	42,359	6,005,432	2,308,355	-	8,356,146
Charge for the year	174,457	358,320	2,843,353	809,102	-	4,185,232
Disposal/Write off	-	-	(272,645)	(484,359)	-	(757,004)
Acquisition of subsidiary company	-	-	-	-	-	-
As at 31 October	174,457	400,679	8,576,140	2,633,098	-	11,784,374
Representing :						
At valuation	174,457	265,455	-	-	-	439,912
At cost	-	135,224	8,576,140	2,633,098	-	11,344,462
	174,457	400,679	8,576,140	2,633,098	-	11,784,374
Net Book Value						
As at 31 October	10,727,647	18,084,647	21,327,478	3,573,159	229,000	53,941,931
Representing :						
At valuation	10,727,647	13,007,274	-	-	-	23,734,921
At cost	-	5,077,373	21,327,478	3,573,159	229,000	30,207,010
	10,727,647	18,084,647	21,327,478	3,573,159	229,000	53,941,931

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (a) The following property, plant and equipment are acquired under hire purchase instalment plans :-

	Group	
	2001 RM	2000 RM
At Net Book Value		
Plant and machinery	250,408	279,658
Motor vehicles	774,167	1,062,567
	1,024,575	1,342,225

- (b) Leasehold land of a subsidiary company was revalued in February 2000 prior to its acquisition in September 2000 whilst other leasehold land and factory buildings were revalued in June 1999 by a firm of independent professional valuers based on the open market value method of valuation.

The carrying amounts of the revalued property, plant and equipment that would have been included in the financial statements stated at cost less accumulated depreciation are as follows :-

	Group	
	2001 RM	2000 RM
Leasehold land	5,864,224	5,972,644
Factory buildings	7,204,030	7,364,849
	13,068,254	13,337,493

- (c) The leasehold land and factory building under construction with net book value of RM 6,591,374 (2000 – RM 2,473,777) of a subsidiary company are being pledged to a bank for banking facilities.
- (d) Included in the cost of factory building under construction is interest capitalised during the financial year amounting to RM 20,788 (2000 – Nil) for a subsidiary company.
- (e) There has been no property, plant and equipment in the Company throughout the current and previous financial years.

5. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2001 RM	2000 RM
Unquoted shares - at cost	35,099,998	34,999,998

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

5. INVESTMENT 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 :-

Company are shown below :

Name of Company	Principal Activities	Equity Interest Held	
		2001	2000
Subsidiary Companies			
Poh Huat Furniture Industries (M) Sdn. Bhd. #	Manufacturing of furniture and investment holding	100%	100%
Poh Huat International Sdn. Bhd. (formerly known as Seraya Dimensi Sdn. Bhd.)	Investment holding (yet to commence operations as of 31 October 2001)	100%	-
Subsidiary Companies of Poh Huat Furniture Industries (M) Sdn. Bhd.			
Yee Lu Fah Sdn. Bhd.	Manufacturing and trading of furniture and parts *	100%	100%
Maxico Sdn. Bhd.	Manufacturing and trading of furniture and parts ** (yet to commence operations as of 31 October 2001)	100%	100%

Notes:-

Subsidiary company consolidated under merger method of accounting.

* During the current financial year, Yee Lu Fah Sdn. Bhd. changed its principal activities from property investment holding and trading of furniture to manufacturing and trading of furniture and parts.

** During the current financial year, Maxico Sdn Bhd changed its principal activity from property investment holding to manufacturing and trading of furniture and parts.

6. INVESTMENT

This represents investment in unquoted shares stated at cost.

7. EXPENDITURE CARRIED FORWARD

	Group	
	2001 RM	2000 RM
Balance at beginning of year		
Preliminary and pre-operating expenses	62,302	121,720
Listing expenses	-	291,752
	62,302	413,472
Less : Written off to income statement	(62,302)	(49,843)
Offset against share premium account	-	(301,327)
	-	62,302

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

8. GOODWILL ON CONSOLIDATION

	Group	
	2001 RM	2000 RM
Goodwill arising from the acquisition of a subsidiary company	796,161	796,161
Less : Cumulative amortisation	(191,076)	(159,230)
Balance at end of year	605,085	636,931

9. INVENTORIES

	Group	
	2001 RM	2000 RM
At Cost		
Raw materials	6,508,991	9,532,784
Work-in-progress	8,896,102	6,287,670
Finished goods	5,808,830	4,048,163
	21,213,923	19,868,617

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade receivables	18,884,973	26,903,535	-	-
Due from subsidiary companies	-	-	17,148,961	16,367,071
Other receivables	2,279,933	2,128,600	5,224	-
	21,164,906	29,032,135	17,154,185	16,367,071

The amount due from subsidiary companies are unsecured, interest free with no fixed terms of repayment.

Included in other receivables of the Group is a deposit of RM 237,295 paid for the acquisition of 918,000 shares representing 51% equity interest in A-On Systems Furniture (Pty) Ltd, a company incorporated in South Africa (Note 29 (c)).

11. DEPOSITS, BANK AND CASH BALANCES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Bank and cash balances	8,608,083	10,574,255	79,624	1,937,357
Fixed deposits with licensed banks	1,863,805	108,432	1,517,372	-
	10,471,888	10,682,687	1,596,996	1,937,357

The fixed deposits of a subsidiary company amounting to RM 346,433 (2000 – RM 108,432) are pledged against bank guarantee facility.

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

12. TRADE AND OTHER PAYABLES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade payables	12,108,046	17,282,339	-	-
Other payables	5,005,117	5,356,418	49,524	59,859
	17,113,163	22,638,757	49,524	59,859

13. BORROWINGS

	Group	
	2001 RM	2000 RM
CURRENT		
Secured - Hire purchase obligations	302,828	307,051
Unsecured - Bankers' acceptances	8,108,522	9,535,992
- Bills payable	-	598,371
	8,108,522	10,134,363
	8,411,350	10,441,414
NON CURRENT		
Secured - Term loan	1,837,148	-
- Hire purchase obligations	531,103	833,932
	2,368,251	833,932

(a) Bank borrowings are secured over the leasehold land and factory building under construction of a subsidiary company (Note 4(c)).

(b) Bankers' acceptances bear interest ranging from 3.4% to 3.8% (2000 – 3.4% to 3.8%) per annum.

(c) The term loan is partially drawn down. It bears interest ranging from 8.5% to 8.8% (2000 – 8.5% to 10.1%) per annum.

(d) The implicit interest rates of the hire purchase obligations are at 9.8% to 13.6% (2000 – 10.2% to 14.5%) per annum.

(e) Outstanding hire purchase obligations :-

	Group	
	2001 RM	2000 RM
Minimum lease payments :-		
Within one year	377,213	419,724
Within two to five years	591,781	968,994
	968,994	1,388,718
Less : Unexpired term charges	(135,063)	(247,735)
	833,931	1,140,983
Principal outstanding :-		
Current portion	302,828	307,051
Non current portion	531,103	833,932
	833,931	1,140,983

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

14. SHARE CAPITAL

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Authorised :-				
Ordinary shares of RM 1 each				
At beginning of year	100,000,000	1,000,000	100,000,000	1,000,000
Created during the year	-	99,000,000	-	99,000,000
	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid :-				
Ordinary shares of RM 1 each				
At beginning of year	46,000,000	2	46,000,000	2
Issue of shares				
- acquisition of subsidiary companies	-	34,999,998	-	34,999,998
- public issue	-	11,000,000	-	11,000,000
Balance at year end	46,000,000	46,000,000	46,000,000	46,000,000

15. RESERVES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Non-Distributable:-				
Share premium	7,399,387	7,399,387	7,399,387	7,399,387
Merger deficit	(28,849,998)	(28,849,998)	-	-
Capital reserves :-				
Revaluation reserve	9,100,364	9,100,364	-	-
Reserve on consolidation	80,873	80,873	-	-
Distributable:-				
Retained profits	45,041,964	41,002,781	2,229,468	610,180
	32,772,590	28,733,407	9,628,855	8,009,567

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.

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

16. DEFERRED TAXATION

	Group	
	2001 RM	2000 RM
At 1 November	1,900,000	830,000
Transfer from income statement	698,000	1,070,000
Balance as at 31 October	2,598,000	1,900,000

The potential deferred tax liability of the Group estimated at RM 0.6 million (2000 - RM 1.5 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.

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.

17. REVENUE

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Sale of goods net of returns and discounts	118,045,438	129,667,376	-	-
Dividend income	-	-	1,845,000	3,075,000
Management fee	-	-	120,000	-
	118,045,438	129,667,376	1,965,000	3,075,000

18. PROFIT FROM OPERATIONS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
(a) Profit from operations is arrived at after charging :-				
Amortisation of goodwill on consolidation	31,846	31,846	-	-
Audit fee - current	49,600	46,500	7,500	7,500
- underprovision	-	5,000	-	-
Depreciation	4,544,689	4,185,232	-	-
Expenditure carried forward written off	62,302	18,691	-	-
Loss on foreign exchange	210	-	-	-
Loss on disposal of property, plant and equipment	-	42,540	-	-
Property, plant and equipment written off	-	34,720	-	-
Rental - factory	744,000	1,488,000	-	-
- hostel	4,340	7,440	-	-
And crediting :-				
Gain on foreign exchange	-	(378,803)	-	-
Gain on disposal of property, plant and equipment	(1,633)	-	-	-
Interest income	(47,105)	(41,994)	(29,367)	(36,473)

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

18. PROFIT FROM OPERATIONS (cont'd)

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
(b) Directors' remuneration :-				
Fees	269,000	256,600	269,000	156,500
Other emoluments	450,953	425,213	-	-

The estimated money value of benefits-in-kind received by the Directors was RM 43,800 (2000 – RM 46,300) for the Group and RM Nil (2000 – RM Nil) for the Company.

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
(c) Employee information :-				
Staff costs (excluding directors' remuneration)	11,180,670	12,510,073	-	-
Number of employees as at year end	948	976	-	-

19. FINANCE COSTS

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Interest on :-				
Trade bills	704,571	898,526	-	-
Hire purchase	112,677	259,629	-	-
Term loans	8,671	533,410	-	-
	825,919	1,691,565	-	-
Bank charges	57,120	23,809	742	1,229
	883,039	1,715,374	742	1,229

20. TAXATION

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Current	1,222,800	2,041,000	7,800	10,000
Deferred	698,000	1,070,000	-	-
Underprovision in previous year	15,022	-	-	-
	1,935,822	3,111,000	7,800	10,000

Group

The effective tax rate of the Group for the current financial year is higher than the statutory rate due to certain expenses not deductible for tax purpose and the losses suffered by certain subsidiary companies for which no group relief is available.

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 reinvestment allowances.

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

20. TAXATION (cont'd)

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.

21. EARNINGS PER SHARE

Earnings per share has been calculated based on the Group's profit after taxation of RM 4,039,183 (2000 – RM 10,467,442) and the number of ordinary shares in issue of 46,000,000 (2000 – the weighted average number of ordinary shares in issue of 38,500,000).

22. DIVIDEND

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
First and final tax exempt dividend of 5% on 46,000,000 ordinary shares	-	2,300,000	-	2,300,000

23. ACQUISITION OF A SUBSIDIARY COMPANY

During the financial year, the Company acquired 100% equity interest in Poh Huat International Sdn. Bhd. (formerly known as Seraya Dimensi Sdn. Bhd.). In previous financial year, the Company through its wholly-owned subsidiary company, Poh Huat Furniture Industries (M) Sdn. Bhd., acquired 100% equity interest in Maxicoin Sdn. Bhd. The fair value of the assets acquired and the liabilities assumed are as follows :-

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Preliminary expenses	2,602	1,126	2,602	-
Pre-operating expenses	-	79,867	-	-
Property, plant and equipment at net book value	-	2,265,000	-	-
Payables	(2,602)	(1,108,226)	(2,602)	-
Cash in hand	2	-	2	-
	2	1,237,767	2	-
Reserve on consolidation	-	(80,873)	-	-
Purchase consideration	2	1,156,894	2	-
Cash and cash equivalents in subsidiary company acquired	(2)	-	-	-
Net cash outflow on acquisition	-	1,156,894	2	-

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following amounts :-

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Deposits, bank and cash balances (Note 11)	10,471,888	10,682,687	1,596,996	1,937,357
Less : Non-cash and cash equivalents				
Fixed deposit pledged to bank as collateral (Note 11)	(346,433)	(108,432)	-	-
	10,125,455	10,574,255	1,596,996	1,937,357

25. CONTINGENT LIABILITIES (UNSECURED)

	Company	
	2001	2000
	RM	RM
Guarantee to financial institutions for banking facilities granted to subsidiary companies	75,046,000	75,046,000

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related party relationships

- (i) The Company and its subsidiary companies as disclosed in Note 5 to the financial statements.
- (ii) TKH Resources Sdn. Bhd. – A company in which a Director, Mr Tay Kim Huat has substantial financial interest.

(b) Related party transactions

In the normal course of business, the Group and the Company undertake on agreed terms and prices, transactions with its related parties. The significant related party transactions during the financial year are as follows :-

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Poh Huat Furniture Industries (M) Sdn. Bhd.				
(a wholly-owned subsidiary company)				
- Dividend receivable	-	-	1,845,000	3,075,000
- Management fee receivable	-	-	120,000	-
TKH Resources Sdn. Bhd.				
- Rental of premises paid	744,000	744,000	-	-

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

27. CAPITAL COMMITMENTS

Capital expenditures not provided for in the financial statements are as follows :-

	2001 RM	Group 2000 RM
(a) Property, plant and equipment		
Authorised but not contracted for	7,668,000	19,000,000
Authorised and contracted for	6,897,000	-
	14,565,000	19,000,000
Analysed as follows :-		
Factory building	3,842,000	8,000,000
Plant and machinery	10,723,000	11,000,000
	14,565,000	19,000,000
(b) Investment		
Authorised and contracted for (Notes 10 & 29 (c))	355,947	-

28. SEGMENTAL ANALYSIS

	Revenue RM	Cost of sales RM	Profit/(Loss) before taxation RM	Gross assets RM
2001				
Investment holding	-	-	(337,912)	1,602,220
Manufacturing	118,045,438	99,193,720	6,312,917	107,961,450
	118,045,438	99,193,720	5,975,005	109,563,670
2000				
Investment holding	-	-	(154,820)	1,937,357
Manufacturing	129,667,376	102,869,186	13,733,262	112,312,773
	129,667,376	102,869,186	13,578,442	114,250,130

The Group's business activities were predominantly carried out in Malaysia and therefore, information by geographical segment is not applicable.

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 13 February 2001, a wholly-owned subsidiary company of Poh Huat Furniture Industries (M) Sdn. Bhd. ("PHFI") namely, Maxico Sdn. Bhd. ("Maxico") increased its authorised share capital from RM 100,000 to RM 5,000,000 by the creation of additional 4,900,000 ordinary share of RM 1.00 each.

On the same date, Maxico increased its issued and paid-up share capital from RM 100,000 to RM 2,000,000 by the issuance of 1,900,000 ordinary share of RM 1.00 each, all of which were subscribed by PHFI.

- (b) On 31 July 2001, the Company acquired 2 ordinary shares of RM 1.00 each, representing 100% equity interest in Seraya Dimensi Sdn. Bhd. for a cash consideration of RM 2.

On 25 September 2001, Seraya Dimensi Sdn. Bhd. changed its name to Poh Huat International Sdn. Bhd. ("PHI").

On 10 October 2001, PHI increased its issued and paid-up share capital from RM 2 to RM 100,000 by the issuance of 99,998 ordinary shares of RM 1.00 each, all of which were subscribed by the Company.

- (c) On 26 September 2001, PHI entered into an agreement and placed a 40% deposit of USD 62,446 (RM 237,295) to acquire 918,000 shares representing 51% equity interest in A-On Systems Furniture (Pty) Ltd, a company incorporated in South Africa, for a total cash consideration of USD 156,115 (RM 593,242). The acquisition was subsequently completed on 9 November 2001.

30. SUBSEQUENT EVENTS

- (a) On 21 November 2001, the Company via its wholly owned subsidiary company, Poh Huat International Sdn. Bhd. (formerly known as Seraya Dimensi Sdn. Bhd.) ("PHI") completed the acquisition of the entire issued and paid-up share capital of Turbo Vector Sdn. Bhd. ("TVSB") comprising 2 ordinary shares of RM 1.00 each for a total cash consideration of RM 2.

On 7 December 2001, TVSB changed its name to PHI Marketing Sdn. Bhd.

- (b) On 23 January 2002, PHI entered into a joint venture agreement with Wilsin Office Furniture (S) Pte. Ltd. a company incorporated in Singapore, in respect of the joint-ownership and management of a private limited company to be incorporated and registered under the laws of Republic of Singapore for the sales and distribution of furniture and related products. PHI's investment in the joint venture company is subject to the approval from Bank Negara Malaysia.

- (c) On 24 January 2002, the Company placed a 10% refundable deposit of USD 141,855 (RM 539,049) in favour of Song Than Industrial Zone Development Joint Stock Corp. for the sub-lease of 67,550 sq.m. of leasehold land located at the Song Than Industrial Zone II, Di An District, Binh Duong Province, Vietnam for an upfront lease payment of USD 1,418,550 (RM 5,390,490) and an annual lease payment of USD 1.00 per square metre for the remaining term of the lease. The lease term of the land will expire on 31 December 2045. The total payment for the lease, all of which are to be funded internally, is subject to the approval of Bank Negara Malaysia.

NOTES TO the Financial Statements (continued)

financial year ended 31 October 2001

31. COMPARATIVE FIGURES

The following comparative figures on the face of balance sheets and cash flow statements have been reclassified to conform with current year's presentation.

	As restated RM	As previously disclosed RM
GROUP		
BALANCESHEET		
Current Liabilities		
Short-term bank borrowings	-	10,134,363
Hire purchase creditors	-	307,051
Borrowings	10,441,414	-
Long Term and Deferred Liabilities		
Hire purchase creditors	-	833,932
Borrowings	833,932	-
CASHFLOW STATEMENT		
Proceeds from public issue net of expenses	-	18,700,714
Gross proceeds from public issue	19,800,000	-
Listing expenses	(1,099,286)	-
COMPANY		
BALANCE SHEET		
Non-Current Assets		
Interest in subsidiary companies	-	51,367,069
Investment in subsidiary companies	34,999,998	-
Current Assets		
Trade and other receivables	16,367,071	-

LIST OF Landed Properties

The Group's policy on revaluation of landed properties is as stated in Note 3(a) to the Financial Statements.

Location	Description	Land Area (hectare)	Use	Tenure/ Age of Building	Net Book Value as at 31.10.2001 RM'000	Date of Revaluation or Acquisition
Poh Huat Furniture Industries (M) Sdn Bhd						
PTD No. 1502 Bukit Pasir Industrial Area Mukim of Sungai Terap District of Muar Johor Darul Takzim	1 plot of industrial land with an office building, a warehouse and ancillary structures	2.66	Office with warehousing facilities	60 years leasehold expiring in 2056/ 5 years	5,160	17.6.99 (Date of Revaluation)
PTD No. 1531 Bukit Pasir Industrial Area Mukim of Sungai Terap District of Muar Johor Darul Takzim	1 plot of industrial land with 2 blocks of factory buildings and ancillary structures	2.36	Furniture manufacturing facilities	60 years leasehold expiring in 2056/ 5 years	5,244	17.6.99 (Date of Revaluation)
PTD Nos. 1547 & 1548 Bukit Pasir Industrial Area Mukim of Sungai Terap District of Muar Johor Darul Takzim	2 plots of industrial land with 1 block of factory building and ancillary structures	4.75	Furniture manufacturing facilities	60 years leasehold expiring in 2056/ 3 years	7,514	27.7.99 (Date of Revaluation)
Yee Lu Fah Sdn Bhd						
PTD No. 1546 Bukit Pasir Industrial Area Mukim of Sungai Terap District of Muar Johor Darul Takzim	1 plot of industrial land with an office building, 1 block of factory building and ancillary structures	4.00	Office with furniture manufacturing facilities	60 years leasehold expiring in 2056/ 5 years	8,559	17.6.99 (Date of Revaluation)
Maxicoins Sdn Bhd						
PTD No. 1473 Bukit Pasir Industrial Area Mukim of Sungai Terap District of Muar Johor Darul Takzim	1 plot of industrial land with an office building, 1 block of factory building and ancillary structures	4.00	Office with furniture manufacturing and kiln drying facilities	60 years leasehold expiring in 2056/ 1 year	6,513	12.9.00 (Date of Acquisition)

SHAREHOLDING Statistics

as at 11 March 2002

Principal Statistics

Authorised Share Capital	-	RM100,000,000
Issued and Paid-up Share Capital	-	RM46,000,000
Class of Shares	-	Ordinary shares of RM1.00 each
Voting Rights	-	One vote per ordinary share
Number of Shareholders	-	4,487

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 1,000	0	0.00	0	0.00
1,000 - 10,000	4,262	94.99	9,356,000	20.34
10,001 - 100,000	202	4.50	4,584,000	9.96
100,001 to less than 5% of issued shares	19	0.42	7,468,908	16.24
5% and above of issued shares	4	0.09	24,591,092	53.46
	4,487	100.00	46,000,000	100.00

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 Huat	9,969,757	1,431,908 ^(a)	21.67	3.11
Sewina Sdn Bhd	6,000,000	-	14.35	-
Dato'Haji Zakariya bin Mohamed	-	6,000,000 ^(b)	-	13.04
Ng Ah Poh	5,711,951	-	12.42	-
Tay Kim Hau	2,909,384	-	6.32	-

Notes:-

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

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

SHAREHOLDING Statistics (continued)

as at 11 March 2002

Directors' Shareholdings

Name of Directors	No. of Shares Held		% of Issued Share Capital	
	Direct	Deemed	Direct	Deemed
Dato'Haji Zakariya bin Mohamed	-	6,000,000 ^(a)	-	13.04
Tay Kim Huat	9,969,757	1,431,908 ^(b)	21.67	3.11
Ng Ah Poh	5,711,951	-	12.42	-
Tay Kim Hau	2,909,384	-	6.32	-
Dato' Zaini bin Md. Hasim	8,000	-	0.02	-
Boo Chin Liong	3,000	-	0.01	-
Tay Khim Seng	294,000	-	0.64	-
Chua Syer Cin	-	-	-	-

Notes:-

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

(b) Deemed interested by virtue of the shareholding of his spouse and children.

The 30 Largest Shareholders

Name of Shareholders	No. of Shares Held	% of Issued Share Capital
1. Tay Kim Huat	9,969,757	21.67
2. Sewina Sdn Bhd	6,000,000	13.04
3. Ng Ah Poh	5,711,951	12.42
4. Tay Kim Hau	2,909,384	6.32
5. Lembaga Tabung Haji	2,145,000	4.66
6. Ng Sui Kang	600,000	1.30
7. Sim Sheau Yun	574,000	1.25
8. Toh Bee Cheng	488,000	1.06
9. Tay Li Chin	477,954	1.04
10. Yeo Gek Cheng	477,954	1.04
11. Tay Li Ping	476,000	1.03
12. Amanah Raya Nominees (Tempatan) Sdn Bhd (Account of Amanah Saham Johor)	321,000	0.70
13. Toh Kim Chong	309,000	0.67
14. TA Nominees (Tempatan) Sdn Bhd (Account of Tay Khim Seng)	294,000	0.64
15. Chua Kim Keng	191,000	0.42
16. Ng Yen Fen	159,000	0.35
17. Ng Leng Huat	157,000	0.34

SHAREHOLDING Statistics (continued)

as at 11 March 2002

The 30 Largest Shareholders (cont'd)

Name of Shareholders	No. of Shares Held	% of Issued Share Capital
18. Krestrel Securities Nominees (Tempatan) Sdn Bhd <i>(Account of Sim Sheau Yun)</i>	156,000	0.34
19. RHB Capital Nominees (Tempatan) Sdn Bhd <i>(Account for Sin Huan Kwang)</i>	151,000	0.33
20. Tan Swee Huan	148,000	0.32
21. Tan Chen Neo @Tang Chen Neo	140,000	0.30
22. Green River Wood & Lumber MFG Sdn Bhd	102,000	0.22
23. Tay Hui Keng	102,000	0.22
24. Toh Siew Cheng	98,000	0.21
25. Lee Lai Keng	92,000	0.20
26. Lu Chin Poh	90,000	0.20
27. Alagappan @ Sekar A/LPL Chockalingam	89,000	0.19
28. Cha Yok Chan	80,000	0.17
29. Toh Hong King	73,000	0.16
30. Lock Swee Peng	73,000	0.16

PROXY Form

POH HUAT RESOURCES HOLDINGS BERHAD

(Company No: 443169-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, _____

of _____

as my/our proxy to vote on my/our behalf at the 4th Annual General Meeting of the Company to be held at the Maharani Suite, Pulau Spring Resort, 20 Km, Jalan Pontian Lama, 81110, Pulau, Johor Darul Takzim on 16 April 2002 at 11.00 a.m. and, at every adjournment thereof, and to vote as indicated below:-

Ordinary Resolution		For	Against
Ordinary Resolution 1	Adoption of Audited Financial Statements and Reports		
Ordinary Resolution 2	Payment of Directors' Fee		
Ordinary Resolution 3	Declaration of First and Final Tax-exempt Dividend of 2%		
Ordinary Resolution 4	Re-election of Mr Tay Kim Huat as Director		
Ordinary Resolution 5	Re-election of Mr Ng Ah Poh as Director		
Ordinary Resolution 6	Re-election of Dato'Zaini bin Md. Hasim as Director		
Ordinary Resolution 7	Re-election of Mr Tay Khim Seng as Director		
Ordinary Resolution 8	Re-election of Mr Chua Syer Cin as Director		
Ordinary Resolution 9	Re-appointment of Auditors		
Ordinary Resolution 10	Authority for Directors to Issue Shares		

Please indicate with [✓] how you wish your vote to be cast. (Unless 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 hand this _____ day of _____ 2002.

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 provision of Section 149(1)(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 Registered Office of the Company at 1-10 (1st Floor), Jalan Arab, 84000 Muar, Johor Darul Takzim not less 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/their 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. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same Annual General Meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. If the appointer is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.

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Stamp/Setem

Registered Office / Pejabat Berdaftar
POH HUAT RESOURCES HOLDINGS BERHAD
1-10 (1st Floor), Jalan Arab,
84000 Muar, Johor Darul Takzim

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