



Seeking Opportunities *in Adversity*

CORPORATE STATEMENT

“To enhance our position as the leading world class furniture manufacturer by providing high quality, innovative products and excellent customer service at competitive prices.”

CONTENTS

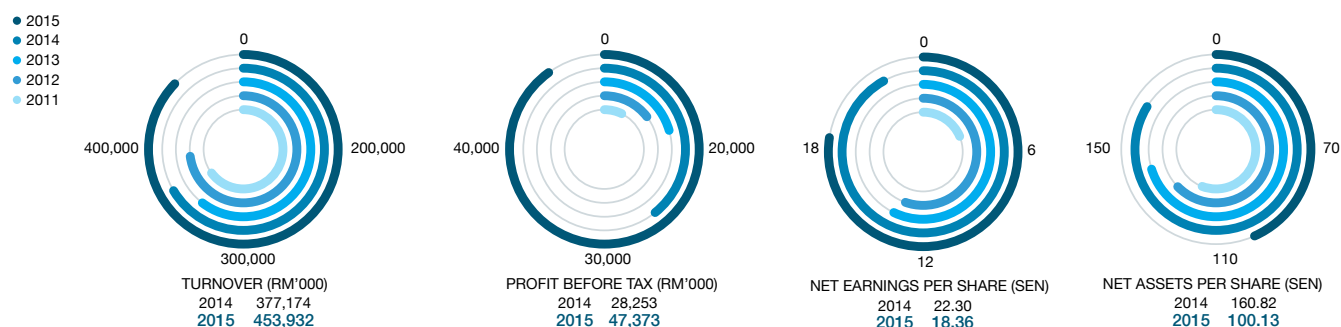
01	Group Financial Highlights	30	Audit Committee
02	Notice of Annual General Meeting and Dividend Entitlement	34	Statement on Risk Management and Internal Control
06	Statement Accompanying Notice of Annual General Meeting	37	Additional Compliance Information
08	Corporate Information	39	Corporate Responsibility
09	Corporate Structure	41	Directors' Responsibilities Statement
10	Information on Directors	42	Financial Statements
15	Chairman's Statement	132	List of Material Landed Properties
18	Corporate Governance	134	Analysis of Shareholdings
		137	Analysis of Warranholdings
		•	Form of Proxy

SEEKING OPPORTUNITIES IN ADVERSITY

As one of the most progressive companies in South East Asia, Poh Huat understands better than anyone else that every cloud has a silver lining and that every adversity carries with it new opportunities for the company. This cover concept represents our recognition of the challenges facing the global environment today, and our response by continuing to pursue new market opportunities that's present amidst the volatile global economic conditions.



GROUP FINANCIAL HIGHLIGHTS



Financial year ended 31 October	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000
Turnover	359,290	392,019	357,971	377,174	453,932
Profit before tax	3,765	16,924	19,513	28,253	47,373
Profit after tax attributable to owners of the Company	5,585	15,168	16,775	23,803	39,185
Equity attributable to owners of the Company	130,643	142,506	156,523	171,631	213,719
	sen	sen	sen	sen	sen
Net earnings per share*	4.94	14.04	15.67	22.30	18.36
Net assets per share	118.89	133.03	146.66	160.82	100.13

NOTES:-

The net earnings per share for year 2011 are calculated based on the weighted average of 113,065,872 shares in issue (excluding treasury shares) during the year.

The net earnings per share for year 2012 are calculated based on the weighted average of 108,024,617 shares in issue (excluding treasury shares) during the year.

The net earnings per share for year 2013 are calculated based on the weighted average of 107,030,510 shares in issue (excluding treasury shares) during the year.

The net earnings per share for year 2014 are calculated based on the weighted average of 106,723,305 shares in issue (excluding treasury shares) during the year.

The net earnings per share for year 2015 are calculated based on the weighted average of 213,446,610 shares in issue (excluding treasury shares) during the year.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 18th Annual General Meeting of the Company will be held at Classic 1, Ballroom, Classic Hotel No. 69, Jalan Ali, 84000 Muar, Johor Darul Takzim on 28 April 2016 at 11.00 a.m. for the transaction of the following businesses:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 October 2015 together with the Reports of the Directors and the Auditors thereon.
(Please refer to Note 9)
2. To approve the payment of Directors' fees for the financial year ended 31 October 2015.
(Ordinary Resolution 1)
3. To declare a final single tier dividend of 2 sen per share in respect of the financial year ended 31 October 2015.
(Ordinary Resolution 2)
4. To re-elect the following Directors who retire in accordance with Article 95 of the Company's Articles of Association:-
 - Datuk Seri Zulkipli Bin Mat Noor (Ordinary Resolution 3)
 - Mr Tay Kim Huat (Ordinary Resolution 4)
 - Mr Tay Kim Hau (Ordinary Resolution 5)
5. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to determine their remuneration.
(Ordinary Resolution 6)

AS SPECIAL BUSINESSES

To consider and, if thought fit, to pass the following resolutions with or without amendment as ordinary resolutions:-

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AS ORDINARY RESOLUTIONS

6. Continuing in Office as Independent Non-Executive Directors

- (i) THAT authority be and is hereby given to Mr Chua Syer Cin, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.

(Ordinary Resolution 7)

- (ii) THAT authority be and is hereby given to Mr Boo Chin Liong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.

(Ordinary Resolution 8)

7. Share Buy-Back Mandate

“THAT, subject always to the Companies Act, 1965 (“Act”), the Memorandum and Articles of Association of the Company, the Listing Requirements of the Bursa Malaysia Securities Berhad’s (“Bursa Securities”) and all other applicable laws, regulations and guidelines, the Directors of the Company be and are hereby given full authority, to allocate an amount not exceeding the total available retained profits and share premium of the Company based on its latest audited financial statements available up to the date of the transaction for the purpose of and to purchase such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through the Bursa Securities as the Directors may deem fit and in the best interest of the Company provided that the aggregate number of shares to be purchased and/or held as treasury shares pursuant to this resolution does not exceed ten percentum (10%) of the issued and paid-up share capital of the Company at any point in time;

AND THAT, upon the purchase by the Company of its own shares, the Directors are authorised to retain such shares so purchased as treasury shares or cancel the shares so purchased or retain part of the shares so purchased as treasury shares and cancel the remainder. The Directors are further authorised to distribute the treasury shares as dividends to the shareholders of the Company and/or resell the shares on the Bursa Securities in accordance with the relevant rules of the Bursa Securities or subsequently cancel the treasury shares or any combination thereof;



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. Share Buy-Back Mandate (cont'd)

AND THAT such approval and authorisation shall be effective immediately upon the passing of this resolution and continue to be in force until:-

- a. the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- b. the expiration of the period within which the next annual general meeting is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- c. revoked or varied by resolution passed by the shareholders in a general meeting;

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities;

AND FURTHER THAT the Directors of the Company be authorised to do all such acts and things (including, without limitation executing all such documents as may be required) as they may consider expedient or necessary to give effect to this mandate."

(Ordinary Resolution 9)

NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the proposed final single tier dividend of 2 sen per share in respect of the financial year ended 31 October 2015, if approved, will be paid on 19 May 2016 to depositors registered in the Record of Depositors of the Company at the close of business on 12 May 2016.

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

- a. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 12 May 2016 in respect of ordinary transfers; or
- b. Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

BY ORDER OF THE BOARD

Pang Kah Man
(MIA 18831)
Secretary

Muar, Johor Darul Takzim
30 March 2016

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

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 No. 7, (1st Floor), Jalan Pesta 1/1, Taman Dr Ismail 1, Jalan Bakri, 84000 Muar, Johor Darul Takzim, not less than forty-eight (48) hours before the time of the 18th 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.
7. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempted Authorised Nominee may appoint in respect of each Omnibus Account it holds.

8. Only depositors whose names appear in the Register of Depositors as at 20 April 2016 shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the 18th Annual General Meeting.

9. **Explanatory Notes for Item No. 1 Audited Financial Statements**

Item No. 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require the Company to obtain shareholders' approval for its Audited Financial Statements. Henceforth, this item is not put forward for voting.

10. **Explanatory Notes for Item No. 6 Continuing in Office as Independent Non-Executive Directors**

The Ordinary Resolutions proposed under Item No. 6 (**Resolutions 7 & 8**) of the Notice of 18th Annual General Meeting relate to the approval by shareholders for the named directors to continue in office as Independent Non-Executive Directors. The Board has assessed the independence of each of the directors who has served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years. The Board is satisfied that each of these directors has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements. The length of their service does not interfere with their ability and exercise of independent judgement as Independent Directors. Therefore, the Board has recommended that the approval of the shareholders be sought for Mr Boo Chin Liong and Mr Chua Syer Cin to continue to act as an Independent Non-Executive Directors of the Company.

11. **Explanatory Notes for Item No. 7 Share Buy-Back Mandate**

The Ordinary Resolution proposed under Item No. 7 (**Resolution 9**), if passed, will empower the Directors to purchase shares in the Company up to an amount not exceeding ten percentum (10%) of the issued and paid-up share capital of the Company as they consider would be in the interest of the Company. Further details on the Share Buy-back Mandate are provided in the Circular to Shareholders dated 1 April 2016.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

DETAILS OF INDIVIDUALS STANDING FOR ELECTION AS DIRECTORS

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"))

No individual is seeking election as a Director at the 18th Annual General Meeting of the Company.

NAME OF DIRECTORS STANDING FOR RE-ELECTION

The Directors standing for re-election at the 18th Annual General Meeting are as follows:-

- Datuk Seri Zulkipli Bin Mat Noor
- Mr Tay Kim Huat
- Mr Tay Kim Hau

Datuk Seri Zulkipli Bin Mat Noor, Mr Tay Kim Huat and Mr Tay Kim Hau are retiring in accordance with Article 95 of the Company's Articles of Association.

Mr Boo Chin Liong and Mr Chua Syer Cin are seeking shareholders' approval to continue as Independent Non-Executive Directors of the Company in accordance with the procedures adopted by the Board for the continuing in office of Independent Directors whose tenure exceed a cumulative term of more than nine (9) years.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

Four (4) board meetings were held during the financial year ended 31 October 2015. Details of the attendance of Directors at the board meetings are as follows:-

Name	Attendance
Datuk Seri Zulkipli bin Mat Noor	4/4
Mr Tay Kim Huat	4/4
Mr Tay Kim Hau	4/4
Mr Boo Chin Liong	2/4
Mr Tay Khim Seng	4/4
Mr Chua Syer Cin	4/4
Mr Toh Kim Chong	2/4
Mr Lim Pei Tiam @ Liam Ahat Kiat	4/4

DATE, TIME AND PLACE OF THE 18TH ANNUAL GENERAL MEETING

Date	: 28 April 2016
Time	: 11.00 a.m.
Place	: Classic Hotel Classic 1, Ballroom, No. 69, Jalan Ali, 84000 Muar, Johor Darul Takzim.

DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

The details of Directors standing for re-election at the 18th Annual General Meeting are as follows:-

Datuk Seri Zulkipli Bin Mat Noor

Securities holding in the Company
and its subsidiaries

: *Refer to Profile of Directors*
: *Ordinary Shares of RM0.50 each*
Direct – Nil
Deemed – Nil

Mr Tay Kim Huat

Securities holding in the Company
and its subsidiaries

: *Refer to Profile of Directors*
: *Ordinary Shares of RM0.50 each*
Direct – 51,399,276 shares
Deemed – 11,792,072 shares

Mr Tay Kim Hau

Securities holding in the Company
and its subsidiaries

: *Refer to Profile of Directors*
: *Ordinary Shares of RM0.50 each*
Direct – 300,000 shares
Deemed – Nil



CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Seri Zulkipli bin Mat Noor
(Independent Non-Executive Chairman)

Tay Kim Huat
(Managing Director)

Tay Kim Hau
(Executive Director)

Toh Kim Chong
(Executive Director)

Boo Chin Liong
(Independent Non-Executive Director)

Tay Khim Seng
(Non-Independent Non-Executive Director)

Chua Syer Cin
(Independent Non-Executive Director)

Lim Pei Tiam @ Liam Ahat Kiat
(Non-Independent Non-Executive Director)

AUDIT COMMITTEE

Chua Syer Cin
(Chairman)
Tay Khim Seng
Boo Chin Liong

NOMINATING COMMITTEE

Boo Chin Liong
(Chairman)
Tay Khim Seng
Chua Syer Cin

REMUNERATION COMMITTEE

Boo Chin Liong
(Chairman)
Tay Khim Seng
Chua Syer Cin

SENIOR INDEPENDENT DIRECTOR

Boo Chin Liong

SECRETARY

Pang Kah Man (MIA 18831)

REGISTERED OFFICE

No. 7 (1st Floor), Jalan Pesta 1/1,
Taman Tun Dr Ismail 1, Jalan Bakri,
84000 Muar,
Johor Darul Takzim.
Tel No. : 606 – 954 1705
Fax No. : 606 – 954 1707

PRINCIPAL PLACE OF BUSINESS

PLO 1, Bukit Pasir Industrial Area,
Mukim Sungai Raya,
84300 Bukit Pasir, Muar,
Johor Darul Takzim.

REGISTRARS

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House,
Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301 Petaling Jaya,
Selangor Darul Ehsan.
Tel No. : 603 - 7849 0777
Fax No. : 603 - 7841 8151

AUDITORS

Crowe Horwath (AF 1018)
Chartered Accountants

PRINCIPAL BANKERS

HSBC Bank (Malaysia) Bhd.
HSBC Bank (Vietnam) Ltd.
Malayan Banking Bhd.
United Overseas Bank (Malaysia) Bhd.
United Overseas Bank (Vietnam) Ltd.
VID Public Bank (Vietnam) Ltd.
Bank SinoPac (Vietnam) Ltd.
Hong Leong Bank (Vietnam) Ltd.

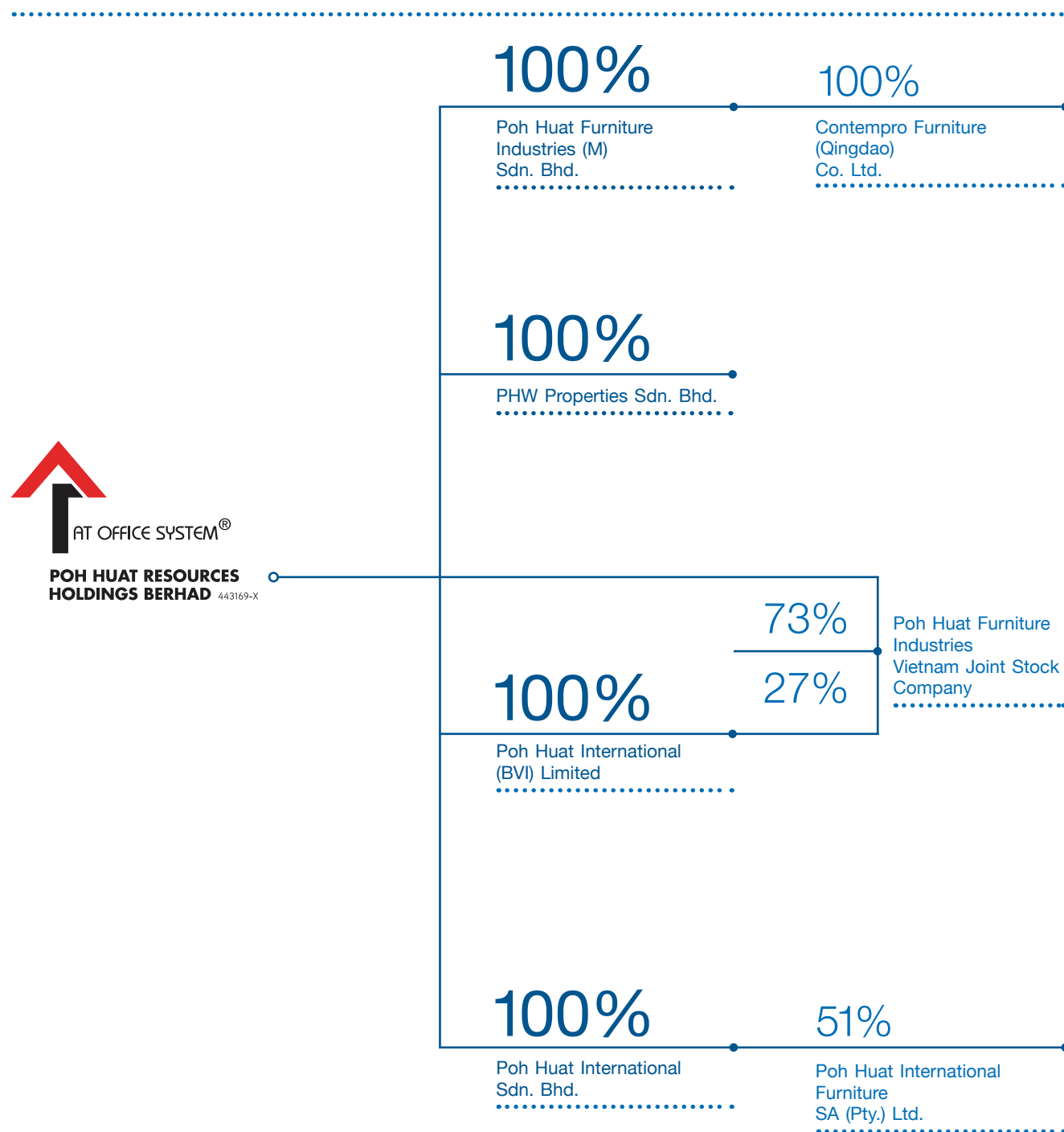
SOLICITORS

J.A. Nathan & Co.
Grandall Law Firm (Beijing)

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

CORPORATE STRUCTURE



INFORMATION ON DIRECTORS

DATUK SERI ZULKIPLI BIN MAT NOOR

SPDK, SPTJ, DIMP, DSAP, PJN, SIMP,
KMN, JMN, PSPP
Chairman (Independent Non-Executive
Director)

Datuk Seri Zulkipli bin Mat Noor, Malaysian, aged 66, was appointed as the Chairman of the Company on 1 January 2010.

Datuk Seri Zulkipli obtained a Diploma in Public Administration from Universiti Teknologi Mara and a Bachelor of Arts, Political Science (Honours) from Kansas University, USA in 1980. He furthered his study and obtained a Master of Arts, Strategic Studies & International Relations from Lancaster University, England in 1984.

Datuk Seri Zulkipli started his career with the Royal Malaysia Police Force as an Inspector in 1969. Upon completion of the basic training, Datuk Seri Zulkipli was absorbed into the Special Branch for 23 years during which he rose through the ranks. His last position with the Special Branch was the Head of Special Branch, Sabah. During his tenure with the Police Force, Datuk Seri Zulkipli held various commanding positions in the Police Force including, Deputy Director of Administration (Management), Bukit Aman, Deputy Director of Services and Personnel (Management), Bukit Aman, Chief Police Officer, Johor, and Commissioner of Police, Sarawak, with the rank of Deputy Commissioner of Police.

On 1 April 2001, Datuk Seri Zulkipli was seconded to the Anti-Corruption Agency of Malaysia and served as the Director General of the Agency for 6 years until his retirement on 31 March 2007.

During his tenure with the Police Force, Datuk Seri Zulkipli also served as the 1st President of the Karate Association of the Royal Malaysia Police Force and was later the President of the Malaysian Karate Federation (MAKAF) for 2 years.

He presently has business interest in and is a director of a private limited company.

He is not a director of any other public company. He has no family relationship with any Director and/or major shareholder of the Company.

INFORMATION ON DIRECTORS (CONT'D)

MR TAY KIM HUAT

Managing Director (Non-Independent
Executive Director)

Mr Tay Kim Huat, Malaysian, aged 60, was appointed to the Board of the Company on 9 December 1999 and is presently the Managing Director of the Company.

Mr Tay is the co-founder of Poh Huat Furniture Industries (M) Sdn. Bhd., the main operating subsidiary of the Group. With more than 40 years of experience in the furniture manufacturing industry, Mr Tay now leads the Group in areas of strategic planning, business development, new ventures and investment. He is also actively involved in key operational aspects of the business of the Group, particularly in areas of purchasing and market development. He has been the main driving force behind the continuous introduction of new products and was instrumental in the rapid expansion of the operations of the Group, particularly in the overseas ventures and investments undertaken by the Group.

He presently has business interest in and is a director of several private limited companies.

He is not a director of any other public company. He is the brother of Mr Tay Kim Hau, an Executive Director and shareholder of the Company, and Mr Tay Khim Seng, a Non-Executive Director and shareholder of the Company.

MR TAY KIM HAU

Executive Director (Non-Independent
Executive Director)

Mr Tay Kim Hau, Malaysian, aged 68, was appointed to the Board of the Company on 9 December 1999 and is presently an Executive Director of the Company.

Upon completion of his secondary education in 1968, Mr Tay joined Nippon Paint (M) Sdn. Bhd. as a Production Supervisor and has held various positions in the company before resigning from the position of Factory Manager of Nippon Paint (M) Sdn. Bhd. in 1996. Thereafter, he joined Poh Huat Furniture Industries (M) Sdn. Bhd. as its General Manager and was subsequently appointed to the Board of the company in February 1998. Mr Tay retired from his position of General Manager in 2007 but as an Executive Director, remained involved in the areas of marketing and business development of the Group.

He is not a director of any other public or private company. He is the brother of Mr Tay Kim Huat, the Managing Director and major shareholder of the Company, and Mr Tay Khim Seng, a Non-Executive Director and shareholder of the Company.

INFORMATION ON DIRECTORS (CONT'D)

MR TOH KIM CHONG

Executive Director (Non-independent
Executive Director)

Mr Toh Kim Chong, Malaysian, aged 41, was appointed as an Executive Director of the Company on 29 April 2011.

Mr Toh started his career in 1989 as a furniture apprentice with the carpentry business of Mr Tay Kim Huat. Upon the incorporation of the carpentry business in 1992, Mr Toh was appointed as a Line Supervisor of Poh Huat Furniture Industries (M) Sdn. Bhd. and was later promoted to the position of Factory Manager of the company in 1997. In 2003, Mr Toh was assigned to lead the Group's expansion to Vietnam and was appointed as Deputy General Manager of Poh Huat Furniture Industries Vietnam Ltd. He was promoted to his present position of General Manager upon the conversion of Poh Huat Furniture Industries Vietnam Ltd. into a joint-stock company in 2005. Mr Toh is presently responsible for the day-to-day management of the Group's Vietnam operations and is also a member of the Board of Management of Poh Huat Furniture Industries Vietnam JSC.

He is not a director of any other public company. He has no family relationship with any Director and/or major shareholder of the Company.

MR BOO CHIN LIONG

Director (Independent Non-Executive
Director)

Mr Boo Chin Liong, Malaysian, aged 55, was appointed as an Independent Non-Executive Director of the Company on 9 December 1999 and is presently the Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee.

Mr Boo graduated with a Bachelor of Law (Honours) from the University of Malaya in 1985. Mr Boo is an advocate and solicitor and has been in active legal practice since 1986. He is the founding partner of Messrs C.L. Boo & Associates.

He is currently an Independent Non-Executive Director of Prolexus Bhd. and is a director of several private limited companies.

He has no family relationship with any Director and/or major shareholder of the Company.

INFORMATION ON DIRECTORS (CONT'D)

MR TAY KHIM SENG

Director (Non-Independent Non-Executive Director)

Mr Tay Khim Seng, Malaysian, aged 55, was appointed as a Non-Independent Non-Executive Director of the Company on 2 May 2001 and is presently a member of the Audit Committee, Remuneration Committee and the Nominating Committee.

Mr Tay completed his education with a Bachelor of Law (Honours) from the University of Malaya in 1985. Mr Tay has been practising in Muar since 1988 and is presently the senior partner of J.A. Nathan & Co. He is the Honorary Legal Advisor of the Muar Furniture Association, the Muar Chinese Chambers of Commerce and several other non-government organisations. He was also the elected State Assemblyman for the constituency of Maharani, Muar, Johor Darul Takzim for the period from 1995 to 1999.

He is presently a director of several private limited companies.

He is not a director of any other public company. He is the brother of Mr Tay Kim Huat, the Managing Director and major shareholder of the Company, and Mr Tay Kim Hau, an Executive Director and shareholder of the Company.

MR CHUA SYER CIN

Director (Independent Non-Executive Director)

Mr Chua Syer Cin, Malaysian, aged 43, was appointed as an Independent Non-Executive Director of the Company on 17 May 2001 and is presently the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nominating Committee.

Upon graduation from the Charles Sturt University, Australia in 1994, Mr Chua joined the accounting practice of Ernst & Young as an Audit Senior. From 1998 to 2000, he was the Audit/Tax Manager of Teo & Associates, an accounting firm in Malacca. In February 2000, he set up his own accounting firm, Messrs SC Chua & Associates, and has since been the sole proprietor of the firm.

He is presently a member of both the Malaysian Institute of Accountants and the CPA Australia.

He is currently an Independent Non-Executive Director of Kia Lim Berhad and is a director of several private limited companies.

He has no family relationship with any Director and/or major shareholder of the Company.

INFORMATION ON DIRECTORS (CONT'D)

MR LIM PEI TIAM @ LIAM AHAT KIAT

Director (Non-Independent Non-Executive Director)

Mr Lim Pei Tiam @ Liam Ahat Kiat, Malaysian, aged 69, was appointed as a Non-Independent Non-Executive Director of the Company on 24 April 2014.

Mr Lim holds a Diploma from the Institute of Bankers, London and has 20 years of experience in a large commercial bank in Malaysia. Mr Lim held various positions throughout his career with the bank and is a member of the Asian Institute of Chartered Bankers, Malaysia.

He is currently an Executive Director of Komarkcorp Berhad and is a director of several private limited companies.

He has no family relationship with any Director and/or major shareholder of the Company.

Conflict of Interest

None of the Directors has any conflict of interest with the Company.

Conviction of Offence

None of the Directors has been convicted of any offence within the past 10 years.



CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the Board of Directors of Poh Huat Resources Holdings Berhad, I have the pleasure of presenting to you, the annual report and the financial statements of the company and its subsidiaries for the financial year ended 31 October 2015.

OPERATIONAL REVIEW

The U.S. economy expanded 2.4% for the full year 2015 as it continues with its growth trajectory. Sustained improvements in the manufacturing, financial and service sectors throughout the year drove employment, wages raise and household income. Cheap oil and lower heating bills from a mild winter has also helped consumer confidence.

Growth in the U.S. furniture industry in 2015 outpaced the U.S. economy. The industry itself is performing roughly twice as well as the overall economy, due in large part to strong performances in bedroom and dining room furnishing sales. The weak external environment, particularly cheaper base materials, surplus capacity and weaker currencies, was a windfall for US importers and retailers as U.S. home furnishing spending grew in line with the strong housing sector and improved household income.

With the strong showing in the U.S. furniture market, I am happy to report that the Group achieved record furniture shipment and revenue for the 2015. Orders and shipments of furniture for all our operation bases expanded significantly. During the year, the Vietnamese operations continued to lead with total shipment increasing by nearly 30% to RM302 million. In Vietnam, we enjoyed stronger quarter-to-quarter sale throughout 2015. Orders were particularly high during the pre-year-end festive season. Our Vietnamese operations would have recorded even higher sales if not for the fire-incident in August 2015 which has resulted in some production interruptions and delay in shipment.

Our Malaysian operations similarly recorded higher sales of RM148 million compared to RM138 million in the previous year. In Malaysia, we continued to rationalise our product offerings for better manufacturing efficiency and adjusted our pricing structure to reflect current manufacturing costs and market conditions. These efforts have resulted in newer, more contemporary and appealing designs and reduced SKUs, thus helping our sales personnel to be more focused and more customer-centric. During the year, we introduced several new ranges of office furniture which have been well received by customers in North America and the Middle East.

CHAIRMAN'S STATEMENT (CONT'D)

As before, our Vietnam operations contributed the most in terms of profitability. Operating margins improved in line with better manufacturing efficiency, stable raw material and labour costs and higher sales proceeds due to the strengthening of the US Dollar. In fact, the Vietnamese operations achieved stellar performance with a pretax profit of RM28 million but had to provide RM9 million for the asset and inventory losses arising from the fire incident in August 2015. All in all, the Vietnamese subsidiary registered a commendable net profit of RM19 million for the year.

The strengthening of the U.S. Dollar, particularly in the 2nd half of 2015, has also resulted in broad based improvement in Ringgit sales proceeds and a windfall in profit margins for Malaysian furniture exporters. Coupled with the product and price rationalisation efforts mentioned above, our operations in Malaysia achieved another year of record profits with a 3-fold jump in pretax profit, from RM7 million in the previous year to RM21 million in the current year.

CORPORATE EXERCISE

To increase the liquidity and affordability of Poh Huat's shares and to reward shareholders for their long standing support, the Group undertook a corporate exercise involving a 1:2 share split and a 1:4 bonus issue of free warrants after the share split. Completed on 20 October 2015, the 1:2 share split has resulted in a substantial increase in market capitalisation for Poh Huat and higher trading volume of its shares on Bursa Securities. The market capitalisation of Poh Huat shares and warrants at the end of the financial year was RM342 million and RM39 million respectively compared to pre-corporate exercise market capitalisation of RM315 million.

The bonus issue of free warrants also provides existing shareholders of the Company with an opportunity to increase their equity in the Company which will help strengthen the Company's capital base and shareholders' funds as well as potentially provide funds for the Company to finance the working capital requirements of the Group, as and when the Warrants are exercised.

DIVIDEND

Reflective of the good performance of the Company, the Board has recommended a final single tier tax-exempt dividend of 2 sen per share for the financial year ended 31 October 2015 for approval at the forthcoming Annual General Meeting of the Company. The Board is of the view that the proposed final dividend of 2 sen per share, together with the two (2) interim dividends of 3 sen per share each paid during the year provide a level of return commensurate with the present market price of the shares of Poh Huat.



CHAIRMAN'S STATEMENT (CONT'D)

PROSPECTS

The world economy next year is shaping up to be stronger than in 2015 and roughly in line with long-term growth averages, according to the International Monetary Fund and economists surveyed by Bloomberg. Economists project world growth of 3.6%, up from 3.1% this year and about the same as the 3.5% average from 1980 through 2014.

The U.S. economy, the largest and most important in the world, continues to register gains in employment, manufacturing outputs, housing and corporate earnings. In the U.S. housing sector, the pace of growth of existing home sales and prices moderated to 3% in 2015 but remained strong overall. Total homes sales next year are expected to reach the highest levels since 2006 on the back of new construction and the existing housing market with millennials (first time buyers) expected to make up the biggest demographic of homebuyers next year. Higher employment, historically low mortgage rates and higher disposal income augur well for the U.S. housing market and household spending including finishing and furniture.

Despite the strong showing, the U.S. is one of the few bright spots in an unsettled global economy. The rapidly transforming global landscape, mired with economic and geo-political uncertainties, remains a drag on global recovery. Much of Europe remains weak with concerns over economic, immigrant and security issues. China will continue to decelerate with annual gross domestic product growth projected to dip below 7% in 2016. In an integrated global economy, European woes and worries about China slowdown affect global demand for goods and commodities and adversely impact global sentiments and trades.

The above challenges notwithstanding, we are optimistic with regard to our performance for the coming year. With the buoyant U.S. housing sector and increases in discretionary spending, furniture spending should continue to improve through the remainder of the year and into 2016. The positive outlook amongst furniture importers and retailers in the US and Canada will translate to higher orders and shipment of furniture, both from our Malaysian and Vietnam factories. For this, we are proceeding with new investments in facilities and machinery, particularly in Malaysia, which the Group hopes will provide the much need upgrading in its manufacturing capability to capitalise on the opportunities in the office segment following the Group's rationalisation efforts.

ACKNOWLEDGEMENT

On behalf of the Board, I would also like to take this opportunity to express our sincere appreciation and gratitude to the management and employees of the Group for their dedication, team spirit and hard work during these challenging times. The commendable performance of the Group is the result of the earnest efforts put in by our workforce.

The achievements of the Group are also made possible through the long-standing support, cooperation and assistance of our valued customers, suppliers and business associates. To our business partners, we express our gratitude for your contribution to the success of the Group.

Lastly, to you, our valued shareholders, our sincere appreciation for your faith in us and for your continuous support to the Group.

Yours sincerely,

Datuk Seri Zulkipli bin Mat Noor
Muar, Johor Darul Takzim
22 March 2016

CORPORATE GOVERNANCE

The Board recognises the importance of good corporate governance in ensuring that the interest of the Company, shareholders and other stakeholders are protected. The Board is committed to an established framework for governance and controls that are consistent with the principles and best practices recommended in the Malaysian Code on Corporate Governance 2012 (the “Code”) and other applicable laws, regulations and guidelines.

The Company is pleased to report to the shareholders on the manner in which the Group has applied the principles and the extent to which it has complied with the best practices outlined in the Code.

(A) ESTABLISH ROLES AND RESPONSIBILITIES

The Board’s role is to control and provide stewardship of the Group’s business and affairs on behalf of shareholders. The Board has the overall responsibility for the proper conduct of the Group’s businesses. The Board has adopted a Board Charter which clearly sets out the respective roles and responsibilities of the Board and the management to ensure accountability.

The Board’s Roles & Responsibilities

The Board assumes the following responsibilities in the management of the affairs of the Group:-

- develop, review and monitor the Company’s long term business strategies and provide strategic direction to the Management;
- approve and monitor business plans, budgets, major capital commitments, capital management, acquisitions and divestitures;
- identify and review risks that the Company may face and ensure that it has systems in place for risk management and internal control;
- review and approve the Company’s financial statements and other reports;
- monitor compliance with legal, regulatory requirements (including continuous disclosure) and ethical standards;
- lead by example to establish a culture within the Company which strives for and rewards best practice in all areas of the business, particularly with regard to environmental issues;
- monitor whether the Board is appropriately skilled to meet the changing needs of the Company;
- reviewing the adequacy and the integrity of the management information and internal control systems of the Company and Group;
- provide input into and final approval of management and development of corporate strategy and performance objectives;
- establish and maintain corporate governance standards including the Company’s Code of Ethics and Conduct;
- establish a succession plan and ensure that appropriate resources are available to senior executives; and
- develop and implement a shareholder communication policy for the Company.

Clear Functions of the Board and Management

The roles of the Chairman, the Executive Directors and the Non-Executive Directors are clearly separated to ensure that there is a balance of power and authority.

The Chairman is primarily responsible for ensuring the effective conduct of the Board including the efficient organisation and conduct of the Board’s function and meetings; effective communication with shareholders and relevant stakeholders; and the evaluation of the performance, composition and ongoing development of all members of the Board.

CORPORATE GOVERNANCE (CONT'D)

(A) ESTABLISH ROLES AND RESPONSIBILITIES (cont'd)

Clear Functions of the Board and Management (cont'd)

The Executive Directors are responsible for developing corporate strategies and managing a team of executives responsible for all functions undertaken to attain the desired corporate objectives and outcomes as set by the Board. In the managing of the day-to-day operations of the Group, the Executive Directors provide the leadership, supervision and monitoring of the efficiency and effectiveness of the conduct of the Groups' business activities. The Executive Directors, being directly involved in the operations of the Group, are also in the best position to assess business opportunities and threats presented in the environment in which the Group operates. The Executive Directors, together with the management team, are to assess and, where appropriate, develop strategies to capitalise on such opportunities and put in place risk management and internal control practices to mitigate risks inherent in or associated with such opportunities. The Executive Directors also have the responsibility to highlight material developments and other relevant matters to the Board for information and/or business decisions thereon.

The Independent Non-Executive Directors provide the independent views and vigour in the Board deliberation and decision making processes in the interests of all stakeholders. The Independent Directors are responsible for the review of the results of the Group's operations and status of implementation and compliance of the internal control systems. The Independent Non-Executive Directors are to highlight any concern that they have about the running of the Group businesses or a proposed action to be undertaken by the Company or the Group. All Non-Executive Directors are encouraged to update and refresh their skills, knowledge and familiarity with the businesses and affairs of the Company and of the Group.

Board Balance

The Board of Directors of the Company currently comprises eight (8) members of whom three (3) are Executive Directors and five (5) are Non-Executive Directors. Out of the five (5) Non-Executive Directors, three (3) are independent. This composition exceeds the requirement under the Listing Requirements which stipulate that at least two (2) directors or one-third (1/3) of the Board, whichever is the higher, must be independent.

The Executive Directors bring together expertise and experience in manufacturing and property investment. The strength of the Executive Directors is complemented by the experience and independent views of the Non-Executive Directors who are experienced in the fields of accountancy, law and public services.

Senior Independent Director

The Chairman of the Nominating Committee, Mr Boo Chin Liong (email address: clboo@pohhuat.com) has been designated as the Senior Independent Non-Executive Director identified by the Board pursuant to Recommendation 2.1 of the MCCG 2012.

CORPORATE GOVERNANCE (CONT'D)

(A) ESTABLISH ROLES AND RESPONSIBILITIES (cont'd)

Board Proceedings

The Board of Directors meets formally to deliberate on matters relating to the strategic direction and objectives setting, operating plans and budgets, major capital expenditures, material acquisitions and disposals, material capital projects and monitoring of the Group's operating and financial performance. Key members of the management team are invited to attend and participate in these meetings to promote better exchange of information and understanding of the issues in the daily operations of the Group.

The Board meets on a quarterly basis to review the quarterly results of the Group prior to announcement to Bursa Securities. During these meetings, the operational and financial performance of the Group, together with any material development and issues relating to the business of the Group, are discussed and where applicable, responded to accordingly. During these meetings, the Board also review the internal audit reports on compliance and endorses corrective and improvement recommendations proposed by the internal audit function.

Supply of Information

All Board and committee members are provided with the requisite notice, agenda and board papers prior to the convening of each meeting. All information and documents are provided on a timely manner so that members are given sufficient time to prepare and, where necessary, obtain additional information or clarification prior to the meeting to ensure effectiveness of the proceedings of the meeting. The board papers include, amongst others, the following:-

- Minutes of previous meeting;
- Quarterly and annual financial statements and reports;
- Internal audit plan and quarterly internal audit reports;
- Proposal for major investments and financial undertakings;
- Documentation on policies, procedures and control systems; and
- Documents relating to material ad-hoc developments or issues impacting the Group.

Board and committee members have access to the advice and services of the Company Secretary, management representatives and, if deemed necessary, other independent professionals at the expense of the Company in the discharge of their duties. The Company Secretary, who is qualified, advises the Board on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of the Directors. The Company Secretary organises and attends all Board and Board Committee meetings. All proceedings from the meetings are minuted by the Company Secretary and signed by the Chairman of the meeting.

Board Charter and Code of Conduct

The Board Charter sets out the respective roles and responsibilities of the Board and the Management to ensure accountability. The Board Charter would act as a source reference to Board members and Management with regard to its role and responsibility. In addition, it will assist the Board in the assessment of its own performance as a whole and the Directors individually. The Code of Conduct together with the Employees Handbook guide the Directors, Management and employees with regard to policies and ethics standards to be adhered to in the conduct of the daily affairs and business of the Group.

The Board Charter and Code of Conduct will be periodically reviewed and updated to take into consideration the needs of the Company and to reflect the changes in the management best practices and regulatory requirements.

CORPORATE GOVERNANCE (CONT'D)

(A) ESTABLISH ROLES AND RESPONSIBILITIES (cont'd)

Board Charter and Code of Conduct (cont'd)

The Board has also adopted a Whistle Blowing Policy for the Group where all queries or concerns regarding the Group may be conveyed to the Senior Independent Director or the Company Secretary at the registered office of the Company.

Details of the Board Charter, Code of Conduct and Whistle Blowing Policy can be found on the Company's website at www.pohhuat.com.

Promoting Sustainability

The Group is committed to operating in a sustainable manner and seek to contribute positively to the well-being of stakeholders. Details of the Group's key corporate responsibility and approach toward sustainability are set out in the Corporate Responsibility statement on page 39 of this Annual Report.

(B) STRENGTHEN COMPOSITION

In the discharge of its fiduciary duties, a number of standing and ad-hoc committees have been established to assist the Board. The committees established, namely the Audit Committee, the Remuneration Committee and the Nominating Committee comprises members of the Board, the composition of which are determined after careful consideration of the mix of expertise, experience and independence of the members.

Nominating Committee

The Nominating Committee is primarily responsible for the identification of the desired mix of expertise, competencies and experiences for an effective Board and the assessment of the performance of the members of the Board.

As and when the need arises, this committee shall also identify and recommend the appointment of candidates with the necessary qualities to strengthen the Board.

The current members of the Nominating Committee are:-

1. Mr Boo Chin Liong
Chairman
Independent Non-Executive Director
2. Mr Tay Khim Seng
Non-Independent Non-Executive Director
3. Mr Chua Syer Cin
Independent Non-Executive Director

CORPORATE GOVERNANCE (CONT'D)

(B) STRENGTHEN COMPOSITION (cont'd)

Nominating Committee (cont'd)

The Nominating Committee operates under its own Terms of Reference and the main functions of the Nominating Committee include the following:-

- (a) Recommend to the Board, candidates for appointment to the Board and/or Board Committees and rotation of committee chairmanship;
- (b) Review and recommend to the Board, the training programmes for the Board members; and
- (c) Review and recommend to the Board, the Board's and senior management's succession plans.

The Nominating Committee met once during the financial year and was attended by all its members.

Directors' Assessment

The process of assessing the Directors is an ongoing responsibility of the entire Board. The Board has put in place a formal evaluation process to assess the effectiveness of the Board as a whole, the Board Committees and the contribution and performance of each individual Director, including the Independent Non-Executive Directors on an annual basis.

The criteria used for the annual assessment of individual Directors, amongst others, include an assessment on their roles, duties, responsibilities, competency, expertise and contribution, whereas for the Board and Board Committees, the criteria used include composition, structure, accountability, responsibilities, adequacy of information and processes.

In respect of the assessment for the financial year ended 31 October 2015, the Board was satisfied that the Board and Board Committees had discharged their duties and responsibilities effectively. The Board was also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills, was adequate.

Re-election of Directors

In accordance with Article 103 of the Company's Articles of Association, all Directors who are appointed by the Board are subject to re-election by the shareholders of the Company at the first annual general meeting immediately after their appointment. In accordance with Article 95 of the Company's Articles of Association, one-third (1/3) of the remaining Directors, including the Managing Director, are required to submit themselves for re-election by rotation at each annual general meeting of the Company. In addition, all Directors must submit themselves for re-election at least once every three (3) years.

In accordance to the policy and procedures established for the Continuation in Office of Independent Directors, the independence of all Independent Directors who have served the Company for more than nine (9) years shall be individually assessed. If the Board is satisfied that the Directors remain independent, shareholders' approval shall be sought for the continuation of office of the Directors concerned as Independent Directors at every annual general meeting of the Company. More information on the assessment and re-election of Independent Directors can be found in Section C of this Statement.

The nomination of Directors for purpose of re-election shall also be determined and thereafter recommended by the Nominating Committee for approval by the Board. In nominating Directors for re-election, the Nominating Committee is guided by the provisions of the Articles of Association of the Company, the Code and the Listing Requirements.

CORPORATE GOVERNANCE (CONT'D)

(B) STRENGTHEN COMPOSITION (cont'd)

Remuneration Committee

The Remuneration Committee is primarily responsible for the development and review of the remuneration policy and packages for the Board members. The current members of the Remuneration Committee are:-

1. Mr Boo Chin Liong
Chairman
Non-Independent Non-Executive Director
2. Mr Tay Khim Seng
Independent Non-Executive Director
3. Mr Chua Syer Cin
Independent Non-Executive Director

The remuneration policy aims to attract and retain Directors necessary for proper governance and hence, success of the Group. The Remuneration Committee is responsible for recommending the remuneration packages of Executive Directors to the Board. None of the Executive Directors participated in any way in determining their individual remuneration. The Board as a whole recommends the remuneration of Non-Executive Directors with individual Directors abstaining from decision in respect of their individual remuneration. The Board, where appropriate, recommends payment of fees to all Directors for approval by shareholders at the annual general meeting.

The Remuneration Committee met once during the financial year and was attended by all its members.

The details of Directors' remuneration payable to the Directors of the Company for the financial year ended 31 October 2015 are disclosed in the Note 23 to the Financial Statement herein.

While the Code's Principles B III has prescribed for individual disclosure of Directors' remuneration packages, the Board has considered and is of the view that the transparency and accountability aspects of corporate governance applicable for Directors' Remuneration are adequately served by the disclosure of Directors' remuneration in successive bands of RM50,000 as prescribed under the Listing Requirements.

(C) REINFORCE INDEPENDENCE

Tenure of Independent Directors

The Board noted Recommendation 3.2 of the Code that the tenure of an independent director should not exceed a cumulative term of nine (9) years. While the Board appreciates the rationale of the recommendation, it is of the view that the independence of directors cannot be judged solely based on the tenure of service. In line with the Code, Board has adopted the same criteria used in the definition of "independent directors" prescribed by the Listing Requirements but excluding the tenure prescribed by the Code. The Board is of the view that the independence of a director is best judged by the ability of the director to demonstrate and exercise objectivity and independence in the discharge of his duties in the best interests of shareholders. The Board recognises the need to balance the integrity, competency and trust gained from the long service against the risk of complacency that comes about from familiarity and the benefits of fresh perspective from newer members.

CORPORATE GOVERNANCE (CONT'D)

(C) REINFORCE INDEPENDENCE (cont'd)

Tenure of Independent Directors (cont'd)

The Board is of the view that ultimately the Independent Directors themselves are the best person to determine whether they can continue to bring independent and objective judgement to board deliberations. In this regard, the Board has prescribed that all independent directors provide an annual confirmation of his/her independence to the Board based on its policy and criteria of assessing independence as prescribed by the Listing Requirements.

Annual Assessment and Shareholders' Approval for Independent Directors

The Board has assessed and concluded that the two (2) Independent Non-Executive Directors of the Company, namely Mr Boo Chin Liong and Mr Chua Syer Cin continue to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them is independent of the Company's management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. Hence, the Board recommends that shareholders' approval be sought for the continuation in office of these directors as Independent Non-Executive Directors.

Separation of position of the Chairman and Executive Directors

The positions of the Chairman and the Executive Directors are clearly separated to ensure that there is a balance of power and authority. The Chairman is primarily responsible for ensuring the effective conduct of the Board whilst the Executive Directors have the overall responsibility for the implementation of Board decisions and operational effectiveness. The Independent Directors provide the necessary independent perspective and rigour in the formulation of strategies, deliberation of issues and implementation of major undertakings to ensure that the interest of not only the Group, but also stakeholders and the public in general, are represented.

(D) FOSTER COMMITMENT

Directors' Commitments

In line with Recommendation 4.1 of the Code whereby the Board should set out expectations on time commitment for its members and protocols for accepting new directorships, each Director is required to notify the Chairman of the Board prior to accepting directorships in other public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction.

The Directors are also required to comply at all times with the restriction of the number of directorships as prescribed in the Listing Requirements.

CORPORATE GOVERNANCE (CONT'D)

(D) FOSTER COMMITMENT (cont'd)

Board Meetings

During the financial year ended 31 October 2015, four (4) board meetings were held. Details of the attendance of Directors at these board meetings are as follows:-

Name	Attendance
Datuk Seri Zulkipli bin Mat Noor	4/4
Mr Tay Kim Huat	4/4
Mr Tay Kim Hau	4/4
Mr Boo Chin Liong	2/4
Mr Tay Khim Seng	4/4
Mr Chua Syer Cin	4/4
Mr Toh Kim Chong	2/4
Mr Lim Pei Tiam @ Liam Ahat Kiat	4/4

At these meetings, broad direction, strategies, plans and matters critical to the Group were discussed and appropriate actions undertaken. The implementation of business plans are regularly monitored, reviewed and re-assessed against the changing operating environment to ensure validity and attainment of desired outcomes. The operational and financial performance of the Group, together with any material development and issues relating to the business of the Group, are discussed and where applicable, responded to accordingly.

CORPORATE GOVERNANCE (CONT'D)

(D) FOSTER COMMITMENT (cont'd)

Directors' Training

The Board, through the Nominating Committee, ensures that it recruits to the Board individuals of sufficient calibre, knowledge and experience to fulfil the duties of a director appropriately. All Directors have attended and successfully completed the Mandatory Accreditation Programme.

During the year, all Directors of the Company attended professional and management development courses as follows:-

Director	Courses/Training Attended
Datuk Seri Zulkipli bin Mat Noor	GST Seminar
Mr Boo Chin Liong	Understand Company Law - Impending changes and implications
Mr Tay Kim Huat	Understand Company Law - Impending changes and implications
Mr Tay Kim Hau	GST Seminar
Mr Tay Khim Seng	Understand Company Law - Impending changes and implications
Mr Chua Syer Cin	GST Post Implementation Issues Common GST Errors and Validating GST Returns Audit Series : Going Concern Indicators and Managing Impairment of Assets and Restructuring Provisions Audit Series : Auditing of Inventories and Product costs
Mr Toh Kim Chong	GST Seminar
Mr Lim Pei Tiam @ Liam Ahat Kiat	GST Seminar

CORPORATE GOVERNANCE (CONT'D)

(E) UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Statutory and Financial Reporting Standards

In presenting the annual reports and audited financial statements and announcing quarterly results, the Board aims to present an accurate and balanced assessment of the Group's financial position and prospects.

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

A statement by the Board of its responsibilities for preparing the financial statements is set out on page 41 of this Annual Report.

The Board is assisted by the Audit Committee in the discharge of its duties on financial reporting and ensuring that the Group maintains a proper financial reporting process and a high quality financial reporting. A full Audit Committee Report detailing its composition, terms of reference and a summary of activities during the financial year is set out on page 30 to 33 of the Annual Report.

Suitability and Independence of External Auditors

The Company, through the Audit Committee, has an appropriate and transparent relationship with the external auditors. The Audit Committee had reviewed the suitability and independence of external auditors and recommended their re-appointment for the financial year ending 31 October 2016. The external auditors had provided a confirmation of their independence to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's Report as detailed on page 30 to 33 of this annual report.

(F) RECOGNISE AND MANAGE RISKS

Risk Management

The Board is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity. The Board is committed to an ongoing process of identifying, evaluating and managing significant risks in the pursuit of its corporate objectives.

The Executive Directors and Senior Management assist the Board on the implementation and maintenance of the risk management process and compliance with Board's policies on risk and control.

CORPORATE GOVERNANCE (CONT'D)

(F) RECOGNISE AND MANAGE RISKS (cont'd)

Internal Audit Function

The Board recognises the importance of an effective internal control system in improving risk management, enhancing controls and ensuring compliance with applicable laws and regulations. The internal control system is also designed to safeguard the Group's operations and assets and hence protect shareholders' investment in the Group. In this regard, the internal audit function of the Group is outsourced to an independent professional firm. The internal audit function is placed under the preview of the Audit Committee. The outsourced internal audit function provides the Audit Committee with quarterly independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control and management reporting system.

A Statement on Risk Management and Internal Control which provides an overview of the state of internal controls within the Group is set out on page 34 to 36 of this Annual Report.

(G) ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Policy on Corporate Disclosures

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Board will ensure that it adheres to and comply with the disclosure requirements of the Listing Requirements as well as the Corporate Disclosure Guide issued by Bursa Securities.

In ensuring the accuracy and quality of the information disseminated, the Company designates key management persons with appropriate level of competency and authority to prepare the release of material disclosures. The persons responsible for the preparation of the disclosure will conduct due diligence and verification to ensure accuracy and appropriateness of information contained in the disclosure. The Board is ultimately responsible for all public disclosures.

Effective and Timely Dissemination of Information

The Company also acknowledges the need for investors to be informed of all material business and corporate developments affecting the Group. The timely release of quarterly financial results of the Group and the issue of the Company's Annual Reports provide regular information on the state of affairs of the Group. These, together with other announcements to the Bursa Securities, circulars to shareholders and, where appropriate, ad-hoc press statements and interviews, are the principal channels for dissemination of information to its investors, stakeholders and the public in general.

The Group maintains a website at www.pohhuat.com where shareholders as well as members of the public can access the latest information on the Company and on the business activities of the Group. Alternatively, they may obtain the Company's latest announcements via the website of Bursa Securities at www.bursamalaysia.com.

CORPORATE GOVERNANCE (CONT'D)

(H) STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

Shareholders' Participation at General Meetings

General meetings of the Company represent the main venue for communication between the shareholders and the Company. Shareholders are encouraged to attend and participate at these meetings.

The Company dispatches its notice of General Meeting to shareholders at least 21 days before the said meeting. The notice of General Meeting provides information to shareholders with regard to details of the agendas to be presented at the General Meeting, shareholders' entitlement to attend the General Meeting and shareholders' rights and procedures relating to the appointment of proxies.

To further promote participation of members, the Chairman of the meeting will brief the members, corporate representatives or proxies present at the meeting of their rights to speak and vote on the resolutions set forth in the general meeting.

At the Company's Annual General Meetings, members of the Board, the external auditors, and where applicable, other advisers of the Company, are present to answer queries. The Chairman provides an account of the performance of the Group during the year under review prior to the tabling of the financial statements for approval by the shareholders. The shareholders are invited to raise questions or matters relating to the financial statements or the affairs of the Group before putting the resolution to a vote. Where applicable, the Directors will also present to the shareholders any written question raised by and responses given to the Minority Shareholders Watchdog Group or any shareholder who has written to the Company prior to the general meeting.

In line with Paragraph 7.21A(2) of the Listing Requirements for further promoting participation of members through proxies, the Chairman of the Annual General Meeting will brief the members, corporate representatives and proxies present of their right to speak and vote on the resolutions set out in the Notice of the 18th Annual General Meeting dated 30 March 2016. The Articles of Association further entitles a member to vote in person, by corporate representative, by proxy or by attorney. Essentially, a corporate representative, proxy or attorney shall be entitled to vote both on a show of hands and on a poll as if they were a member of the Company,

Voting by Poll

At present, all resolutions to be passed by the shareholders at the forthcoming Annual General Meeting shall be voted by a show of hands. Going forward, the Board will give due consideration on the mode of voting on any resolutions at the Annual General Meetings and/or Extraordinary General Meetings, including voting by way of a poll, if the proposals are of a substantive nature or require voting by poll. At the commencement of all general meetings, the Chairman of the meeting will inform the shareholders of their rights to a poll voting.

Communication with Shareholders and Stakeholders

The Group has adopted a "Whistle Blowing Policy" and designated a Senior Independent Director to facilitate open communication with shareholders and all stakeholders. The details of the policy and contact persons are disclosed herein and made available on the Company's website at www.pohhuat.com.

All communication with the Company may also be channelled to the Company Secretary at the registered address of the Company.

AUDIT COMMITTEE

CONSTITUTION

The Audit Committee was established by the Board 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 Chua Syer Cin
Chairman
Independent Non-Executive Director
2. Mr Boo Chin Liong
Independent Non-Executive Director
3. Mr Tay Khim Seng
Non-Independent Non-Executive Director

hereinafter referred to as the "Committee".

AUDIT COMMITTEE CHARTER

The Audit Committee has recently adopted an Audit Committee Charter to replace the Terms of Reference previously adopted by the Committee. The Audit Committee Charter could be found on the Company's website at www.pohhuat.com, the details of which are as follows:-

Objectives

The primary objective of the Committee is to assist the Board 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 the Company and of its subsidiaries. Specifically, the 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 the public in the Group's reported results;
2. maintain, by scheduling regular meetings, open line of communication amongst the Board members, external auditors and 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 in fulfilling their fiduciary duties and responsibilities relating to the conduct of the business and affairs of the Group.

AUDIT COMMITTEE (CONT'D)

Composition

The members of the Committee shall be appointed by the Board from amongst their members and shall comprise no fewer than three (3) members. All the Audit Committee members must be Non-Executive Directors of which a majority shall be Independent Directors.

All members of the Committee shall be financially literate and at least one member of the Committee must fulfil the Paragraph 15.09(1)(c) of the Bursa Securities Main Market Listing Requirements.

The members of the Committee shall elect a Chairman from among their number who is an Independent Director. 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 reduced to below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

Meetings

The Committee will meet at least once a quarter and convene 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 cooperate with any request made by the Committee.

The Committee shall have unrestricted access to the external auditors and the internal auditors as well as the management of the Group. The Audit Committee shall be empowered to retain external experts and/or persons with the relevant competence as necessary to assist the Committee in fulfilling its responsibilities.

AUDIT COMMITTEE (CONT'D)

.....

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 and internal 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 the scope and results of internal audit procedures, the findings and recommendations of the internal audit report and approve and/or monitor the remedial or corrective actions taken;
- 4. to review the requisite interim and annual financial statements and reports of the Group, to discuss matters and findings arising from the review with the Board and where necessary, the auditors, and to recommend to the Board the announcement/ publication of the financial statements in 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; and
- 6. to review any related party transactions that may arise within the Company or the Group.

Modifications

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

AUDIT COMMITTEE (CONT'D)

MEETINGS AND ATTENDANCE

Four (4) Audit Committee meetings were held during the financial year ended 31 October 2015. Details of the attendance of members at the Audit Committee Meetings are as follows:-

Name	Attendance
Mr Chua Syer Cin	4/4
Mr Tay Khim Seng	4/4
Mr Boo Chin Liong	2/4

ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee during the financial year ended 31 October 2015 included the following:-

1. Reviewed and recommended to the Board the re-appointment of external and internal auditors and the payment of fees to these auditors.
2. Reviewed with the external auditors their scope of work and audit plans prior to the commencement of the audit activities;
3. Reviewed and discussed the Group audited financial statements for the year ended 31 October 2015 with the external auditors' including the audit notes and findings, and updates on new developments pertaining to accounting standards issued by the Malaysian Accounting Standards Board;
4. Reviewed and discussed with the internal auditors on the Group's three (3) years internal audit plans and the overall assessment of the system of internal controls of the Group;
5. Reviewed the quarterly findings of and discussed with the internal auditors their recommendations to strengthen the internal controls and monitored the implementation of such approved recommendations;
6. Reviewed the unaudited quarterly financial results of the Group and made recommendation to the Board;
7. Reviewed major investment and corporate proposals undertaken by the Group during the financial year; and
8. Reviewed related party transactions entered into by the Group in its ordinary course of business.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the Listing Requirements, the Board of Directors is pleased to provide the following Statement on Risk Management and Internal Control of the Group, which had been prepared in accordance with the “Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers”.

Board's Responsibility

The Board acknowledges that it is ultimately responsible for the Group's system of risk management and internal control, which includes the establishment of an appropriate control environment and framework as well as for reviewing its adequacy and integrity.

The Board wishes to state that such a system is designed to manage the Group's risks within an acceptable level, rather than to eliminate the risk of failure to achieve the business objectives of the Group. Therefore, it should be noted that such a system of risk management and internal control can only provide reasonable but not absolute assurance against material misstatement, financial losses or fraud.

The Executive Directors and Management assist the Board on the implementation of the Board's policies and procedure on risk assessment and control. The Board, through the Audit Committee, is involved in the design, operations and monitoring of suitable internal controls to mitigate and control these risks.

Risk Management

The Board maintains an ongoing commitment for identifying, evaluation and managing significant risk faced by the Group during the financial year under review. As an ongoing process of enhancing risk management, the Group has formalised the Risk Management framework to identify, evaluate and manage significant operational risk factors. The Risk Management policies encompass key policies as follows:

1. Establish clear objectives for the Group, identify and evaluate the significant risks to the achievement of those objectives, set boundaries for risk taking and apply fit-for-purpose risk responses including risk mitigation where appropriate;
2. Incorporate risk responses into a system of internal control which is designed to address opportunities, protect people, the environment and assets, facilitate effective and efficient operations and help to ensure reliable reporting and compliance with applicable laws and regulations;
3. Monitor the effectiveness of the system of risk and internal control management;
4. Emphasis on compliance to group guidelines and standards which relate to particular types of risk;
5. Constant communication between Executive Directors and Management (Head of Department) during daily management of operation and through regular scheduled management meetings; and
6. Highlight to the Board of Director and Audit Committee any changes in significant risk faced by the Group or emergence of new business risk for deliberation and decision making.

Whilst the Board maintains ultimate control over risk and control issues, it has delegated the implementation of the system of risk management and internal control in the above framework to the Executive Directors and Management of the Group.

As at the date of this report, the Management has completed the risk profiling exercise for key operating units in the Malaysia operation.

The Board has received assurance from the Executive Directors that the Group's risk management and internal control system is operating adequately and effectively in all material respect.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Internal Control System

The Group has an established internal control structure to ensure effective control over the Group's business operations and to safeguard the value and security of the Group's assets. The internal control system is designed to give reasonable assurance with respect to the:-

- maintenance of proper operational and accounting records;
- reliability of financial information used within the business or for publication;
- safeguarding of assets against unauthorised use or disposition;
- efficiency and effectiveness of the running of the businesses and operations; and
- compliance with laws and regulations.

The Group's internal control system and monitoring procedures include:-

- clearly defined systems and procedures for key operational and financial departments, including maintenance of good operational and financial records and controls and the production of timely and accurate financial and management information and reports;
- monitoring and control of key financial risks through clearly laid down authorisation levels and proper segregation of accounting duties;
- detailed reporting of trading results, balance sheets and cash flows, with regular review by the management, Audit Committee and Board of Directors;
- regular independent internal audit activities to monitor compliance with operational procedures and assess the integrity of operational and financial information provided; and
- regular information provided to the management, covering operational performance, key business indicators and financial and cash flow reports.

The Group continuously monitors the effectiveness of the internal control system to ensure a continuous process of improving the internal control system and enhancing the quality and effectiveness of operational audits.

The Executive Directors have day-to-day contact with the business and are actively involved in risks monitoring and control activities. The Executive Directors report to the Board on significant risks impacting the Group and the measures proposed or taken by the management to address these risks. All Board members received copies of management and audit reports and are involved in the decision and actions that are required to maintain the level of risk at an acceptable level.

The external auditors have reviewed the Statement On Risk Management And Internal Control pursuant to Paragraph 15.23 of the Listing Requirements and have reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control and risk management. This statement was approved at the meeting of the Board on 22 March 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Internal Control and Internal Audit Function

The Internal Audit function is considered an integral part of the assurance framework and its primary mission is to provide assurance on the adequacy and effectiveness of the risk, control and governance framework of the Group. The purpose, authority and responsibility of the internal audit function as well as the nature of the assurance provided by the function are articulated in the internal audit charter.

The Internal Auditors report directly to the Audit Committee who reviews and approves the Internal Audit Plan to ensure that the function is adequately resourced with competent and proficient internal auditors.

The principal role of the Internal Auditors are to undertake independent, regular and systematic reviews of the systems of internal control within the Group's operating units to determine whether the operating procedures and internal controls established by the Group are adequate and complied with, in accordance with the internal audit plan approved by the Audit Committee.

During the year, the Internal Auditors conducted various internal audit engagements in accordance with the risk-based audit plan that covers a rolling period of three (3) years. The Internal Auditors evaluated the adequacy and effectiveness of key controls within the Group's operating units in responding to the risks within the Group's governance, operations and information systems regarding the:

- maintenance of proper accounting records;
- reliability of financial information used within the business or for publication;
- safeguarding of assets against unauthorised use or disposition;
- efficiency and effectiveness of the running of the businesses and operations; and
- compliance with laws and regulations.

The Internal Auditors document their key findings and discuss with head of operating units on the outcome of the internal audit review and recommendation for improvement in the internal controls. The Internal Auditors report to the Audit Committee the outcome and improvements recommended in each of the internal audit review assignment with independent and objective reports and present them in the Audit Committee Meeting. Follow up reviews were carried out in the subsequent internal audit review assignment to determine the status of implementation of improvements agreed by management.

All the internal audit activities were outsourced to a firm of independent licensed auditors and the total costs incurred in managing the internal audit functions for the financial year ended 31 October 2015 was RM33,000.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate exercise during the financial year.

SHARE BUYBACK

The Company has been authorised by shareholders to purchase its own shares. During the financial year, the Company did not purchase any of its own shares.

As at the date of this report, the Company has repurchased a total of 13,327,600 of its own shares. The Company has not resold any of the shares purchased and all the shares purchased are being retained as treasury shares.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

Warrants 2015/2020

On 22 October 2015, the Company issued 53,361,427 new warrants which entitle warrantholders to subscribe for one (1) Poh Huat Share for each warrant at any time during the exercise period at the subscription price of RM1.00 per Poh Huat Share ("Warrants 2015/2020"). The Warrants 2015/2020 were listed on the Main Market of Bursa Malaysia with effect from 27 October 2015.

Each Warrant carries the right to subscribe for one (1) new ordinary share of RM0.50 each in the Company at any time from 22 October 2015 up to the expiry date on 21 October 2020, at an exercise price of RM1.00 for each new share. Any Warrant not exercised by the expiry of the exercise period will lapse and cease to be valid for all purposes. The ordinary shares issued from the exercise of the Warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of the Warrants.

As at 29 February 2016, there were 53,329,827 outstanding Warrants 2015/2020.

Save for the above, the Company has not granted any other options or warrants to any parties to take up unissued shares in the Company during the financial year.

The Company has not issued any convertible securities. As such, there is no exercise of any convertible securities during the financial year.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

DEPOSITORY RECEIPT PROGRAMME

The Company has not sponsored any Depository Receipt programme during the financial year.

SANCTIONS AND PENALTIES

No sanction or penalty has been imposed by any regulatory bodies on the Company or its subsidiaries, or on the Directors or management of the Company or its subsidiaries.

NON-AUDIT FEES PAYABLE TO EXTERNAL AUDITORS

No non-audit fees were paid to external auditors during the financial year.

VARIATION IN RESULTS

There was no material variation between the audited results for the financial year and the unaudited results previously announced.

PROFIT GUARANTEE

No person or party has warranted the profit of the Company for the financial year.

MATERIAL CONTRACTS INVOLVING DIRECTORS'/SUBSTANTIAL SHAREHOLDERS' INTERESTS

The Company has not entered into any material contract with any Directors or substantial shareholders of the Company nor any persons connected to a Director or major shareholder of the Company.

RECURRENT RELATED PARTY TRANSACTIONS

Details of the recurrent related party transactions undertaken by the Group during the financial year are disclosed in Note 29 of the Financial Statements herein.

CORPORATE RESPONSIBILITY

As an entity, the Group is an integral part of the community and the environment in which it operates. The Group believes that its success depends on its ability to engage all stakeholders in a responsible manner. With regard to corporate integrity and responsibility, the Group takes a holistic approach toward the marketplace, workforce, community and environment.

The success of the Group in the marketplace hinges on how its activities are carried out at each level of the value-add/supply chain. In the procurement of business, the Group interacts with both prospective and actual customers and end-users, a majority whom require assurance that the Group operates in an ethical and environmentally sustainable manner. These requirements encompass the sustainable use of environmentally friendly raw materials; ethical deployment, treatment and development of workforce; safe and conducive working environment; product safety and quality assurance; and customer services.

SUSTAINABLE USE OF ENVIRONMENTALLY FRIENDLY RAW MATERIALS

As a major wood-based furniture manufacturer, the Group believes in the sustainable use of environmentally friendly materials. The Group complies with the Forest Stewardship Council AC's Chain of Custody ("FSC COC") requirements and a majority of its products are certified as FSC COC compliant. FSC COC is an information trail about the path taken by products from forest or, in the case of recycled materials, reclamation site to the consumer including each stage of processing, transformation, manufacturing and distribution with a view of providing a credible guarantee to the consumer that the products originated from well managed, sustainable forests or controlled sources of reclaimed wood/fibre based materials.

We are also working to further reduce the impact of our operations on the environment and to contribute to the realisation of a recycling-based society by achieving the targets set by world environment panels and organisations such as the FSC, Programme for the Endorsement of Forest Certification and the California Air Resources Board.

ETHICAL DEPLOYMENT, TREATMENT AND DEVELOPMENT OF WORKFORCE

We believe that employees are the key to the success of the Group. The Group has over 4,500 employees both Malaysian and foreigners, either deployed in Malaysia or their home country where the Group has operational bases. The Group's policies on recruitment, working hours, remuneration and welfare exceed the requirements set forth by the relevant authorities in the countries that we operate in. Skilled employees and managerial staff attend technical and managerial upgrading programmes organised by the Group to strengthen their core skills and competencies with a view of enhancing career development, work quality and job performance.

CORPORATE RESPONSIBILITY (CONT'D)

.....

SAFE AND CONDUCTIVE WORKING ENVIRONMENT

The Group has a fundamental responsibility and commitment to ensure that all employees work in a safe and healthy environment. A Safety, Health and Environment Committee has been set up to lead the activities in accordance with the Group-wide Safety, Health, Accident Prevention and Environmental Action Policy. In the critical areas, we strive to achieve the lowest rate of lost-work time injuries and have established “Zero Serious Accident” target by pursuing the Step-Up Zero Accident Programme (an important part of the ISO 9001/2000 Manufacturing Technology Innovation Policy). The Group emphasises on the development of technical competency and enforcement of safe work practices for its workers in the production areas. Production layout and workflow are organised in an orderly manner to ensure optimum workers’ movement, safety and sustainable work rate. Production debris and hazardous materials are handled and disposed of in accordance to the safety requirements and regulations to ensure a safe workplace and minimum harm to the environment.

Representatives from all levels also attend specific Occupational Safety and Health Administration (OSHA) courses conducted by external trainers to enhance their understanding and responsibility on employees’ health and safety. These programmes focus on identifying common hazards and unsafe work practices and implementing corrective actions to improve the work environment. In compliance with the OSHA requirements, First Aid and CPR training sessions are also organised to help staff and workers understand their role as Emergency First Responders.

PRODUCT SAFETY, QUALITY ASSURANCE AND CUSTOMER SERVICES

The Group recognises the importance of product safety and quality assurance as a competitive edge in the marketplace. In this regard, the Group continuously emphasises the “Quality” and “Customer-focus” watchwords that reflect the quality commitment of the Group towards its customers. To help achieve the highest standards, the Group established a Product Safety and Quality Assurance Planning Committee to further strengthen the Group’s quality assurance systems that are centred on the Quality Assurance Department of each business area. The Product Safety and Quality Assurance Planning Committee works with all departments in a systematic manner to improve work practices in each business area that is subject to defined quality assurance regulations.

Steps were also taken to implement enhanced quality assurance management in relation to materials, parts and products made by external suppliers and to products manufactured and distributed throughout our supply chain globally.

DIRECTORS' RESPONSIBILITIES STATEMENT

.....

The Directors are responsible for the preparation of financial statements for each financial year. They are responsible for ensuring that these financial statements give a true and fair view of the state of affairs of the Group and of the Company, as well as the results and cash flows for the financial year then ended.

The financial statements are prepared on a going concern basis, in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965. It is the duty of the Directors to review the appropriateness of the basis before adopting the financial statements and lay them before the Annual General Meeting together with their Report and the Auditors' Report thereon.

The Directors are also responsible for ensuring that proper accounting and other records are kept to sufficiently explain the transactions and financial position of the Group and of the Company to enable true and fair financial statements to be prepared.

In preparing the financial statements, the Directors are required to exercise judgement in making certain estimates to be incorporated in the financial statements. The Directors are to ensure that the estimates made are reasonable and relevant to the financial statements.

CONTENTS



43	Directors’ Report	57	Statements of Profit or Loss and Other Comprehensive Income
50	Statement by Directors	59	Statements of Changes in Equity
51	Statutory Declaration	62	Statements of Cash Flows
52	Independent Auditors’ Report	64	Notes to the Financial Statements
55	Statements of Financial Position		

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 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 8 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
Profit after tax for the financial year	38,579,109	28,895,428
Attributable to :		
Owners of the Company	39,185,439	28,895,428
Non-controlling interests	(606,330)	–
	38,579,109	28,895,428

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the effects of the fire incident as disclosed in Note 32(b) to the financial statements.

DIVIDENDS

Dividends paid or declared by the Company since the end of the previous financial year were as follows :

A final single tier dividend of 3% equivalent to 3 sen per ordinary share amounting to RM 3,201,699 in respect of financial year ended 31 October 2014 was approved by the shareholders at the Annual General Meeting held on 23 April 2015 and paid on 18 May 2015.

A first interim single tier dividend of 3% equivalent to 3 sen per ordinary share amounting to RM 3,201,699 in respect of the financial year ended 31 October 2015 was declared on 29 June 2015 and paid on 12 August 2015.

A second interim single tier dividend of 3% equivalent to 3 sen per ordinary share amounting to RM 3,201,699 in respect of the financial year ended 31 October 2015 was declared on 14 September 2015 and paid on 16 October 2015.

DIRECTORS' REPORT

(CONT'D)

DIVIDENDS (CONT'D)

The directors declared a first interim single tier dividend of 4% equivalent to 2 sen per ordinary share on 18 December 2015 in respect of the financial year ending 31 October 2016. This dividend was subsequently paid on 22 January 2016 to shareholders whose names appeared in the Company's Record of Depositors on 8 January 2016. This dividend shall be accounted for in equity as an appropriation of retained profits for the financial year ending 31 October 2016.

At the forthcoming Annual General Meeting, a final single tier dividend of 4% equivalent to 2 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 October 2016.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year save as disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

At the extraordinary general meeting held on 1 October 2015, the shareholders of the Company approved the amendment in the authorised share capital of the Company from RM 500,000,000 comprising 500,000,000 ordinary shares of RM 1.00 each to RM 500,000,000 comprising 1,000,000,000 ordinary shares of RM 0.50 each to facilitate the implementation of a share split.

On 21 October 2015, the Company completed a share split involving the subdivision of every one (1) existing ordinary share of RM 1.00 each into two (2) ordinary shares of RM 0.50 each. The paid-up share capital comprising 113,387,105 ordinary shares of RM 1.00 each were split into 226,774,210 ordinary shares of RM 0.50 each.

There were no issue of debentures during the financial year.

WARRANTS

The salient features of the Warrants are set out in Note 14 to the financial statements.

DIRECTORS' REPORT

(CONT'D)

TREASURY SHARES

At 31 October 2015, the Company held as treasury shares a total of 13,327,600 out of its 226,774,210 issued and fully paid-up ordinary shares of RM 0.50 per ordinary share. The treasury shares are held at carrying amount of RM 2,836,481. Relevant details on the treasury shares are disclosed in Note 15 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

DIRECTORS

The directors who served since the date of the last report are as follows :

Tay Kim Huat
 Tay Kim Hau
 Boo Chin Liong
 Tay Khim Seng
 Chua Syer Cin
 Datuk Seri Zulkipli Bin Mat Noor
 Toh Kim Chong
 Lim Pei Tiam @ Liam Ahat Kiat

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' INTERESTS

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

The Company		Number Of Ordinary Shares Of RM 1.00 Each			Number Of Ordinary Shares Of RM 0.50 Each		
		Balance At 01.11.2014	Bought	Subdivision of share	Bought	Balance At Sold	31.10.2015
Tay Kim Huat	- Direct interest	25,643,138	–	–	25,643,138	–	–
	- Indirect interest ⁽¹⁾	5,890,536	–	–	5,890,536	–	–
Tay Kim Hau	- Direct interest	500,000	–	350,000	150,000	–	–
Boo Chin Liong	- Direct interest	19,500	–	–	19,500	–	–
Tay Khim Seng	- Direct interest	3,159,330	20,000	880,000	2,299,330	–	–
Toh Kim Chong	- Direct interest	3,300,644	–	–	3,300,644	–	–
Lim Pei Tiam @	- Direct interest	13,999,800	–	–	13,999,800	–	–
Liam Ahat Kiat	- Indirect interest ⁽²⁾	1,345,700	335,300	–	1,681,000	–	–

The Company		Number Of Warrants			
		Balance At 01.11.2014	Entitled	Acquired	Balance At Disposed
					31.10.2015
Tay Kim Huat	- Direct interest	–	12,821,568	7,500	757,600
	- Indirect interest ⁽¹⁾	–	2,945,268	–	–
Tay Kim Hau	- Direct interest	–	75,000	–	75,000
Boo Chin Liong	- Direct interest	–	9,749	–	–
Tay Khim Seng	- Direct interest	–	1,149,665	–	–
Toh Kim Chong	- Direct interest	–	1,650,322	–	–
Lim Pei Tiam @	- Direct interest	–	6,999,900	–	–
Liam Ahat Kiat	- Indirect interest ⁽²⁾	–	840,500	–	–

Notes :

(1) Indirect interest by virtue of the shareholdings of his spouse and children.

(2) Indirect interest by virtue of the shareholdings of his children.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' INTERESTS (CONT'D)

By virtue of his shareholding in the Company, Mr. Tay Kim Huat is deemed to have interests in the shares of all the subsidiaries to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

Other than as disclosed above, none of the directors in office at the end of the financial year had any other interest in the shares and warrants of the Company and its related corporations during the financial year.

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 financial statements, or the fixed salary of a full-time employee 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interest as disclosed in Note 29 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to 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 action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables ; and
 - (ii) to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT

(CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

- (b) At the date of this report, the directors are not aware of any circumstances :
- (i) that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company ; or
 - (ii) which 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 methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate ; or
 - (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 that has arisen since the end of the financial year which secures the liabilities of any other persons ; or
 - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the directors :
- (i) no contingent or other liability of the Group and of the Company have 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 substantially affect the ability of the Group and of the Company to meet their obligations when they fall due ; and
 - (ii) 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 in which this report is made.

DIRECTORS' REPORT

(CONT'D)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year is disclosed in Note 32 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors :

TAY KIM HUAT

Director

TAY KIM HAU

Director

Muar, Johor Darul Takzim

Date : 27 January 2016

STATEMENT BY DIRECTORS

We, the undersigned, being two of the directors of Poh Huat Resources Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 55 to 130 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 October 2015 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 34, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors :

TAY KIM HUAT

Director

TAY KIM HAU

Director

Muar, Johor Darul Takzim

Date : 27 January 2016

STATUTORY DECLARATION

I, TAY KIM HUAT, being the officer primarily responsible for the financial management of Poh Huat Resources Holdings Berhad, do solemnly and sincerely declare that the financial statements and supplementary information set out on pages 55 to 131 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
27 January 2016

Before me
Commissioner for Oaths

TAY KIM HUAT

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF POH HUAT RESOURCES HOLDINGS BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Poh Huat Resources Holdings Berhad, which comprise the statements of financial position at 31 October 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 55 to 130.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 October 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF POH HUAT RESOURCES HOLDINGS BERHAD

(CONT'D)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following :

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 8 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 34 on page 131 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF POH HUAT RESOURCES HOLDINGS BERHAD

(CONT'D)

.....

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

Ng Kim Kiat
Approval No.: 2074/10/16 (J)
Chartered Accountant

Muar, Johor Darul Takzim
Date : 27 January 2016

STATEMENTS OF FINANCIAL POSITION

AT 31 OCTOBER 2015

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	120,138,638	111,257,739	–	–
Land held for property development	6	20,912,187	20,912,187	–	–
Investment properties	7	7,278,968	–	–	–
Investment in subsidiaries	8	–	–	123,948,266	102,948,266
Long term receivables	9	–	–	2,421,786	23,384,277
Deferred tax assets	10	861,067	55,501	–	–
		149,190,860	132,225,427	126,370,052	126,332,543
CURRENT ASSETS					
Inventories	11	67,244,395	56,362,543	–	–
Trade and other receivables	9	56,934,170	38,241,319	106,460	117,923
Deposits, bank and cash balances	12	70,869,385	52,881,018	9,622,185	12,495,972
Quoted investment	13	1,149,106	–	1,149,106	–
Dividend receivable		–	–	15,705,396	–
		196,197,056	147,484,880	26,583,147	12,613,895
TOTAL ASSETS		345,387,916	279,710,307	152,953,199	138,946,438

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AT 31 OCTOBER 2015

(CONT'D)

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	113,387,105	113,387,105	113,387,105	113,387,105
Treasury shares	15	(2,836,481)	(2,836,481)	(2,836,481)	(2,836,481)
Reserves	16	103,167,997	61,080,213	42,289,395	22,999,064
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		213,718,621	171,630,837	152,840,019	133,549,688
NON-CONTROLLING INTERESTS		241,763	826,840	–	–
TOTAL EQUITY		213,960,384	172,457,677	152,840,019	133,549,688
NON-CURRENT LIABILITIES					
Bank borrowings	17	2,230,257	2,603,351	–	–
Hire purchase payables	18	320,779	259,772	–	–
Deferred tax liabilities	10	5,030,000	3,030,000	–	–
		7,581,036	5,893,123	–	–
CURRENT LIABILITIES					
Trade and other payables	19	86,028,178	60,628,087	113,180	60,585
Bank borrowings	17	30,595,760	31,538,752	–	–
Hire purchase payables	18	264,506	377,301	–	–
Dividend payable		–	5,336,165	–	5,336,165
Tax payable		6,958,052	3,479,202	–	–
		123,846,496	101,359,507	113,180	5,396,750
TOTAL LIABILITIES		131,427,532	107,252,630	113,180	5,396,750
TOTAL EQUITY AND LIABILITIES		345,387,916	279,710,307	152,953,199	138,946,438

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
REVENUE	20	453,932,441	377,173,507	27,453,248	19,366,787
COST OF SALES		(363,571,216)	(310,929,002)	–	–
GROSS PROFIT		90,361,225	66,244,505	27,453,248	19,366,787
OTHER INCOME		11,990,298	2,077,215	2,848,886	84,749
SELLING AND DISTRIBUTION EXPENSES		(21,678,898)	(18,533,658)	–	–
ADMINISTRATIVE EXPENSES		(21,043,898)	(18,080,238)	(795,382)	(552,410)
OTHER EXPENSES		(10,265,257)	(1,449,228)	(605,804)	(249,453)
FINANCE COSTS	21	(1,990,465)	(2,005,812)	(3,578)	(1,256)
PROFIT BEFORE TAX	22	47,373,005	28,252,784	28,897,370	18,648,417
TAX EXPENSE	25	(8,793,896)	(4,780,786)	(1,942)	–
PROFIT AFTER TAX		38,579,109	23,471,998	28,895,428	18,648,417
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences					
- changes during the financial year		12,530,286	1,917,064	–	–
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		51,109,395	25,389,062	28,895,428	18,648,417

The annexed notes form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015
(CONT'D)

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
PROFIT AFTER TAX ATTRIBUTABLE TO :					
Owners of the Company		39,185,439	23,802,544	28,895,428	18,648,417
Non-controlling interests		(606,330)	(330,546)	–	–
		38,579,109	23,471,998	28,895,428	18,648,417
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :					
Owners of the Company		51,692,881	25,780,299	28,895,428	18,648,417
Non-controlling interests		(583,486)	(391,237)	–	–
		51,109,395	25,389,062	28,895,428	18,648,417
EARNINGS PER ORDINARY SHARE (SEN)					
	26				
Basic		18.36	22.30		
Diluted		18.31	Not applicable		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015

Group	Attributable To Owners Of The Company								
	Note	Non-Distributable			Distributable			Non-controlling Interests RM	Total Equity RM
		Share Capital RM	Treasury Shares RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Total RM			
At 1 November 2013		113,387,105	(2,836,481)	(19,108,325)	65,080,569	156,522,868	1,219,183	157,742,051	
Profit after tax for the financial year		–	–	–	23,802,544	23,802,544	(330,546)	23,471,998	
Other comprehensive income/(expense) for the financial year									
Foreign currency translation differences - changes during the financial year		–	–	1,977,755	–	1,977,755	(60,691)	1,917,064	
Total comprehensive income/(expense) for the financial year		–	–	1,977,755	23,802,544	25,780,299	(391,237)	25,389,062	
Contributions by and distributions to owners of the Company									
- Dividends									
- by the Company	27	–	–	–	(10,672,330)	(10,672,330)	–	(10,672,330)	
- by subsidiary to non-controlling interests		–	–	–	–	–	(1,106)	(1,106)	
Total transactions with owners		–	–	–	(10,672,330)	(10,672,330)	(1,106)	(10,673,436)	
At 31 October 2014		113,387,105	(2,836,481)	(17,130,570)	78,210,783	171,630,837	826,840	172,457,677	

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015

(CONT'D)

Group	Attributable To Owners Of The Company							
	Note	Non-Distributable			Distributable		Non-controlling Interests RM	Total Equity RM
		Share Capital RM	Treasury Shares RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Total RM		
At 1 November 2014	113,387,105	(2,836,481)	(17,130,570)	78,210,783	171,630,837	826,840	172,457,677	
Profit after tax for the financial year		–	–	–	39,185,439	39,185,439	(606,330)	38,579,109
Other comprehensive income/(expense) for the financial year								
Foreign currency translation differences - changes during the financial year		–	–	12,507,442	–	12,507,442	22,844	12,530,286
Total comprehensive income/(expense) for the financial year		–	–	12,507,442	39,185,439	51,692,881	(583,486)	51,109,395
Contributions by and distributions to owners of the Company								
- Dividends								
- by the Company	27	–	–	–	(9,605,097)	(9,605,097)	–	(9,605,097)
- by subsidiary to non-controlling interests		–	–	–	–	–	(1,591)	(1,591)
Total transactions with owners		–	–	–	(9,605,097)	(9,605,097)	(1,591)	(9,606,688)
At 31 October 2015	113,387,105	(2,836,481)	(4,623,128)	107,791,125	213,718,621	241,763	213,960,384	

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015

(CONT'D)

Company	Attributable To Owners Of The Company				
	Note	Non-Distributable		Distributable	
		Share Capital RM	Treasury Shares RM	Retained Profits RM	Total Equity RM
At 1 November 2013		113,387,105	(2,836,481)	15,022,977	125,573,601
Profit after tax / Total comprehensive income for the financial year		–	–	18,648,417	18,648,417
Contributions by and distributions to owners of the Company					
- Dividends	27	–	–	(10,672,330)	(10,672,330)
At 31 October 2014 / 1 November 2014		113,387,105	(2,836,481)	22,999,064	133,549,688
Profit after tax / Total comprehensive income for the financial year		–	–	28,895,428	28,895,428
Contributions by and distributions to owners of the Company					
- Dividends	27	–	–	(9,605,097)	(9,605,097)
At 31 October 2015		113,387,105	(2,836,481)	42,289,395	152,840,019

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	47,373,005	28,252,784	28,897,370	18,648,417
Adjustments for :				
Allowance for slow-moving inventories	507,000	486,000	—	—
Allowance for impairment losses on trade and other receivables	25,789	—	—	—
Depreciation	7,115,086	7,374,819	—	—
Dividend income	—	—	(27,453,248)	(19,366,787)
Fair value loss on derivatives	—	377,123	—	—
Fire insurance compensation	(3,832,400)	—	—	—
Inventories value written down	432,181	—	—	—
Inventories written off	6,120,016	—	—	—
(Gain) on disposal of property, plant and equipment	(167,338)	(68,441)	—	—
Property, plant and equipment written off	3,146,873	286,046	—	—
Reversal of allowance for impairment losses on trade and other receivables	—	(58)	—	—
Unrealised (gain)/loss on foreign exchange	(5,777,232)	(625,593)	(2,848,886)	249,453
Interest income	(1,106,815)	(672,471)	—	(7,932)
Interest expenses	1,472,456	1,458,237	—	—
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	55,308,621	36,868,446	(1,404,764)	(476,849)
Changes In Working Capital				
Inventories	(8,795,013)	(1,804,981)	—	—
Trade and other receivables	(7,381,390)	8,099,953	(26,046)	(8,420,785)
Trade and other payables	14,870,978	2,968,692	52,595	(61,330)
CASH GENERATED FROM/(ABSORBED INTO) OPERATIONS	54,003,196	46,132,110	(1,378,215)	(8,958,964)
Interest received	1,106,815	672,471	—	7,932
Interest paid	(1,472,456)	(1,458,237)	—	—
Tax refund	30,600	—	—	—
Tax paid	(4,998,063)	(3,810,484)	(1,942)	—
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	48,670,092	41,535,860	(1,380,157)	(8,951,032)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015

(CONT'D)

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		745,057	280,660	–	–
Purchase of property, plant and equipment	5(c)	(15,989,920)	(5,393,149)	–	–
Purchase of quoted investment		(1,149,106)	–	(1,149,106)	–
Purchase of land held for property development		–	(12,143,603)	–	–
Dividends received from subsidiaries		–	–	14,596,738	22,791,954
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		(16,393,969)	(17,256,092)	13,447,632	22,791,954
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loans		2,000,000	–	–	–
Net movements in trade bills		(7,672,414)	(18,234,129)	–	–
Repayment of term loans		(1,870,695)	(2,324,836)	–	–
Repayment of hire purchase payables		(491,788)	(566,006)	–	–
Dividends paid		(14,941,262)	(5,336,165)	(14,941,262)	(5,336,165)
Dividends paid to non-controlling interests by subsidiary		(1,591)	(1,106)	–	–
NET CASH (USED IN) FINANCING ACTIVITIES		(22,977,750)	(26,462,242)	(14,941,262)	(5,336,165)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		8,689,994	1,643,194	–	–
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		17,988,367	(539,280)	(2,873,787)	8,504,757
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		52,881,018	53,420,298	12,495,972	3,991,215
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	28	70,869,385	52,881,018	9,622,185	12,495,972

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015

.....

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows :

Registered office : No. 7 (1st Floor), Jalan Pesta 1/1
Taman Tun Dr. Ismail 1
Jalan Bakri
84000 Muar
Johor Darul Takzim

Principal place of business : PLO 1, Jorak Industrial Area
Mukim Sungai Raya
84300 Bukit Pasir, Muar
Johor Darul Takzim

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 January 2016.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 8.

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

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

- 3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any) :

MFRSs and/or IC Interpretations (including the Consequential Amendments)

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011)	: Investment Entities
Amendments to MFRS 119	: Defined Benefit Plans – Employee Contributions
Amendments to MFRS 132	: Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	: Recoverable Amount Disclosures for Non-financial Assets
Amendments to MFRS 139	: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 : Levies

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

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

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year :

MFRSs and/or IC Interpretations (including the Consequential Amendments)	Effective date
MFRS 9 : Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 : Revenue from Contracts with Customers & Amendments to MFRS 15 : Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011) : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011) : Investment Entities – Applying the Consolidation Exception	1 January 2016

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year : (cont'd)

MFRSs and/or IC Interpretations (including the Consequential Amendments)	Effective date
Amendments to MFRS 101 : Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 : Clarification of Acceptable Methods of Depreciation and MFRS 138 and Amortisation	1 January 2016
Amendments to MFRS 116 : Agriculture – Bearer Plants and MFRS 141	1 January 2016
Amendments to MFRS 127 : Equity Method in Separate Financial Statements (2011)	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below :

(a) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates and Judgements (cont'd)

(b) Impairment of non-financial assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(c) Classification of leasehold land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(d) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews required judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(e) Impairment of trade and other receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates and Judgements (cont'd)

(f) Income tax

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

4.2 Investment in Subsidiaries

Investments in subsidiaries including the fair value adjustments on intergroup loans at inception date (and the share options granted to employees of the subsidiaries) are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.3 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Basis of Consolidation (cont'd)

(a) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent considerations arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling interests

Non-controlling interests are presented within equity in the consolidated statements of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(c) Changes in ownership interests in subsidiaries without change of control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Basis of Consolidation (cont'd)

(d) Loss of control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between :

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary ; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major component) of property, plant and equipment.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Property, plant and equipment and depreciation (cont'd)

Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Capital work-in-progress are not depreciated until they are completed and put into use. Other property, plant and equipment are depreciated on a straight-line basis to write off the cost of each asset to its residual value over their estimated useful lives. Depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates of depreciation used are as follows :

Warehouse and factory buildings	2.00%
Plant and machinery	10.00% - 20.00%
Vehicles, hostel, furniture, fittings and equipment	10.00% - 33.33%

The residual values, useful lives and depreciation method are reviewed, and adjusted, if appropriate, at the end of each reporting period to ensure that the amount, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The policy for the recognition and measurement of impairment losses is in accordance with Note 4.9(b).

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

4.5 Land held for property development

Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current assets when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commission, conversion fees and other relevant levies.

Land held for property development is reclassified property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is not depreciated. Depreciation is charged to profit or loss on the straight-line method over the estimated useful lives of the investment properties.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.7 Assets under hire purchase

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.4 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4.8 Inventories

Inventories comprising raw materials, packing 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 or first-in-first-out bases, as applicable.

The costs of raw materials and packing materials comprise the original purchase price plus cost incurred in bringing the inventories to their present location whilst the costs of work-in-progress and finished goods include the costs of raw materials, packing materials, direct labour and an appropriate proportion of production overheads based on normal operating capacity.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Impairment

(a) Impairment of financial assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(b) Impairment of non-financial assets

The carrying values of assets, other than those to which MFRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Impairment (cont'd)

(b) Impairment of non-financial assets (cont'd)

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.10 Financial instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets or available-for-sale financial assets, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

(iii) Loans and receivables financial assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(iii) Loans and receivables financial assets (cont'd)

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss. Interest income calculated for a debt instrument using the effective interest method is recognised in profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) Equity instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

(i) Ordinary shares

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Financial instruments (cont'd)

(d) Derecognition (cont'd)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less cumulative amortisation.

4.11 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to share-based payment transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Fair value measurements (cont'd)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows :

- Level 1 : Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date ;
- Level 2 : Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly ; and
- Level 3 : Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.12 Revenue recognition

(i) Sale of goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(ii) Dividend income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(iii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(iv) Rental income

Rental 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.

4.13 Employee benefit

(a) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Employee benefit (cont'd)

(b) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). The Group's foreign subsidiaries make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred.

4.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

4.15 Income tax

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Income tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.16 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.17 Related parties

A party is related to an entity (referred to as the "reporting entity") if :

- (a) A person or a close member of that person's family is related to a reporting entity if that person :
 - (i) has control or joint control over the reporting entity ;
 - (ii) has significant influence over the reporting entity ; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Related parties (cont'd)

- (b) An entity is related to a reporting entity if any of the following conditions applies :
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4.18 Functional and foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 Functional and foreign currencies (cont'd)

(b) Transactions and balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss, except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

(c) Foreign operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period except for those business combinations that occurred before the date of transition, 1 November 2011 which are treated as assets and liabilities of the Company and are not retranslated.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

4.19 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group - 2015

	Freehold land RM	Leasehold land RM	Warehouse and factory buildings RM	Plant and machinery RM	Vehicles, hostel, furniture, fittings and equipment RM	Capital work-in- progress RM	Total RM
At Cost							
At 1 November 2014	7,774,712	17,674,366	81,327,206	71,920,873	10,571,004	873,821	190,141,982
Additions	31,264	—	—	6,296,163	1,125,016	8,732,720	16,185,163
Disposals	—	—	—	(658,773)	(848,861)	(271,130)	(1,778,764)
Write off	—	—	(3,398,474)	(13,316,814)	(775,777)	—	(17,491,065)
Reclassifications	—	—	473,981	828,435	424,974	(1,727,390)	—
Transfer to investment properties (Note 7)	(2,926,205)	—	—	—	—	(4,352,763)	(7,278,968)
Foreign exchange differences	35,892	901,744	7,732,047	8,232,541	1,063,198	376,684	18,342,106
At 31 October 2015	4,915,663	18,576,110	86,134,760	73,302,425	11,559,554	3,631,942	198,120,454
Less : Accumulated Depreciation							
At 1 November 2014	—	4,474,694	16,694,985	51,340,681	6,373,883	—	78,884,243
Charge for the financial year	—	352,115	1,702,625	3,700,178	1,360,168	—	7,115,086
Disposals	—	—	—	(612,039)	(589,006)	—	(1,201,045)
Write off	—	—	(712,182)	(12,928,311)	(703,699)	—	(14,344,192)
Foreign exchange differences	—	249,175	1,228,536	5,487,789	562,224	—	7,527,724
At 31 October 2015	—	5,075,984	18,913,964	46,988,298	7,003,570	—	77,981,816
Carrying Amount							
At 31 October 2015	4,915,663	13,500,126	67,220,796	26,314,127	4,555,984	3,631,942	120,138,638

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group - 2014							
	Freehold land RM	Leasehold land RM	Warehouse and factory buildings RM	Plant and machinery RM	Vehicles, hostel, furniture, fittings and equipment RM	Capital work-in- progress RM	Total RM
At Cost							
At 1 November 2013	7,820,573	17,555,715	80,377,782	77,254,215	10,878,962	700,235	194,587,482
Additions	11,908	—	—	3,387,638	1,283,857	1,339,490	6,022,893
Disposals	—	—	—	—	(624,281)	—	(624,281)
Write off	—	—	—	(10,816,721)	(1,119,234)	—	(11,935,955)
Reclassifications	—	—	37,230	1,092,842	47,969	(1,178,041)	—
Foreign exchange differences	(57,769)	118,651	912,194	1,002,899	103,731	12,137	2,091,843
At 31 October 2014	7,774,712	17,674,366	81,327,206	71,920,873	10,571,004	873,821	190,141,982
Less : Accumulated Depreciation							
At 1 November 2013	—	4,105,585	14,943,260	57,251,658	6,408,948	—	82,709,451
Charge for the financial year	—	339,977	1,621,210	4,001,414	1,412,218	—	7,374,819
Disposals	—	—	—	—	(412,062)	—	(412,062)
Write off	—	—	—	(10,578,111)	(1,071,798)	—	(11,649,909)
Foreign exchange differences	—	29,132	130,515	665,720	36,577	—	861,944
At 31 October 2014	—	4,474,694	16,694,985	51,340,681	6,373,883	—	78,884,243
Carrying Amount							
At 31 October 2014	7,774,712	13,199,672	64,632,221	20,580,192	4,197,121	873,821	111,257,739

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) The following property, plant and equipment of the Group have been pledged to licensed banks as security for banking facilities granted to the Group (Note 17(a)) :

	Group	
	2015 RM	2014 RM
Carrying Amount		
Freehold land	1,061,036	1,025,144
Leasehold land	5,140,994	4,740,501
Factory buildings	14,833,371	14,753,672
Plant and machinery	6,919,259	5,272,756
Vehicles and equipment	525,516	105,878
	28,480,176	25,897,951

- (b) The motor vehicles with carrying amount of RM 1,120,193 (2014 : RM 1,339,588) are acquired under hire purchase instalment plans (Note 18). These leased assets have been pledged as security for the related finance lease liabilities of the Group.

- (c) Purchases of property, plant and equipment are as follows :

	Group	
	2015 RM	2014 RM
Aggregate cost of property, plant and equipment acquired	16,185,163	6,022,893
Finance via hire purchase	(440,000)	(250,000)
Unpaid balances included under sundry payables (Note 19(c))	(223,948)	(468,705)
Cash paid in respect of acquisition in previous financial year	468,705	88,961
Cash paid during the financial year	15,989,920	5,393,149

- (d) There have been no property, plant and equipment in the Company throughout the current and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

6. LAND HELD FOR PROPERTY DEVELOPMENT

This represents freehold land and share in freehold land stated at cost.

7. INVESTMENT PROPERTIES

	Group	
	2015 RM	2014 RM
At Cost		
Transfer from property, plant and equipment (Note 5)	7,278,968	–
At 31 October	7,278,968	–
Included in the above are :		
Freehold land	2,926,205	–
Factory building work-in-progress	4,352,763	–
	7,278,968	–

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2015 RM	2014 RM
Unquoted shares, at cost		
- in Malaysia	101,269,069	80,269,069
- outside Malaysia	28,998,268	28,998,268
	130,267,337	109,267,337
Less : Accumulated impairment losses	(6,319,071)	(6,319,071)
	123,948,266	102,948,266

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) The details of subsidiaries are as follows :

Name of Subsidiaries	Principal Activities	Country of Incorporation	Effective Equity Interest	
			2015	2014
Subsidiaries				
Poh Huat Furniture Industries (M) Sdn. Bhd.	Manufacturing and sale of furniture and investment holding.	Malaysia	100.00%	100.00%
PHW Properties Sdn. Bhd.	Property developer and building contractor.	Malaysia	100.00%	100.00%
Poh Huat International Sdn. Bhd.	Trading of furniture and investment holding. However, the Company has ceased its business of operations of trading furniture since January 2015.	Malaysia	100.00%	100.00%
# Poh Huat Furniture Industries Vietnam Joint Stock Company	Processing and manufacturing of wooden household furniture.	Vietnam	72.98% (Direct) ^ 27.01% (Indirect)	72.98% (Direct) ^ 27.01% (Indirect)
* Poh Huat International (BVI) Limited	Investment holding.	British Virgin Islands	100.00%	100.00%
Subsidiary Of Poh Huat Furniture Industries (M) Sdn. Bhd.				
# Contempro Furniture (Qingdao) Co. Ltd.	Dormant.	People's Republic of China	100.00%	100.00%
Subsidiary Of Poh Huat International Sdn. Bhd.				
# Poh Huat International Furniture S.A (Proprietary) Limited.	Trading of furniture.	South Africa	51.00%	51.00%

* Not a legal requirement to be audited and therefore consolidated based on unaudited management accounts.

These subsidiaries were audited by other firms of chartered accountants.

^ The indirect equity interest of 27.01% is held through a subsidiary of the Company, namely Poh Huat International (BVI) Limited.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (b) On 25 May 2015, the Company subscribed 21,000,000 new ordinary shares of RM 1.00 each in a wholly-owned subsidiary of the Company, PHW Properties Sdn. Bhd. by way of debt capitalisation.
- (c) The non-controlling interests (NCI) at the end of the reporting period comprise the following :

	Effective Equity Interest		Group	
	2015	2014	2015	2014
	%	%	RM	RM
Poh Huat International Furniture S.A. (Proprietary) Limited (PHI(SA))	49.00	49.00	236,830	820,745
Others individually immaterial subsidiary			4,933	6,095
			241,763	826,840

The summarised financial information (before intra-group elimination) for PHI(SA) that has non-controlling interests that are material to the Group is as follows :

	PHI(SA)	
	2015	2014
	RM	RM
At 31 October		
Non-current assets	3,216,743	3,165,518
Current assets	1,735,245	2,413,375
Non-current liabilities	(1,451,506)	(1,756,489)
Current liabilities	(3,017,158)	(2,147,415)
Net assets	483,324	1,674,989
Financial year ended 31 October		
Revenue	3,704,606	4,303,524
(Loss) for the financial year	(1,239,835)	(676,831)
Total comprehensive (expenses)	(1,239,835)	(676,831)
Total comprehensive (expenses) attributable to non-controlling interests	(607,519)	(331,647)
Net cash flows from operating activities	205,005	497,701
Net cash flows from investing activities	69,984	10,150
Net cash flows (used in) financing activities	(329,961)	(297,870)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
NON-CURRENT				
Long Term Receivables				
Amount due from subsidiaries	–	–	3,305,773	24,268,264
Less : Allowance for impairment losses	–	–	(883,987)	(883,987)
	–	–	2,421,786	23,384,277
CURRENT				
Trade Receivables				
Deposits to suppliers	1,075,648	1,098,182	–	–
Other trade receivables	38,923,901	24,336,590	–	–
Less : Allowance for impairment losses	(2,074)	–	–	–
	39,997,475	25,434,772	–	–
Other Receivables				
Deposits	77,554	80,194	1,000	1,000
Prepayments	427,639	985,093	4,156	1,147
Goods and services tax receivable	935,312	–	–	–
Tax recoverable	5,874	33,928	–	–
Fire insurance compensation receivable (Note 32(b))	4,246,000	–	–	–
Sundry receivables	18,056,631	18,495,932	6,854,904	6,869,376
Less : Allowance for impairment losses	(6,812,315)	(6,788,600)	(6,753,600)	(6,753,600)
	11,244,316	11,707,332	101,304	115,776
	16,936,695	12,806,547	106,460	117,923
	56,934,170	38,241,319	106,460	117,923
Allowance for impairment losses :				
At 1 November	6,788,600	6,804,677	7,637,587	7,637,587
Additions during the financial year	25,789	–	–	–
Reversal during the financial year	–	(58)	–	–
Write off during the financial year	–	(16,019)	–	–
At 31 October	6,814,389	6,788,600	7,637,587	7,637,587

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

9. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) The Group's normal trade terms range from cash term to 120 days from the date of invoices.
- (b) The amount due from subsidiaries represents unsecured, interest free advances and payments made on behalf. The amounts owing are repayable on demand.
- (c) Trade and other receivables that are individually determined to be impaired relate to customers that are in significant financial difficulties and have defaulted on payments.
- (d) The deposits to suppliers are unsecured and interest free. The amount owing will be offset against future purchases from the suppliers.

10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2015 RM	2014 RM
At 1 November	(2,974,499)	(2,107,757)
Recognised in profit or loss	(2,197,185)	(867,460)
Overprovision in previous financial year	912,000	–
Foreign exchange differences	90,751	718
At 31 October	(4,168,933)	(2,974,499)
Presented after appropriate offsetting as follows :		
Deferred tax assets	861,067	55,501
Deferred tax liabilities	(5,030,000)	(3,030,000)
	(4,168,933)	(2,974,499)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

- (a) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows :

(i) **Deferred tax liabilities :**

	Revaluation surplus of properties RM	Excess of capital allowances over depreciation RM	Other temporary differences RM	Total RM
At 1 November	(2,118,000)	(3,191,000)	–	(5,309,000)
Recognised in profit or loss	–	327,000	(48,000)	279,000
At 31 October	(2,118,000)	(2,864,000)	(48,000)	(5,030,000)

(ii) **Deferred tax assets :**

	Unused tax losses RM	Unabsorbed capital allowances RM	Other temporary differences RM	Total RM
At 1 November	1,893,000	386,000	55,501	2,334,501
Recognised in profit or loss	(1,893,000)	(386,000)	791,959	(1,487,041)
Foreign exchange differences	–	–	13,607	13,607
At 31 October	–	–	861,067	861,067

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

- (b) Subject to the agreement of the respective tax authorities, the Group has the following items at the end of the reporting period to offset against its future taxable profits.

	Group	
	2015 RM	2014 RM
Unused tax losses	14,544,000	13,339,000
Unabsorbed capital allowances	4,535,000	4,535,000
Unutilised reinvestment allowances	7,800,000	7,800,000
Unutilised increased export allowances	12,053,000	12,053,000
	38,932,000	37,727,000

No deferred tax assets are recognised in respect of the above items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

11. INVENTORIES

	2015 RM	Group 2014 RM
At Cost		
Raw materials	28,316,213	21,852,219
Packing materials	97,046	70,950
Work-in-progress	20,408,583	14,851,366
Finished goods	14,444,149	13,734,955
Goods-in-transit	3,458,915	6,339,053
	66,724,906	56,848,543
At Net Realisable Value		
Finished goods	1,512,489	–
	68,237,395	56,848,543
Less : Allowance for slow-moving inventories	(993,000)	(486,000)
	67,244,395	56,362,543
Recognised in Profit or Loss		
Inventories recognised as cost of sales	363,571,216	310,929,002
Amount written down to net realisable value	432,181	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

12. DEPOSITS, BANK AND CASH BALANCES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	58,511,184	37,090,616	9,622,185	12,495,972
Short term deposits placed with licensed banks	12,358,201	15,790,402	–	–
	70,869,385	52,881,018	9,622,185	12,495,972

- (a) The interest rates of short term deposits placed with licensed banks of the Group at the end of the reporting period are 3.9% - 4.1% (2014 : 4.3% - 5.0%) per annum.
- (b) The maturity period of short term deposits placed with licensed banks of the Group at the end of the reporting period is 1 month (2014 : 1 month).

13. QUOTED INVESTMENT

	Group and Company	
	2015 RM	2014 RM
Quoted share in Malaysia - at cost	1,149,106	–
Market value	1,232,000	–

Quoted share is designated as fair value through profit or loss financial assets and is measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

14. SHARE CAPITAL

	Group and Company			
	2015		2014	
	Number of shares	RM	Number of shares	RM
Authorised				
At 1 November				
Ordinary shares of RM 1.00 each	500,000,000	500,000,000	500,000,000	500,000,000
Subdivided to RM 0.50 each	500,000,000	–	–	–
At 31 October				
Ordinary shares of RM 0.50 / RM 1.00 each	1,000,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid-up				
At 1 November				
Ordinary shares of RM 1.00 each	113,387,105	113,387,105	113,387,105	113,387,105
Subdivided to RM 0.50 each	113,387,105	–	–	–
At 31 October				
Ordinary shares of RM 0.50 / RM 1.00 each	226,774,210	113,387,105	113,387,105	113,387,105

At the extraordinary general meeting held on 1 October 2015, the shareholders of the Company approved the amendment in the authorised share capital of the Company from RM 500,000,000 comprising 500,000,000 ordinary shares of RM 1.00 each to RM 500,000,000 comprising 1,000,000,000 ordinary shares of RM 0.50 each to facilitate the implementation of a share split.

On 21 October 2015, the paid-up share capital comprising 113,387,105 ordinary shares of RM 1.00 each were split into 226,774,210 ordinary shares of RM 0.50 each.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

14. SHARE CAPITAL (CONT'D)

Warrants 2015/2020

A total of 53,361,427 free warrants were issued by the Company on 22 October 2015 on the basis of one (1) free warrant for every four (4) existing ordinary shares held. Each warrant entitles the holder the right to subscribe for one (1) new ordinary share of RM 0.50 each in the Company at an exercise price of RM 1.00 per new ordinary share. At the end of the reporting period, the number of outstanding warrants was 53,361,427. The warrants will expire on 21 October 2020.

The salient terms of the Warrants 2015/2020 are as follows :

- (a) The Warrants are constituted by a Deed Poll executed on 15 October 2015.
- (b) The Warrants are traded separately.
- (c) The Warrants can be exercised at any time within a period of five (5) years commencing from and including the date of issue, 22 October 2015 to 21 October 2020 ("Exercise Period"). Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
- (d) Each Warrant entitles the holder of the Warrants to subscribe for one (1) new ordinary share ("Shares") in the Company.
- (e) The exercise price and the number of unexercised Warrants shall be adjusted in the event of alteration to the share capital of the Company, capital distribution or issue of shares in accordance with the provisions of the Deed Poll.
- (f) The holders of the Warrants are not entitled to vote in any general meetings and/or entitled in any dividends, rights, allotment and/or other forms of distribution other than on winding-up, compromise or arrangement of the Company unless and until the holders of the Warrants becomes a shareholder of the Company by exercising his/her Warrants into new ordinary shares or unless otherwise resolved by the Company in general meeting.

15. TREASURY SHARES

Of the total 226,774,210 (2014 : 113,387,105) issued and fully paid-up ordinary shares of RM 0.50 each (2014 : RM 1.00 each) at the end of the reporting period, 13,327,600 ordinary shares (2014 : 6,663,800 ordinary shares) are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

16. RESERVES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-Distributable				
Foreign exchange translation reserve	(4,623,128)	(17,130,570)	–	–
Distributable				
Retained profits	107,791,125	78,210,783	42,289,395	22,999,064
	103,167,997	61,080,213	42,289,395	22,999,064

(a) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

(b) Retained Profits

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly any dividends to the shareholders are not subject to tax.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

17. BANK BORROWINGS

	Group	
	2015 RM	2014 RM
CURRENT		
Secured - Trade bills	20,894,489	18,829,887
- Term loans	1,896,348	1,323,976
Unsecured - Trade bills	7,804,923	11,384,889
	30,595,760	31,538,752
NON-CURRENT		
Secured - Term loans	2,230,257	2,603,351
	32,826,017	34,142,103
TOTAL BANK BORROWINGS		
Secured - Trade bills	20,894,489	18,829,887
- Term loans	4,126,605	3,927,327
Unsecured - Trade bills	7,804,923	11,384,889
	32,826,017	34,142,103

- (a) The bank borrowings are secured by :
- (i) Freehold land, leasehold land, factory buildings, plant and machinery, vehicles and equipment of the Group (Note 5(a)).
 - (ii) Corporate guarantee by the Company.
- (b) The trade bills are interest bearing at 2.5% - 2.8% (2014 : 2.5% - 4.5%) per annum whilst the term loans are interest bearing at 5.2% - 10.5% (2014 : 5.7% - 10.3%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

17. BANK BORROWINGS (CONT'D)

- (c) The term loans are repayable by 36 to 76 monthly instalments (2014 : 36 to 76 monthly instalments). At the end of the reporting period, they are repayable as follows :

	Group	
	2015 RM	2014 RM
CURRENT		
Not later than one year	1,896,348	1,323,976
NON-CURRENT		
Later than one year and not later than two years	1,063,782	1,202,630
Later than two years and not later than five years	1,166,475	1,315,183
Later than five years	–	85,538
	2,230,257	2,603,351
	4,126,605	3,927,327

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

18. HIRE PURCHASE PAYABLES

	Group	
	2015 RM	2014 RM
Minimum hire purchase payments :		
Not later than one year	285,976	397,461
Later than one year and not later than five years	333,680	268,950
	619,656	666,411
Less : Future finance charges	(34,371)	(29,338)
Present value of hire purchase payables	585,285	637,073
The net hire purchase payables are repayable as follows :		
Current		
Not later than one year	264,506	377,301
Non-current		
Later than one year and not later than five years	320,779	259,772
	585,285	637,073

The effective interest rates of the hire purchase payables are 4.5% - 7.3% (2014 : 4.4% - 7.7%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade Payables				
Advance from customers	3,033,799	1,474,591	–	–
Other trade payables	66,370,217	46,514,604	–	–
	69,404,016	47,989,195	–	–
Other Payables				
Amount due to a director of a subsidiary	211,072	203,932	–	–
Amount due to shareholders of a subsidiary	68,288	65,978	–	–
Accruals	12,199,174	9,044,797	62,000	59,000
Deposit received	14,000	–	–	–
Goods and services tax payable	1,219	–	–	–
Sundry payables	4,130,409	3,324,185	51,180	1,585
	16,624,162	12,638,892	113,180	60,585
	86,028,178	60,628,087	113,180	60,585

- (a) The normal credit terms granted to the Group range from 15 to 120 days from the date of invoices.
- (b) The amounts due to a director of a subsidiary and shareholders of a subsidiary are unsecured, interest free and repayable on demand.
- (c) Included in sundry payables of the Group is an amount of RM 223,948 (2014 : RM 468,705) payable for the purchase of property, plant and equipment (Note 5(c)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

20. REVENUE

Revenue of the Group and of the Company comprises the following amounts :

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Dividend income	–	–	27,453,248	19,366,787
Sale of furniture and furniture parts net of discounts, returns, sales tax and sales rebate	453,932,441	377,173,507	–	–
	453,932,441	377,173,507	27,453,248	19,366,787

21. FINANCE COSTS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Interest On :				
Hire purchase	23,620	38,108	–	–
Term loans	356,158	349,444	–	–
Trade bills	1,092,678	1,070,685	–	–
	1,472,456	1,458,237	–	–
Bank commission and charges	518,009	547,575	3,578	1,256
	1,990,465	2,005,812	3,578	1,256

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

22. PROFIT BEFORE TAX

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
This is arrived at after charging :				
Allowance for impairment losses on trade and other receivables	25,789	–	–	–
Allowance for slow-moving inventories	507,000	486,000	–	–
Audit fee :				
- current	185,750	200,308	31,000	28,000
- (over)provision in previous financial year	(923)	(607)	–	–
Depreciation	7,115,086	7,374,819	–	–
Fair value loss on derivatives	–	377,123	–	–
Inventories value written down	432,181	–	–	–
Inventories written off	6,120,016	–	–	–
Lease rental	407,043	357,105	–	–
Property, plant and equipment written off	3,146,873	286,046	–	–
Realised loss on foreign exchange	–	–	605,668	–
Rental	238,614	286,102	–	–
Unrealised loss on foreign exchange	–	–	–	249,453
And crediting :				
Fire insurance compensation	(3,832,400)	–	–	–
Gain on disposal of property, plant and equipment	(167,338)	(68,441)	–	–
Interest income	(1,106,815)	(672,471)	–	(7,932)
Realised gain on foreign exchange	(293,879)	(257,535)	–	(76,817)
Rental income	(88,288)	–	–	–
Reversal of allowance for impairment losses				
on trade and other receivables	–	(58)	–	–
Unrealised gain on foreign exchange	(5,777,232)	(625,593)	(2,848,886)	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

23. DIRECTORS' REMUNERATION

- (a) The aggregate amounts of emoluments received and receivable by directors of the Group and the Company during the financial year are as follows :

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Directors of the Company				
Executive Directors :				
Fee	194,000	231,500	186,000	183,500
Salaries and other emoluments	3,066,866	2,606,608	–	–
Pension costs - defined contribution plan	129,672	103,494	–	–
Social security costs	1,181	1,299	–	–
Estimated monetary value of benefits-in-kind	28,000	28,000	–	–
	3,419,719	2,970,901	186,000	183,500
Non-executive Directors :				
Fee	186,000	184,000	186,000	184,000
	3,605,719	3,154,901	372,000	367,500
Directors of the Subsidiaries Executive Directors :				
Salaries and other emoluments	295,883	275,156	–	–
Total directors' remuneration	3,901,602	3,430,057	372,000	367,500
Analysis excluding monetary value of benefits-in-kind :				
Total executive directors' remuneration	3,687,602	3,218,057	186,000	183,500
Total non-executive directors' remuneration	186,000	184,000	186,000	184,000
Total directors' remuneration excluding monetary value of benefits-in-kind	3,873,602	3,402,057	372,000	367,500

- (b) Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company whether directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

23. DIRECTORS' REMUNERATION (CONT'D)

(c) The number of the Company's directors with total remuneration falling in bands of RM 50,000 are as follows :

		Group Number of Directors	
		2015	2014
Executive Directors :			
RM 1 - RM 50,000		–	1
RM 50,001 - RM 100,000		1	1
RM 100,001 - RM 200,000		–	1
RM 200,001 - RM 300,000		1	–
RM 300,001 - RM 400,000		–	1
RM 400,001 - RM 500,000		1	–
Non-executive Directors :			
RM 1 - RM 50,000		3	4
RM 50,001 - RM 100,000		1	1

24. STAFF COSTS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive Directors' Remuneration (excluding benefits-in-kind) (Note 23(a))	3,687,602	3,218,057	186,000	183,500
Other Staff Costs :				
Salaries and other emoluments	76,859,304	61,944,877	–	–
Pension costs - defined contribution plan	1,001,704	970,683	–	–
Social security costs	119,788	122,398	–	–
Other staff related expenses	12,749,416	9,587,036	–	–
	90,730,212	72,624,994	–	–
Total Staff Costs	94,417,814	75,843,051	186,000	183,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

25. TAX EXPENSE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
(a) Components of tax expense				
Current tax :				
- Malaysian tax	2,667,000	9,000	–	–
- Foreign tax	4,798,752	3,957,599	–	–
Under/(Over)provision in prior years :				
- Malaysian tax	10,302	(93,370)	1,942	–
- Foreign tax	32,657	40,097	–	–
	7,508,711	3,913,326	1,942	–
Deferred tax :				
- Origination of temporary differences	2,197,185	867,460	–	–
- (Over)provision in previous financial year	(912,000)	–	–	–
	8,793,896	4,780,786	1,942	–
(b) Reconciliation of tax expense				
Profit before tax	47,373,005	28,252,784	28,897,370	18,648,417
Tax at Malaysian statutory tax rate	11,843,000	7,063,000	7,224,000	4,662,000
Tax effect of different tax rates in foreign subsidiaries	(2,283,000)	(1,925,000)	–	–
Tax effect of non-deductible expenses	1,060,000	471,000	200,000	179,000
Tax effect of non-taxable income	(1,272,000)	(15,000)	(7,424,000)	(4,841,000)
Tax effect of double deduction expenses	(366,000)	(116,000)	–	–
Deferred tax assets not recognised during the financial year	324,000	191,000	–	–
Utilisation of deferred tax assets previously not recognised	–	(1,040,000)	–	–
Under/(Over)provision in prior years :				
- current tax	42,959	(53,273)	1,942	–
- deferred tax	(912,000)	–	–	–
Others	356,937	205,059	–	–
	8,793,896	4,780,786	1,942	–

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25% with effective year of assessment 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

26. EARNINGS PER ORDINARY SHARE

(a) Basic Earnings Per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2015 RM	2014 RM
Profit attributable to owners of the Company	39,185,439	23,802,544
	2015 Number of ordinary shares	2014 Number of ordinary shares
Number of ordinary shares in issue at beginning of the financial year	113,387,105	113,387,105
Effect of share split	113,387,105	–
Effect of treasury shares held	(13,327,600)	(6,663,800)
Weighted average number of ordinary shares in issue	213,446,610	106,723,305
Basic earnings per ordinary share (sen)	18.36	22.30

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

26. EARNINGS PER ORDINARY SHARE (CONT'D)

(b) Diluted Earnings Per Ordinary Share

The calculation of diluted earnings per ordinary share was based on the profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding on the assumption that all the dilutive potential ordinary shares are fully converted, as follows :

	Group 2015 RM
Profit attributable to owners of the Company	39,185,439
	Units
Weighted average number of ordinary shares in issue	213,446,610
Effect of dilution of warrants	507,321
Adjusted weighted average number of ordinary shares in issues and issuable	213,953,931
Diluted earnings per ordinary share (sen)	18.31

For financial year 2014, the diluted earnings per ordinary share equals the basic earnings per ordinary share as the Company did not have any dilutive potential ordinary shares during the financial year 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

27. DIVIDENDS

	Group and Company	
	2015	2014
	RM	RM
In respect of the financial year ended 31 October 2013		
Special tax-exempt dividend of 2% equivalent to 2 sen per ordinary share on 106,723,305 ordinary shares of RM 1.00 each	–	2,134,466
Final tax-exempt dividend of 3% equivalent to 3 sen per ordinary share on 106,723,305 ordinary shares of RM 1.00 each	–	3,201,699
In respect of the financial year ended 31 October 2014		
First interim single tier dividend of 3% equivalent to 3 sen per ordinary share on 106,723,305 ordinary shares of RM 1.00 each	–	3,201,699
Second interim single tier dividend of 2% equivalent to 2 sen per ordinary share on 106,723,305 ordinary shares of RM 1.00 each	–	2,134,466
Final single tier dividend of 3% equivalent to 3 sen per ordinary share on 106,723,305 ordinary shares of RM 1.00 each	3,201,699	–
In respect of the financial year ended 31 October 2015		
First interim single tier dividend of 3% equivalent to 3 sen per ordinary share on 106,723,305 ordinary shares of RM 1.00 each	3,201,699	–
Second interim single tier dividend of 3% equivalent to 3 sen per ordinary share on 106,723,305 ordinary shares of RM 1.00 each	3,201,699	–
	9,605,097	10,672,330

The directors declared a first interim single tier dividend of 4% equivalent to 2 sen per ordinary share on 18 December 2015 in respect of the financial year ending 31 October 2016. This dividend was subsequently paid on 22 January 2016 to shareholders whose names appeared in the Company's Record of Depositors on 8 January 2016. This dividend shall be accounted for in equity as an appropriation of retained profits for the financial year ending 31 October 2016.

At the forthcoming Annual General Meeting, a final single tier dividend of 4% equivalent to 2 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 October 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

28. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following :

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Deposits, bank and cash balances	70,869,385	52,881,018	9,622,185	12,495,972

29. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

- (b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year :

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Subsidiaries				
- Dividend received / receivable	–	–	(27,453,248)	(19,366,787)
Director				
- Rental of showroom	180,000	180,000	–	–
A firm in which a director of the Company is senior partner				
- Legal fee	–	14,522	–	–

- (c) Information regarding outstanding balances arising from related party transactions at 31 October 2015 are disclosed in Note 9 and Note 19.

(d) Compensation of key management personnel

The members of key management personnel of the Group and of the Company comprise the executive and non-executive directors. Details of the compensation for these key management personnel are disclosed in Note 23(a).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

30. COMMITMENTS

(a) Capital Commitment

	Group	
	2015	2014
	RM	RM
Authorised but not contracted for :		
Purchase of property, plant and equipment	–	151,000
Contracted but not provided for :		
Purchase of property, plant and equipment	4,717,000	887,000

(b) Lease Commitment

At 31 October, the future minimum lease payments under non-cancellable operating leases are as follows :

	Group	
	2015	2014
	RM	RM
Not later than one year	602,137	506,836
Later than one year and not later than five years	2,408,550	2,027,343
Later than five years	15,210,455	13,298,984
	18,221,142	15,833,163

Operating lease payments represent the rentals payable by the Group in respect of land lease in Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

31. OPERATING SEGMENTS

(a) Business Segments

Information about operating segments has not been reported separately as the Group's profit or loss, assets and liabilities are predominantly confined to a single operating segment, namely furniture industry. The property development division has not commenced development activity and its assets are less than 10% of the total assets of all operating segments.

(b) Geographical Information

	Revenue		Non-Current Assets	
	2015 RM	2014 RM	2015 RM	2014 RM
South Africa	3,704,606	4,303,524	3,216,743	3,165,518
Vietnam	301,927,712	234,637,547	55,813,253	43,255,255
Malaysia	148,300,123	138,232,436	90,160,864	85,804,654
	453,932,441	377,173,507	149,190,860	132,225,427

(c) Major Customers

The following are major customers with revenue equal to or more than 10% of Group revenue :

	Revenue	
	2015 RM	2014 RM
Customer A	105,674,330	91,482,403
Customer B	61,248,202	49,426,131
Customer C	51,350,965	47,598,468
	218,273,497	188,507,002

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) The Company had on 26 September 2013, filed a statement of claims, along with the cause papers and payment of the required statutory litigation fee, into the Qingdao City Intermediate People's Court ("QCI People's Court" or "the Court") for the recovery of the outstanding amount of RMB 14.00 million (equivalent to RM 6.75 million) ("Outstanding Amount"), interests for the delay in payment of the Outstanding Amount and associated legal and litigation fees for an estimated amount of RMB 16.02 million (equivalent to RM 8.30 million). The Defendant, Qingdao Dengta Brewage Co., Ltd. (also known as Qingdao Beacon Brewing Co., Ltd.) ("QDB") has filed a counter claim of RMB 22.00 million (equivalent to RM 11.39 million) for delay in the handover of the land and building, land use rights fees and legal fees.

On 3 June 2014, the Company and QDB signed a consent judgment (mediated by the Court) duly recorded at the QCI People's Court and received the "Civil Conciliation Statement" for the case, inter alia, states :

- (i) QDB shall pay RMB 9.00 million (equivalent to RM 4.84 million) for the share transfer to the Company. This payment will be made equally in 30 monthly instalment beginning from June 2014, and the amount of the monthly payment is RMB 300,000 (equivalent to RM 161,400) ;
- (ii) Failure in making prompt monthly payment, QDB shall pay delay payment interest at the rate which is 4 times of the RMB loan benchmark interest rate for the financial institutions published by the People's Bank of China till the date of actual payment of the delayed amount ;
- (iii) The Court Fee amounts to RMB 117,920 (equivalent to RM 63,441), half of which RMB 58,960 (equivalent to RM 31,720) will be exempted and the balance shall be paid by the Company ; and
- (iv) There is no other dispute between the parties and the parties shall not make any further claim against each other.

However, QDB has yet to fulfill their obligation in the recorded consent judgement. On 1 July 2015, the Company applied to QCI People's Court to resume the enforcement proceedings and recover outstanding amount based on the Civil Conciliation Statement.

On 1 September 2015, QCI People's Court nevertheless invoked the justification of having no executorial assets for the Court to proceed and therefore terminated the execution proceedings.

On 27 November 2015, the Company applied for other available execution proceedings and therefore submitted to the QCI People's Court for the following applications :

- (a) "Re-enforcement of Consent judgment" application ;
- (b) "Restraint on the High Consumption (luxury lifestyle)" application ;
- (c) "Blacklist of judgment debtor" application ; and
- (d) "Freezing of Assets" application.

In any case, the Company has made an impairment loss of RMB 14.00 million (equivalent to RM 6.75 million) since financial year 2013 for this non-trade receivable (Note 9).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (b) On 23 August 2015, there was a fire destroying two contiguous factory blocks of Poh Huat Furniture Industries Vietnam Joint Stock Company ("PHFIV"). The affected manufacturing facilities, comprising a total of 10,530 square meters factory buildings, is located in the Province of Binh Duong, Vietnam. The factory blocks houses a finishing line and finished goods warehouse.

The book value of property, plant and equipment and inventories damaged on fire amounting to VND 16,611 million (equivalent to RM 2.89 million) and VND 35,132 million (equivalent to RM 6.12 million) respectively had been recognised in profit or loss during the financial year. PHFIV had made a claim to the insurer for a compensation sum of USD 3.62 million (equivalent to RM 15.57 million).

On 11 December 2015, PHFIV received first batch of advance payment for insurance compensation of VND 11 billion (equivalent to RM 1.92 million) from the insurer. PHFIV received second batch of such advance payment of VND 11 billion (equivalent to RM 1.92 million) on 23 December 2015. These advance payments have been recognised as fire insurance compensation (other income) for financial year ended 31 October 2015.

33. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

33.1 Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows :

(a) Market risk

(i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Chinese Renminbi ("RMB"), Euro ("EURO"), Singapore Dollar ("SGD"), South African Rand ("RAND"), United States Dollar ("USD") and Vietnam Dong ("VND"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial Risk Management Policies (cont'd)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency exposure

	EURO RM	RMB RM	SGD RM	USD RM	VND RM	RAND RM	RM RM	Others RM	Total RM
Group - 2015									
Financial assets									
Quoted investment	-	-	-	-	-	-	1,149,106	-	1,149,106
Trade and other									
receivables (N1)	-	101,957	1,037,195	34,384,412	15,768,064	166,329	4,029,834	-	55,487,791
Deposits, bank and									
cash balances	-	3,518,591	17,358	37,909,594	17,300,913	470,052	11,639,155	13,722	70,869,385
	-	3,620,548	1,054,553	72,294,006	33,068,977	636,381	16,818,095	13,722	127,506,282
Financial liabilities									
Trade and other									
payables (N2)	(158,605)	(72,175)	(17,814)	(15,874,064)	(46,596,643)	(425,770)	(22,867,888)	-	(86,012,959)
Bank borrowings	-	-	-	(28,699,412)	-	(1,818,191)	(2,308,414)	-	(32,826,017)
Hire purchase									
payables	-	-	-	-	-	-	(585,285)	-	(585,285)
	(158,605)	(72,175)	(17,814)	(44,573,476)	(46,596,643)	(2,243,961)	(25,761,587)	-	(119,424,261)
Net financial assets/(liabilities)	(158,605)	3,548,373	1,036,739	27,720,530	(13,527,666)	(1,607,580)	(8,943,492)	13,722	8,082,021
Less : Net financial (assets)/liabilities									
denominated in the									
respective entities'									
functional currencies	-	(3,507,690)	-	-	13,527,852	1,607,580	8,943,492	-	20,571,234
Currency exposure	(158,605)	40,683	1,036,739	27,720,530	186	-	-	13,722	28,653,255

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial Risk Management Policies (cont'd)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency exposure (cont'd)

	EURO RM	RMB RM	SGD RM	USD RM	VND RM	RAND RM	RM RM	Others RM	Total RM
Group - 2014									
Financial assets									
Trade and other receivables (N1)	1,578,254	115,668	936,406	21,002,162	9,226,241	170,343	3,560,814	552,216	37,142,104
Deposits, bank and cash balances	–	2,714,956	666	14,433,968	17,347,263	552,129	17,821,950	10,086	52,881,018
	1,578,254	2,830,624	937,072	35,436,130	26,573,504	722,472	21,382,764	562,302	90,023,122
Financial liabilities									
Trade and other payables (N2)	(64,878)	(612)	(617)	(11,325,777)	(31,745,437)	(369,220)	(17,079,447)	(42,099)	(60,628,087)
Bank borrowings	–	–	–	(27,136,776)	–	(2,078,179)	(4,927,148)	–	(34,142,103)
Hire purchase payables	–	–	–	–	–	–	(637,073)	–	(637,073)
Dividend payable	–	–	–	–	–	–	(5,336,165)	–	(5,336,165)
	(64,878)	(612)	(617)	(38,462,553)	(31,745,437)	(2,447,399)	(27,979,833)	(42,099)	(100,743,428)
Net financial assets/(liabilities)									
Less : Net financial (assets)/liabilities (assets)/liabilities denominated in the respective entities' functional currencies	1,513,376	2,830,012	936,455	(3,026,423)	(5,171,933)	(1,724,927)	(6,597,069)	520,203	(10,720,306)
	–	(2,714,236)	–	–	5,172,313	1,731,269	6,597,069	–	10,786,415
Currency exposure	1,513,376	115,776	936,455	(3,026,423)	380	6,342	–	520,203	66,109

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial Risk Management Policies (cont'd)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency exposure (cont'd)

	USD RM	RMB RM	RM RM	Total RM
Company - 2015				
Financial assets				
Quoted investment	-	-	1,149,106	1,149,106
Other receivables (N1)	-	101,304	-	101,304
Cash and bank balances	-	-	9,622,185	9,622,185
Dividend receivable	15,705,396	-	-	15,705,396
	15,705,396	101,304	10,771,291	26,577,991
Financial liabilities				
Other payables (N2)	-	-	(113,180)	(113,180)
	-	-	(113,180)	(113,180)
Net financial assets	15,705,396	101,304	10,658,111	26,464,811
Less : Net financial (assets) denominated in the entity's functional currency	-	-	(10,658,111)	(10,658,111)
Currency exposure	15,705,396	101,304	-	15,806,700

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial Risk Management Policies (cont'd)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency exposure (cont'd)

	RMB RM	RM RM	Total RM
Company - 2014			
Financial assets			
Other receivables (N1)	115,776	–	115,776
Cash and bank balances	–	12,495,972	12,495,972
	115,776	12,495,972	12,611,748
Financial liabilities			
Other payables (N2)	–	(60,585)	(60,585)
Dividend payable	–	(5,336,165)	(5,336,165)
	–	(5,396,750)	(5,396,750)
Net financial assets	115,776	7,099,222	7,214,998
Less : Net financial (assets) denominated in the entity's functional currency	–	(7,099,222)	(7,099,222)
Currency exposure	115,776	–	115,776

N1 - Excluding deposits, prepayments, tax recoverable and goods and services tax receivable.

N2 - Excluding deposit received and goods and services tax payable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial Risk Management Policies (cont'd)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant :

	Group Increase/(Decrease)		Company Increase/(Decrease)	
	2015 RM	2014 RM	2015 RM	2014 RM
Effects on profit after tax				
EURO				
- strengthened by 5%	(5,948)	56,752	–	–
RMB				
- strengthened by 5%	1,526	4,342	3,799	4,342
SGD				
- strengthened by 5%	38,878	35,117	–	–
USD				
- strengthened by 5%	1,039,520	(113,491)	588,952	–
VND				
- strengthened by 5%	7	14	–	–
RAND				
- strengthened by 5%	–	238	–	–

Conversely, a weakening of the Ringgit Malaysia against the above currencies at the end of the reporting period would have the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial Risk Management Policies (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 33.1(c).

Interest rate risk sensitivity analysis

The analysis is not presented as the sensitivity impact is immaterial.

(iii) Equity price risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Equity price risk sensitivity analysis

The analysis is not presented as the sensitivity impact is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial Risk Management Policies (cont'd)

(b) Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investment and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

The Company's exposure to credit risk arises principally from financial guarantees given to banks for credit facilities granted to subsidiaries. The Company monitors the results of the subsidiaries and repayments made by the subsidiaries on an ongoing basis.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by two (2014 : three) customers which constituted approximately 51% (2014 : 45%) of its trade receivables at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial Risk Management Policies (cont'd)

(b) Credit risk (cont'd)

Exposure to credit risk

- (i) As the Group does not hold any collateral, the Group's maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

The exposure of credit risk for Group's trade receivables by geographical region is as follows :

	Group	
	2015 RM	2014 RM
Africa	–	103,238
Asia (excluding Malaysia)	1,759,145	1,551,731
North America	30,935,432	18,081,401
Europe	3,390,451	1,084,976
Malaysia	2,836,799	3,515,244
	38,921,827	24,336,590

- (ii) A nominal amount of RM 31,456,632 (2014 : RM 32,351,718) relating to financial guarantees provided by the Company to banks for banking facilities granted to its subsidiaries.

As at the end of the reporting period, there was no indication that any subsidiaries would default on payment.

The financial guarantee have not been recognised since the fair value on initial recognition is not material.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial Risk Management Policies (cont'd)

(b) Credit risk (cont'd)

Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period are as follows :

	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
2015			
Not past due	38,569,269	–	38,569,269
Past due :			
- less than 3 months	351,435	–	351,435
- 3 to 6 months	1,123	–	1,123
- over 6 months	2,074	(2,074)	–
	38,923,901	(2,074)	38,921,827

	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
2014			
Not past due	23,795,026	–	23,795,026
Past due :			
- less than 3 months	539,693	–	539,693
- 3 to 6 months	1,871	–	1,871
	24,336,590	–	24,336,590

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial Risk Management Policies (cont'd)

(b) Credit risk (cont'd)

Ageing analysis (cont'd)

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial Risk Management Policies (cont'd)

(c) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) :

	Effective interest rate %	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1-5 years RM	Over 5 years RM
Group - 2015						
Trade and other payables (N1)	–	86,012,959	86,012,959	86,012,959	–	–
Bank borrowings :						
- Trade bills	2.5 - 2.8	28,699,412	28,699,412	28,699,412	–	–
- Term loans	5.2 - 10.5	4,126,605	4,665,610	2,151,534	2,514,076	–
Hire purchase payables	4.5 - 7.3	585,285	619,656	285,976	333,680	–
		119,424,261	119,997,637	117,149,881	2,847,756	–
Group - 2014						
Trade and other payables (N1)	–	60,628,087	60,628,087	60,628,087	–	–
Bank borrowings :						
- Trade bills	2.5 - 4.5	30,214,776	30,214,776	30,214,776	–	–
- Term loans	5.7 - 10.3	3,927,327	4,632,719	1,595,828	2,950,247	86,644
Hire purchase payables	4.4 - 7.7	637,073	666,411	397,461	268,950	–
Dividend payable	–	5,336,165	5,336,165	5,336,165	–	–
		100,743,428	101,478,158	98,172,317	3,219,197	86,644

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial Risk Management Policies (cont'd)

(c) Liquidity risk (cont'd)

	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1-5 years RM	Over 5 years RM
Company - 2015					
Trade and other payables (N1)	113,180	113,180	113,180	—	—
Company - 2014					
Trade and other payables (N1)	60,585	60,585	60,585	—	—
Dividend payable	5,336,165	5,336,165	5,336,165	—	—
	5,396,750	5,396,750	5,396,750	—	—

N1 - Excluding deposit received and goods and services tax payable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total net borrowings from financial institutions divided by total equity.

There was no change in the Group's approach to capital management during the financial year.

The debt-to-equity ratio of the Group at the end of the reporting period was as follows :

	2015 RM	Group 2014 RM
Bank borrowings	32,826,017	34,142,103
Hire purchase payables	585,285	637,073
	33,411,302	34,779,176
Less : Fixed deposits placed with licensed banks	(12,358,201)	(15,790,402)
Less : Cash and bank balances	(58,511,184)	(37,090,616)
Net debt	(37,458,083)	(18,101,842)
Total equity	213,960,384	172,457,677
Debt-to-equity ratio	Not applicable*	Not applicable*

* The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total debts.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM 40 million. The Company has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.3 Classification of Financial Instruments

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Financial assets				
<u>Loans and receivables financial assets</u>				
Trade and other receivables (N1)	55,487,791	37,142,104	101,304	115,776
Deposits, bank and cash balances	70,869,385	52,881,018	9,622,185	12,495,972
Dividend receivable	–	–	15,705,396	–
	126,357,176	90,023,122	25,428,885	12,611,748
<u>Fair value through profit or loss financial assets</u>				
Quoted investment	1,149,106	–	1,149,106	–
	127,506,282	90,023,122	26,577,991	12,611,748
Financial liabilities				
<u>Other financial liabilities</u>				
Trade and other payables (N2)	86,012,959	60,628,087	113,180	60,585
Bank borrowings	32,826,017	34,142,103	–	–
Hire purchase payables	585,285	637,073	–	–
Dividend payable	–	5,336,165	–	5,336,165
	119,424,261	100,743,428	113,180	5,396,750

N1 - Excluding deposits, prepayments, tax recoverable and goods and services tax receivable.

N2 - Excluding deposit received and goods and services tax payable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.4 Fair Value Information

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

Group - 2015					
Fair Value Of Financial Instruments Not Carried At Fair Value					
	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
Financial Assets					
Quoted investment :					
- quoted shares	1,232,000	–	–	1,232,000	1,149,106

The fair values of quoted investments are measured at their quoted closing bid prices at the end of the reporting period.

The fair values of hire purchase payables are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured are considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximate to the effective interest rates of hire purchase payables.

The fair values of long-term loans are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured are considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximate to the effective interest rates of long-term loans.

In regard to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015 (CONT'D)

34. SUPPLEMENTARY INFORMATION DISCLOSED OF REALISED AND UNREALISED PROFITS / LOSSES

The breakdown of the retained profits of the Group and of the Company at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows :

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained profits :				
- realised	127,090,355	104,469,891	39,440,509	23,248,517
- unrealised	1,608,298	(2,348,906)	2,848,886	(249,453)
	128,698,653	102,120,985	42,289,395	22,999,064
Less : Consolidation adjustments	(20,907,528)	(23,910,202)	–	–
At 31 October	107,791,125	78,210,783	42,289,395	22,999,064

LIST OF MATERIAL LANDED PROPERTIES

AS AT 31 OCTOBER 2015

Address/Location	Description	Land Area (hectare)	Use	Tenure/ Age of Building	Net Book Value as at 31.10.2015 RM'000	Date of Revaluation or Acquisition
Lot 25 Tam Phuoc Commune Long Thanh District Dong Nai Province Vietnam	1 plot of industrial land with an office building, 1 hostel, 3 factory buildings ancillary structures	12.39	Office with furniture manufacturing facilities	50 years lease expiring in 2052/ 11 years	25,093	29.8.02 (Date of Acquisition)
PTD Nos. 1470 & 1535 Bukit Pasir Industrial Area Mukim of Sungai Terap District of Muar Johor Darul Takzim	2 plots of industrial land with an office building, a warehouse cum factory building and ancillary structures	2.21	Office with furniture manufacturing warehousing and facilities	60 years leasehold expiring in 2060/ 10 year	13,929	21.10.03 (Date of Acquisition)
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	1.62	Office with furniture manufacturing and kiln drying facilities	60 years leasehold expiring in 2056/ 15 years	9,529	12.9.00 (Date of Acquisition)
No. 17, Road 26 Song Than Industrial Zone II Di An District Binh Duong Province Vietnam	1 plot of industrial land with an office building, 1 hostel, 3 factory buildings and ancillary structures	6.76	Office with furniture manufacturing and accom- modation	50 years lease expiring in 2045/ 14 years	9,179	1.3.02 (Date of Acquisition)
GM No. 3000, Lot 3081 GM No. 2548, Lot 1980 HSM No. 7207, Ptd 12933 GM No. 3001, Lot 3082 GM No. 2479, Lot 1981 Mukim Jalan Bakri District of Muar Johor Darul Takzim	1 plot of agriculture land	2.35	Vacant land	freehold/ 2 years	8,769	22.07.13 (Date of Acquisition)

LIST OF MATERIAL LANDED PROPERTIES

AS AT 31 OCTOBER 2015 (CONT'D)

Address/Location	Description	Land Area (hectare)	Use	Tenure/ Age of Building	Net Book Value as at 31.10.2015 RM'000	Date of Revaluation or Acquisition
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	1.62	Office with furniture manufacturing facilities	60 years leasehold expiring in 2056/ 19 years	6,762	17.6.99 (Date of Revaluation)
GM No. 1712, Lot 831 GM No. 1968, Lot 832 GM No. 1850, Lot 827 Mukim Sungai Terap District of Muar Johor Darul Takzim	1 plot of agriculture land	1.95	Vacant land	freehold/ 1 year	6,169	26.12.13 (Date of Acquisition)
GRN No. 100856, Lot 3209 Bandar Maharani District of Muar Johor Darul Takzim	1 plot of agriculture land	0.93	vacant land	freehold/ 1 year	5,975	28.04.14 (Date of Acquisition)
GM No. 446, Lot 418 Mukim of Sungai Terap District of Muar Johor Darul Takzim	1 plot of industrial land with 4 block of factory building	1.21	Factory	freehold/ 4 years	5,584	30.06.11 (Date of Acquisition)
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	1.92	Furniture manufacturing facilities	60 years leasehold expiring in 2056/ 17 years	5,427	27.7.99 (Date of Revaluation)

ANALYSIS OF SHAREHOLDINGS

AS AT 29 FEBRUARY 2016

PRINCIPAL STATISTICS

Authorised Share Capital	-	RM500,000,000
Issued and Paid-up Share Capital	-	RM113,402,905
Class of Shares	-	Ordinary shares of RM0.50 each
No. of shares in Issue	-	213,478,210 shares
Voting Rights	-	One vote per ordinary share at any shareholders' meeting
Number of Shareholders	-	4,597 shareholders

Note : All information on shareholdings disclosed hereunder excludes 13,327,600 treasury shares held by the Company

DISTRIBUTION OF SHAREHOLDINGS

Category	Shareholders	%	Shareholdings	%
Less than 100	114	2.48	6,254	0.00
100 to 1,000	637	13.85	355,624	0.17
1,001 to 10,000	2,759	60.02	13,420,764	6.29
>10,001 to 100,000	962	20.93	27,817,328	13.03
100,001 to less than 5% of issued shares	122	2.65	92,079,064	43.13
5% and above of issued shares	3	0.07	79,799,176	37.38
TOTAL	4,597	100.00	213,478,210	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	51,399,276	11,792,072 ^(a)	24.08	5.52
Lim Pei Tiam @ Liam Ahat Kiat	28,399,900	3,362,000 ^(b)	13.30	1.57

Notes:-

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

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

ANALYSIS OF SHAREHOLDINGS

AS AT 29 FEBRUARY 2016 (CONT'D)

DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

Name of Shareholders	No. of Shares Held		% of Issued Share Capital	
	Direct	Deemed	Direct	Deemed
Datuk Seri Zulkipli bin Mat Noor	—	—	—	—
Tay Kim Huat	51,399,276	11,792,072 ^(a)	24.08	5.52
Tay Kim Hau	300,000	—	0.14	—
Boo Chin Liong	39,000	—	0.02	—
Tay Khim Seng	4,688,660	—	2.20	—
Chua Syer Cin	—	—	—	—
Toh Kim Chong	6,601,288	—	3.09	—
Lim Pei Tiam @ Liam Ahat Kiat	28,399,900	3,362,000 ^(b)	13.30	1.57

Notes:-

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

TOP THIRTY (30) LARGEST SHAREHOLDERS AS AT 29 FEBRUARY 2016

Names		Shareholding	%
1	Tay Kim Huat	28,668,238	13.43
2	Lim Pei Tiam @ Liam Ahat Kiat	28,399,900	13.30
3	Tay Kim Huat	22,731,038	10.65
4	Ng Ah Poh	7,781,000	3.64
5	Toh Kim Chong	6,601,288	3.09
6	Lim Pay Kaon	6,140,000	2.88
7	Sim Sheau Yun	4,902,030	2.30
8	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Fong Siling (CEB)	4,700,000	2.20
9	Amanahraya Trustees Berhad Public Islamic Opportunities Fund	3,859,700	1.81
10	Tay Khim Seng	3,618,660	1.70

ANALYSIS OF SHAREHOLDINGS

AS AT 29 FEBRUARY 2016 (CONT'D)

TOP THIRTY (30) LARGEST SHAREHOLDERS AS AT 29 FEBRUARY 2016

	Names	Shareholding	%
11	Tay Yuan Sen	2,876,108	1.35
12	Lim Ah Waa	2,850,000	1.34
13	Yeo Gek Cheng	2,330,028	1.09
14	Tay Li Ping	2,320,500	1.09
15	Lim Jia Chean	2,240,000	1.05
16	Tay Li Chin	2,134,448	1.00
17	Tay Lee Thing	2,129,988	1.00
18	Lu Chin Poh	1,982,400	0.93
19	HSBC Nominees (Asing) Sdn. Bhd. Morgan Stanley & Co. International PLC (Firm A/C)	1,367,200	0.64
20	Sow Kim Chye	1,356,000	0.64
21	DB (Malaysia) Nominee (Asing) Sdn. Bhd. Deutsche Bank AG London	1,224,100	0.57
22	Su Ming Keat	1,146,400	0.54
23	Ng Chai Go	1,045,100	0.49
24	Alliance Group Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tay Khim Seng	1,030,000	0.48
25	Amanahraya Trustees Berhad Amanah Saham Bank Simpanan Nasional	1,009,100	0.47
26	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Exempt AN For UOB Kay Hian Pte. Ltd. (A/C Clients)	976,500	0.46
27	Lim Shu Chiah	920,000	0.43
28	Lim Sian Min	780,000	0.37
29	Lim Shu Chuen	770,000	0.36
30	Amanahraya Trustees Berhad PMB Dana Al-Aiman	751,000	0.35
	Total	148,640,726	69.63

ANALYSIS OF WARRANTHOLDINGS

AS AT 29 FEBRUARY 2016

PRINCIPAL STATISTICS

Name of Warrants	-	Poh Huat Warrants 2015/2020
No. of Warrants in issue	-	53,329,827 warrants
Exercise Price	-	RM1.00 per ordinary share
Expiry Date	-	21 October 2020
Voting Rights	-	One vote per warrant at any warrantholders' meeting
Number of warrantholders	-	3,573

DISTRIBUTION OF WARRANTHOLDINGS

Category	Warrantholders	%	Warrantholdings	%
Less than 100	400	11.20	12,539	0.02
100 to 1,000	831	23.26	682,954	1.28
1,001 to 10,000	1,610	45.06	7,300,575	13.69
10,000 to 100,000	665	18.61	20,577,391	38.59
100,001 to less than 5% of warrants in issue	66	1.84	18,041,600	33.83
5% and above of warrants in issue	1	0.03	6,714,768	12.59
TOTAL	3,573	100.00	53,329,827	100.00

LIST OF TOP THIRTY (30) LARGEST WARRANTHOLDERS AS AT 29 FEBRUARY 2016

	Names	Warrantholding	%
1	Tay Kim Huat	6,714,768	12.59
2	Lim Pay Kaon	1,535,000	2.88
3	Ng Ah Poh	1,124,800	2.11
4	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Chang Soke Hun (E-BBB-RLU)	1,100,000	2.06
5	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt AN For UOB Kay Hian Pte. Ltd. (A/C Clients)	1,100,000	2.06
6	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Koon Yew Yin	500,000	0.94

ANALYSIS OF WARRANTHOLDINGS

AS AT 29 FEBRUARY 2016 (CONT'D)

LIST OF TOP THIRTY (30) LARGEST WARRANTHOLDERS AS AT 29 FEBRUARY 2016

	Names	Warrantholding	%
7	Kogilavanan A/L Krishnasamy	500,000	0.94
8	Jony Raw @ Raw Jony	470,000	0.88
9	Amanahraya Trustees Berhad Public Islamic Opportunities Fund	396,450	0.74
10	See Choo @ See Guat Kiok	385,000	0.72
11	Tay Yuan Sen	376,027	0.71
12	Tay Li Ping	370,125	0.69
13	Ong Kim Leng	343,000	0.64
14	Tay Li Chin	321,612	0.60
15	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Law Teck Peng	320,900	0.60
16	Yeo Gek Cheng	312,507	0.59
17	Tay Lee Thing	312,497	0.59
18	RHB Nominees (Asing) Sdn. Bhd. Pledged Securities Account For Tan Lee Gek	312,000	0.59
19	Do Hock Kwong	300,950	0.56
20	Su Ming Keat	286,600	0.54
21	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Toon Moy Yok (E-KPG)	277,200	0.52
22	Sow Kim Chye	270,000	0.51
23	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Exempt AN For UOB Kay Hian Pte. Ltd. (A/C Clients)	266,000	0.50
24	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Sow Keng Ken (E-KPG-JJG)	250,000	0.47
25	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Soh Tong Hwa (STF)	231,200	0.43
26	Lim Beng Chia	220,500	0.41
27	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank For Chong Chon Shung (MQ0321)	220,000	0.41
28	RHB Capital Nominees (Asing) Sdn. Bhd. Pledged Securities Account For Wong Vincent Siu Chun	219,000	0.41
29	Goh In Koon	216,000	0.41
30	Yap Eng Ho	215,000	0.40
	Total	19,467,136	36.50

FORM OF PROXY

.....

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 18th Annual General Meeting of the Company to be held at Classic 1, Ballroom, Classic Hotel No. 69, Jalan Ali, 84000 Muar, Johor Darul Takzim on 28 April 2016 at 11.00 a.m. and at every adjournment thereof, and to vote as indicated below:-

Ordinary Resolution		For	Against
Ordinary Resolution 1	Payment of Directors' Fees		
Ordinary Resolution 2	Declaration of a final single tier dividend of 2 sen per share		
Ordinary Resolution 3	Re-election of Datuk Seri Zulkipli Bin Mat Noor		
Ordinary Resolution 4	Re-election of Mr Tay Kim Huat		
Ordinary Resolution 5	Re-election of Mr Tay Kim Hau		
Ordinary Resolution 6	Re-appointment of Auditors		
Ordinary Resolution 7	Retention of as Mr Chua Syer Cin as Independent Director		
Ordinary Resolution 8	Retention of Mr Boo Chin Liong as Independent Director		
Ordinary Resolution 9	Share Buy-Back Mandate		

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 April 2016.

Signature of Member(s)

Signature of Witness

Number of shares held /
to be represented

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 No. 7, (1st Floor), Jalan Pesta 1/1, Taman Dr Ismail 1, Jalan Bakri, 84000 Muar, Johor Darul Takzim, not less than forty-eight (48) hours before the time of the 18th 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.*
7. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempted Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
8. *Only depositors whose names appear in the Register of Depositors as at 20 April 2016 shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the 18th Annual General Meeting.*

Please fold here

STAMP/SETEM

Registered Office / Pejabat Berdaftar
POH HUAT RESOURCES HOLDINGS BERHAD
(Company No. : 443169-X)

No. 7 (1st Floor), Jalan Pesta 1/1,
Taman Tun Dr Ismail 1,
Jalan Bakri, 84000 Muar
Johor Darul Takzim

Please fold here

POH HUAT RESOURCES HOLDINGS BERHAD (Company No: 443169-X)
Incorporated in Malaysia under the Companies Act, 1965

PLO 1, Jorak Industrial Area,
Mukim Sungai Raya,
84300 Bukit Pasir,
Muar, Johor,
Malaysia.

■ Tel : +6-06-985 9688 ■ Fax : +6-06-985 9588 ■ Email : atoffice@pohhuat.com

www.pohhuat.com