



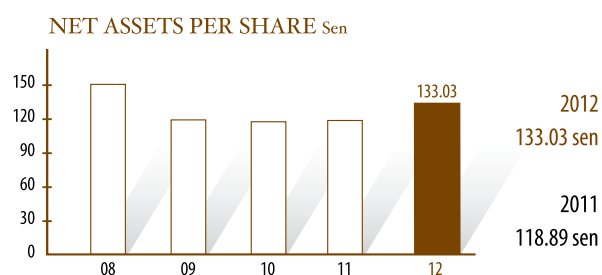
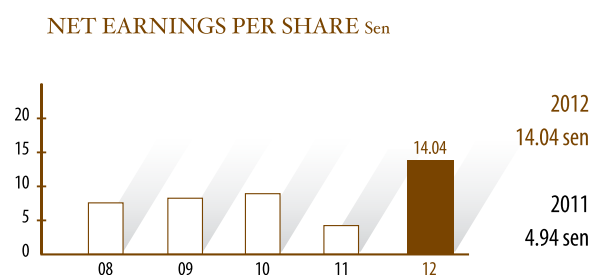
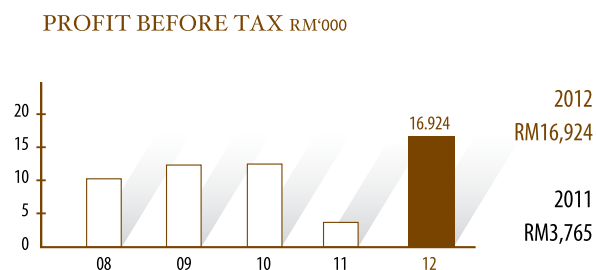
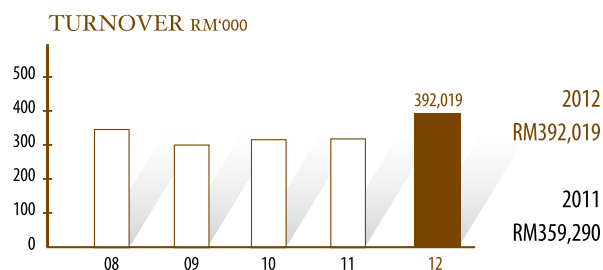
AT OFFICE SYSTEM®

**POH HUAT RESOURCES
HOLDINGS BERHAD** 443169-X

Pushing beyond the limit

ANNUAL REPORT 2012

GROUP FINANCIAL HIGHLIGHTS



Financial year ended 31 October	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000
Turnover	385,239	329,648	355,661	359,290	392,019
Profit before taxation	10,336	12,473	12,598	3,765	16,924
Profit after taxation and attributable to owners of the Company	7,368	9,937	10,725	5,585	15,168
Equity attributable to owners of the Company	129,941	133,427	132,251	130,643	142,506
	sen	sen	sen	sen	sen
Net earnings per share	8.04	8.76	9.46	4.94	14.04
Net assets per share	148.98	117.67	116.64	118.89	133.03

Notes:-

The net earnings per share for year 2008 are calculated based on 87,220,850 shares in issue during the year.

The net earnings per share for years 2009 and 2010 are calculated based on 113,387,105 shares in issue during those years.

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.

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.



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 15th Annual General Meeting of the Company will be held at Hotel D'99 No. 173, Jalan Abdullah, 84000 Muar Johor Darul Takzim on 25 April 2013 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 2012 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 2012. *(Ordinary Resolution 1)*
3. To declare a first and final tax-exempt dividend of 2% in respect of the financial year ended 31 October 2012.
(Ordinary Resolution 2)
4. To re-elect the following Directors who retire in accordance with Article 81 of the Company's Articles of Association:-
Datuk Seri Zulkipli bin Mat Noor *(Ordinary Resolution 3)*
Dato' Ng Ah Poh *(Ordinary Resolution 4)*
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 resolution:-

AS ORDINARY RESOLUTION

6. 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 ("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;



NOTICE OF ANNUAL GENERAL MEETING (cont'd)

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;

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 7)

AS SPECIAL RESOLUTION

7. Adoption of New Articles of Association

"THAT the entire set of Articles of Association as set out in Appendix I to the Circular to Shareholders dated 3 April 2013 be adopted in substitution for and to the exclusion of the Articles of Association of the Company now subsisting".

(Special Resolution 1)



NOTICE OF ANNUAL GENERAL MEETING (cont'd)

NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the proposed first and final tax-exempt dividend of 2% in respect of the financial year ended 31 October 2012, if approved, will be paid on 20 May 2013 to depositors registered in the Record of Depositors of the Company at the close of business on 9 May 2013.

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 9 May 2013 in respect of ordinary transfers; or
- b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order Of The Board

PANG KAH MAN
(MIA 18831)
Secretary

Muar, Johor Darul Takzim
3 April 2013

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 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 18 April 2013 shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT (cont'd)

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 - Ordinary Resolution 7
Share Buy-Back Mandate**

The Ordinary Resolution proposed under Item 6 (Resolution 7), 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 3 April 2013.

11. **Explanatory Notes for Item No. 7 - Special Resolution 1
Adoption of New Articles of Association**

The Special Resolution proposed under Item 7 (Special Resolution 1) of the Notice of General Meeting relates to the adoption of an entire new set of Articles of Association for the Company to ensure continued compliance with Bursa Malaysia's Main Market Listing Requirements and to bring the administration and governance of the Company in line with the Malaysian Code of Corporate Governance 2012 and other regulatory requirements. Further details on the Adoption of New Articles of Associations are provided in the Circular to Shareholders dated 3 April 2013.



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

DETAILS OF INDIVIDUALS STANDING FOR ELECTION AS DIRECTORS

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

NAME OF DIRECTORS STANDING FOR RE-ELECTION

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

- Datuk Seri Zulkipli bin Mat Noor
- Dato' Ng Ah Poh
- Tay Kim Hau

Datuk Seri Zulkipli bin Mat Noor, Dato' Ng Ah Poh and Mr Tay Kim Hau are retiring in accordance with Article 81 of the Company's Articles of Association.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

Four (4) board meetings were held during the financial year ended 31 October 2012. 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	3/4
Dato' Ng Ah Poh	3/4
Mr Chai Meng Kui (JP) <i>(Resigned on 13 March 2013)</i>	4/4
Dato' Haji Zaini bin Md. Hasim	4/4
Mr Boo Chin Liong	3/4
Mr Tay Khim Seng	3/4
Mr Chua Syer Cin	4/4
Mr Toh Kim Chong	3/4

DATE, TIME AND PLACE OF THE ANNUAL GENERAL MEETING

Date : 25 April 2013

Time : 11.00 a.m.

Place : Hotel D'99 No. 173, Jalan Abdullah, 84000 Muar, Johor Darul Takzim.



DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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

Datuk Seri Zulkipli bin Mat Noor SPDK, SPTJ, DIMP, DSAP,PJN, SIMP, KMN, JMN, PSPP

Age	: 63
Nationality	: Malaysian
Designation/Position in the Company	: Chairman (Independent Non-Executive Director)
Qualification	: Diploma in Public Administration, UiTM Bachelor of Arts (Honours), Political Science Master of Arts, Strategic Studies & International Relations
Work Experience	: Director General, Anti-Corruption Agency, Malaysia (2001 to 2007) Royal Malaysian Police Force (1969 to 2001) held various commanding positions including:- <ul style="list-style-type: none"> • Head of Special Branch, Sabah • Commissioner of Police, Sarawak • Chief Police Officer, Johor • Deputy Director of Administration (Management), Bukit Aman • Deputy Director of Services and Personnel, Bukit Aman
Directorship in other Public Companies	: Nil
Securities holding in the Company and its subsidiaries	: Nil
Family relationship with any directors and/or major shareholders of the Company	: Nil
Conflict of interest with the Company	: Nil
List of conviction for offences within the past 10 years	: Nil



DETAILS OF DIRECTORS STANDING FOR RE-ELECTION (cont'd)

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

Dato' Ng Ah Poh (DIMP)

Age	: 62
Nationality	: Malaysian
Designation/Position in the Company	: Executive Director (Non-Independent Executive Director)
Qualification	: Nil
Work Experience	: Businessman involved in the manufacturing of furniture; and manufacturing and retailing of biscuit, confectionery and food products
Directorship in other Public Companies	: Nil
Securities holding in the Company and its subsidiaries	: <i>Ordinary Shares of RM1.00 each</i> Direct – 4,599,855 shares
Family relationship with any directors and/or major shareholders of the Company	: Nil
Conflict of interest with the Company	: Nil
List of conviction for offences within the past 10 years	: Nil

Mr Tay Kim Hau

Age	: 65
Nationality	: Malaysian
Designation/Position in the Company	: Executive Director (Non-Independent Executive Director)
Qualification	: Malaysian Certificate of Education
Work Experience	: Poh Huat Furniture Industries (M) Sdn Bhd Executive Director (1996 to present) General manager (1996 to 2007) Nippon Paint (M) Sdn Bhd (1968 to 1996)
Directorship in other Public Companies	: Nil
Securities holding in the Company and its subsidiaries	: <i>Ordinary Shares of RM1.00 each</i> Direct – 1,630,980 shares Deemed – Nil
Family relationship with any directors and/or major shareholders of the Company	: Mr Tay Kim Hau 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
Conflict of interest with the Company	: Nil
List of conviction for offences within the past 10 years	: 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)

Dato' Ng Ah Poh
(Executive Director)

Toh Kim Chong
(Executive Director)

Dato' Haji Zaini bin Md. Hasim
(Independent Non-Executive Director)

Boo Chin Liong
(Independent Non-Executive Director)

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

Chua Syer Cin
(Independent Non-Executive Director)

AUDIT COMMITTEE

Chua Syer Cin
(Chairman)

Dato' Haji Zaini bin Md. Hasim
Tay Khim Seng
Boo Chin Liong

NOMINATING COMMITTEE

Boo Chin Liong
(Chairman)

Dato' Haji Zaini bin Md. Hasim
Tay Khim Seng
Chua Syer Cin

REMUNERATION COMMITTEE

Dato' Haji Zaini bin Md. Hasim
(Chairman)

Boo Chin Liong
Tay Khim Seng
Chua Syer Cin

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 Block D13,
Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301 Petaling Jaya,
Selangor Darul Ehsan.
Tel No. : 603 - 7841 8000
Fax No. : 603 - 7841 8008

AUDITORS

Crowe Horwath (AF 1018)
Chartered Accountants

PRINCIPAL BANKERS

HSBC Bank (Malaysia) Berhad
HSBC Bank (Vietnam) Ltd
Malayan Banking Berhad
United Overseas Bank (Malaysia) Bhd
United Overseas Bank (Vietnam) Ltd
VID Public Bank (Vietnam) Ltd

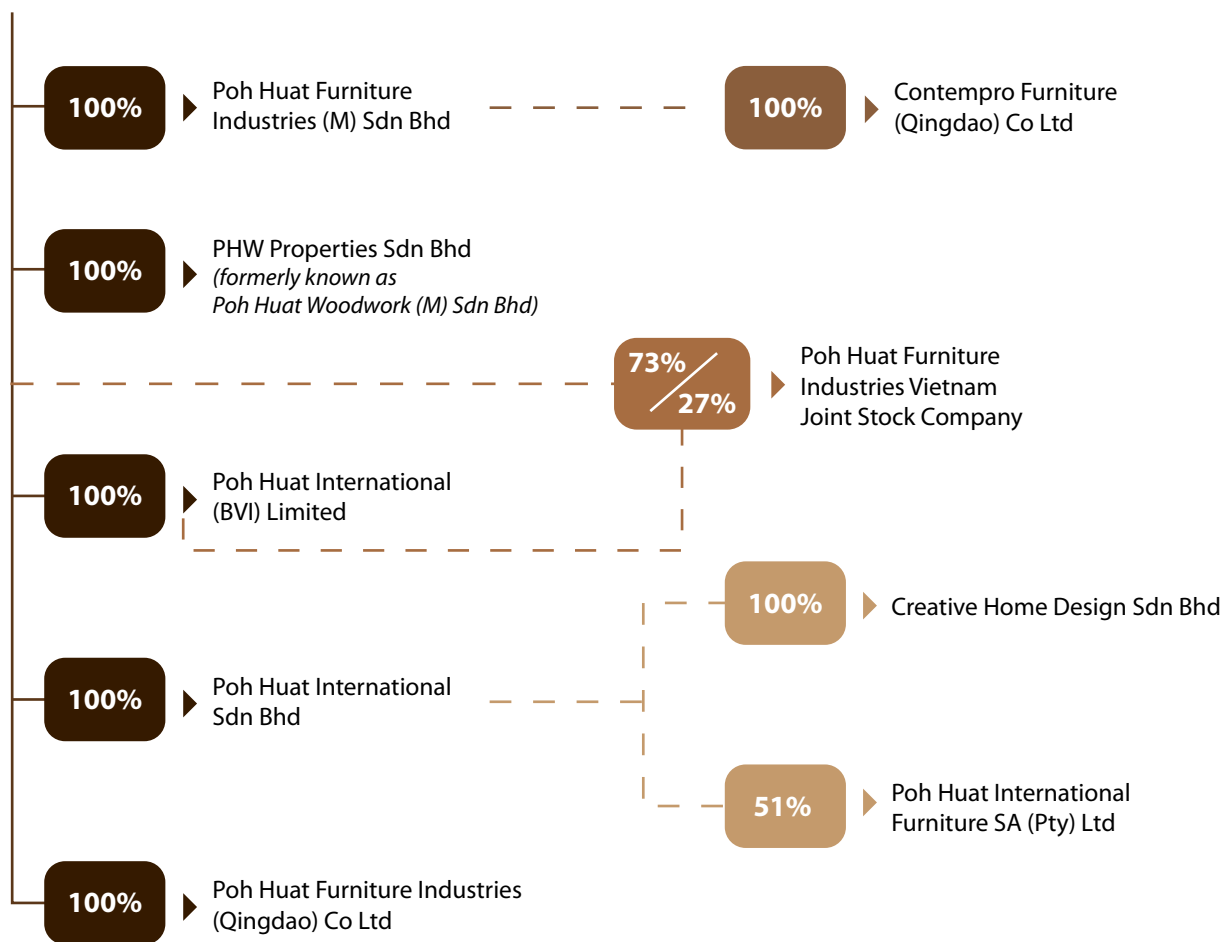
SOLICITORS

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

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, aged 63, 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 raised 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 57, 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 30 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 65, 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)

Dato' Ng Ah Poh *DIMP*

Executive Director (Non-Independent Executive Director)

Dato' Ng Ah Poh, Malaysian, aged 62, 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 early education in Muar, Dato' Ng participated in the running of his family-owned business which has interests in plantation and manufacture of food products.

In the late 1980s, Dato' Ng, together with Mr Tay Kim Huat, ventured in the manufacture of various types of custom-made household furniture and the provision of interior renovation services. The furniture manufacturing business was formalised in 1992 with the incorporation of Poh Huat Furniture Industries (M) Sdn Bhd. During the early 1990s, Dato' Ng was actively involved in the marketing of the company's products both in the local as well as overseas markets. He is presently not involved in the daily operations of the Group but remained involved in the direction setting and strategic management of the Group.

He presently has business interests in and is a director of several private limited companies involved in the manufacturing of biscuit, confectionery and food products.

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.

Dato' Haji Zaini bin Md. Hasim *DIMP, AMP, AMN, PIS, PPA, PPS*

Director (Independent Non-Executive Director)

Dato' Haji Zaini bin Md. Hasim, Malaysian, aged 67, was appointed as an Independent Non-Executive Director of the Company on 2 May 2001 and is presently the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee.

Dato' Haji Zaini received his early education in Batu Gajah, Perak Darul Ridzuan and later obtained his Bachelor of Social Science (Honours) from the Science University of Malaysia, Penang. Dato' Haji Zaini commenced his career with the Royal Malaysian Police Force in 1965. During his 37 years of service with the Royal Malaysian Police Force, Dato' Haji Zaini has held various commanding position including the Officer-In-Charge of District Police and Assistant Director of Bukit Aman before retiring from service as the Commander of General Operations of the Royal Malaysian Police Force, Sabah in March 2001. During his tenure with the Royal Malaysian Police Force, he was also seconded to the Malaysian Aviation Department as its Deputy Director (Security/Intelligence) when the airport security service at all Malaysian airports was first being organised and established.

He presently has business interest in and is a director of a private limited company involved in the retailing of golf and sporting equipment.

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 Boo Chin Liong

Director (Independent Non-Executive Director)

Mr Boo Chin Liong, Malaysian, aged 52, 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 a member of the Audit Committee and the Remuneration 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 presently a director of several private limited companies.

He is currently an Independent Non-Executive Director of BP Plastics Holding Bhd. He has no family relationship with any Director and/or major shareholder of the Company.

Mr Tay Khim Seng

Director (Non-Independent Non-Executive Director)

Mr Tay Khim Seng, Malaysian, aged 52, 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.



INFORMATION ON DIRECTORS

(cont'd)

Mr Chua Syer Cin

Director (*Independent Non-Executive Director*)

Mr Chua Syer Cin, Malaysian, aged 40, 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 presently a director of several private limited companies.

He is currently an Independent Non-Executive Director of Kia Lim Berhad. He has no family relationship with any Director and/or major shareholder of the Company.

Mr Toh Kim Chong

Director (*Non-Independent Executive Director*)

Mr Toh Kim Chong, Malaysian, aged 38, 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.

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 2012.



Operational Review

Another year has passed and I am again happy to report that the Group continued to perform exceedingly well. Despite ongoing global weaknesses and challenging market conditions, orders from our main markets continued to be strong. Furniture demand from the US market remained resilient despite weak employment numbers and concerns over economic and regulatory policies prior to the October 2012 presidential election. Business confidence amongst furniture importers, particularly in the 2nd half of 2012, was bolstered by rising US housing numbers and general improvement in consumer spending on durable goods. Our sales to the Middle East also improved with orders rising to pre-crisis levels in line with the strong investment inflows and recovery of the property sector in the oil producing Gulf nations. On a weaker note, the protected economic weaknesses in the EU and uncertainties on the ECB led recovery packages continue to weigh down business and consumer confidence. We received less orders from our customers in Europe.



CHAIRMAN'S STATEMENT (cont'd)

Operational Review (cont'd)

As in the previous year, our factories in Vietnam continued to improve strongly with shipments increasing more than 25% to RM205 million for the financial year under review. The strong performance reflects our long-standing co-operations with our customers in product and market development, particularly in the areas of product design, costing, pricing and new market segments. On the back of these successes, I am happy to report that our Vietnam operations achieved a record profit after taxation of RM14.90 million.

At home, the Group also performed well. During the year, we continued to receive strong orders from our customers from both the office and home segments. In line with our product rationalisation efforts, we were more careful in our negotiations and product offerings to reflect higher material and production costs. Despite similar year-to-year revenue, I am happy to report a significant turnaround profit before tax of RM2.96 million against last year's losses before tax of RM6.53 million for our Malaysian operations.

Our situation in China remained less than ideal. Despite our earnest efforts in mitigating the impact of our manufacturing operations in China, we continued to suffer operating losses of RM2.63 million due mainly to impairment charges. All efforts have been put in the arrest the situation with the ultimate goal of withdrawing our operations from China. Our subsidiary in South Africa also recorded a marginal loss of RM0.67 million on the back of tougher market conditions.

Financial Review

With the commendable performance of our main subsidiaries, I am happy to report that the Group achieved yet another year of good financial results. The Group achieved a higher turnover of RM392.02 million compared to the RM359.29 million achieved in the previous financial year. At this juncture, we wish to emphasise that the higher turnover is achieved amidst challenging market conditions, and more important, whilst maintaining the Group's profitability. In this regard, I am happy to inform that the Group achieved a record gross profit of RM52.48 million, an improvement of more than 24% over last year's gross margin of RM42.18 million.

As impressive as the improvement in gross margins, I also wish to draw upon the Group's efforts in keeping its non-manufacturing costs down. Notwithstanding the significant increase in turnover, the Group managed to maintain its marketing, distribution and administrative expenses at the levels broadly similar to those in the previous year. With these costs savings, the Group's registered a disproportionately higher profit before taxation of RM16.92 million, an improvement of 350% over the Group's profit before taxation of RM3.76 million in the previous year. During the year, the Group incurred taxation charges of RM2.08 million, mainly from the profits earned by our Vietnamese subsidiary. The net profit attributable to owners of the Company for the year is RM15.17 million, the highest ever achieved by the Group since financial year 2008.

CHAIRMAN'S STATEMENT (cont'd)

Dividend

The Board takes a conservative stance in the management of the financial resources of the Group. With the global situation as it is, the Board is of the view that cash reserve is vital and thus has recommended a first and final tax-exempt dividend of 2% for the financial year ended 31 October 2012 for approval at the forthcoming annual general meeting of the company.

Prospects

We expect another year of challenges as the global economy slowly finds its way to recovery.

The deep recession in Europe is the biggest drag to global recovery. The pace of recovery in the Eurozone will be slow as key nations continue to struggle with high unemployment, political deadlocks and policies impasses. High unemployment in France and increased political uncertainty in Italy and Cyprus created further complications for regulatory intervention and structural reforms much needed to simulate the region's real economy out of its deep recession.

On the positive side, the US, our biggest market, continued to show resilience despite higher taxes and deep government budget cuts following the tightening of its fiscal policy. Recent improvements in the capital markets, employments and production outputs provided the much needed confidence boost to US businesses and consumers. Americans are saving less and spending more for big ticket purchases as household net worth climbs with rising home values and stock indexes surging to record highs.

While the social-political situation in the Middle East remained volatile, there appears to be strong economic rebound from the six-member oil exporting Gulf Co-operation Council. The Gulf nations are benefiting from high crude oil prices and investment inflows as the region emerges as refuge for investors amid Europe's sovereign debt crisis. The growth is clearly seen in the improving capital and property markets and in the tourism, hotel and restaurant industries.

We look ahead with guarded optimism as we prepare ourselves to make the most out of the recovering property markets and business confidence in the US and the Middle East. In Vietnam and Malaysia, we will continue to work with our customers to develop new products and markets, review pricing structures and policies vis-a-vis manufacturing costs and manage scarce resources in light of tighter labour availability and escalating manufacturing costs. We will also put in our best to manage the situation in our Chinese subsidiary. Lastly, we will continue to look for opportunities to expand our markets and diversify our business.

Acknowledgement

On behalf of the Board, I would 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, co-operation 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

18 March 2013

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 (Revised 2007) (“Code”) and other applicable laws, regulations and guidelines.

The Board 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 as set out in Part 1 and Part 2 of the Code.

BOARD OF DIRECTORS *Role and Responsibilities*

The Board has the overall responsibility for the strategic direction; formulation of objectives; establishment of policies and procedures; and the execution and monitoring of the business activities of the Group.

The Board delegates certain responsibilities to the board committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee in order to enhance operational efficiency and strengthen the overall management and governance of the Group’s businesses and affairs. All board committees report to the Board.

The Board retains the overall responsibility for monitoring activities undertaken by Board committees, subsidiaries and operational departments. The Board is responsible for the assessment and management of the commercial and financial risks inherent to the environment in which the Group operates. The Board is also ultimately responsible for the compliance with applicable laws, regulations and guidelines.

Board Balance

The Board of Directors of the Company currently comprises nine (9) members of whom four (4) are Executive Directors and five (5) are Non-Executive Directors. Out of the five (5) Non-Executive Directors, four (4) are independent.

The Executive Directors bring together expertise and experience in manufacturing, plantation 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.

The positions of the Chairman and the Managing Director 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 Managing Director has 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 transactions to ensure that the interest of not only the Group, but also stakeholders and the public in general are represented. This mixture of experience and expertise is deemed necessary in light of the increasing challenging economic and operating environment in which the Group operates.

CORPORATE GOVERNANCE (cont'd)

BOARD OF DIRECTORS (cont'd)

Appointment and Re-election of Directors

The appointment of new directors and nomination of directors for re-election are the remit of the Nomination Committee.

In accordance with Article 88 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 immediate after their appointment. In accordance with Article 81 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.

Directors' Training

The Board, through the Nomination 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	Malaysian Code of Corporate Governance 2012
Dato' Haji Zaini bin Md. Hasim	Malaysian Code of Corporate Governance 2012
Mr Boo Chin Liong	Malaysian Code of Corporate Governance 2012 National Tax seminar 2012
Mr Tay Kim Huat	National Tax seminar 2012 Corporate M&A
Mr Tay Kim Hau	Corporate M&A
Mr Tay Khim Seng	Malaysian Code of Corporate Governance 2012
Dato' Ng Ah Poh	National Tax Seminar 2012
Mr Chua Syer Cin	National Tax Seminar 2012 Tax Planning for Mergers and Acquisitions and Initial Public Offers by the Malaysia Institute of Certified Public Accountants Chartered Tax Institute of Malaysia:- - Workshop on Recent Tax Cases, Successes and Surprises in Court - Seminar on 2012 Budget Proposals and Recent Tax Developments - Workshop on Maximising Tax Incentives - Workshop on New Public Rulings in 2010 & 2011

CORPORATE GOVERNANCE (cont'd)

BOARD OF DIRECTORS (cont'd)

Directors' Training (cont'd)

Director	Courses/Training Attended
Mr Chua Syer Cin (cont'd)	Malaysian Institute of Accountants:- - Accounting for Deferred Taxation – Fundamentals and Practice - Guideline for Disclosure by Directors and Secretarial Practice Issues
Mr Toh Kim Chong	Corporate M&A

The Directors will continue to undergo relevant training programmes to further enhance their skills and knowledge.

BOARD MEETINGS

During the financial year ended 31 October 2012, 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	3/4
Dato' Ng Ah Poh	3/4
Mr Chai Meng Kui (JP) (Resigned on 13 March 2013)	4/4
Dato' Haji Zaini bin Md. Hasim	4/4
Mr Boo Chin Liong	3/4
Mr Tay Khim Seng	3/4
Mr Chua Syer Cin	4/4
Mr Toh Kim Chong	3/4

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.

Board Committees

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 Nomination 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.

CORPORATE GOVERNANCE (cont'd)

Board Committees (cont'd)

1. Audit Committee

The Audit Committee is primarily responsible for matters relating to financial accounting and controls to ensure that good practices are adopted in the review and disclosure of the financial affairs of the Group. This Committee also provides an independent and neutral avenue for reporting and feedback both between the internal audit personnel and the external auditors; and the Directors and management representatives of the Group.

The composition and terms of reference of the Audit Committee together with its report are presented in the Audit Committee section herein.

2. Nominating Committee

The Nominating Committee is primarily responsible for the identification of the desired mix of expertise, competencies and experience 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 candidates with the necessary qualities to strengthen the Board. The current members of the Nominating Committee are:-

1. Mr Boo Chin Liang (*Redesignated as Chairman on 1 November 2012*)
Chairman of the Nominating Committee
Independent Non-Executive Director
2. Dato' Haji Zaini bin Md. Hasim (*Redesignated as member on 1 November 2012*)
Independent Non-Executive Director
3. Mr Tay Khim Seng
Non-Independent Non-Executive Director
4. Mr Chua Syer Cin
Independent Non-Executive Director

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.

CORPORATE GOVERNANCE (cont'd)

Board Committees (cont'd)

3. 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. Dato' Haji Zaini bin Md. Hasim
Chairman of the Remuneration Committee
Independent Non-Executive Director
2. Mr Boo Chin Liong
Independent Non-Executive Director
3. Mr Tay Khim Seng
Non-Independent Non-Executive Director
4. 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 annual general meeting.

The details of Directors' remuneration payable to the Directors of the Company for the financial year ended 31 October 2012 are disclosed in the Note 21 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 Bursa Malaysia's Main Market Listing Requirements.

CORPORATE GOVERNANCE (cont'd)

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 proceeding of the meeting. The board papers include, amongst others, the following:-

1. Minutes of previous meeting;
2. Quarterly and annual financial statements and internal audit reports;
3. Proposal for major investments and financial undertakings;
4. Proposal for acquisition of properties and major operating assets;
5. Proposal and documents related to major corporate exercises; and
6. Documentation on policies, procedures and control systems.

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.

SHAREHOLDERS

Relation with Shareholders and Investors

The Board acknowledges the need for shareholders to be informed of all material business and corporate developments affecting the Group.

The timely release of quarterly and annual financial results of the Group and the issue of the Company's Annual Reports provide regular information on the state of affair of the Group. These, together with announcements to the Bursa Malaysia, circulars to shareholders and, where appropriate, ad-hoc press statements are the principal channels for dissemination of information to shareholders, investors and the public in general. Information on the Group is also available on the Company's website : www.pohhuat.com

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. Shareholders who are unable to attend are allowed to appoint proxies. Members of the Board and the external auditors of the Company are present to answer queries raised at these meetings as well as to exchange information with shareholders, invited attendees and members of the press.

Any queries or concerns regarding the Group may be conveyed to the Chairman of the Audit Committee or the Company Secretary at the registered office of the Company.

CORPORATE GOVERNANCE (cont'd)

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting annual reports and audited financial statements and announcing quarterly results, the Board aims to present an accurate, balanced assessment of the Group's position and prospects. In the preparation of financial statements, the Audit Committee and the Board review the financial statements for consistency and appropriateness of use and application of accounting standards and policies; and for reasonableness and prudence in making estimates, statements and explanation.

Internal Control

The Board recognises the importance of an effective internal control system in improving risk management; enhancing operational and financial controls and ensuring compliance with applicable laws and regulations. The control system is designed to safeguard the Group's operations and assets and hence, protect shareholders' investment in the Group. Whilst emphases are being placed on ensuring the effective of the control system, there can only be reasonable assurance against misstatement, irregularities or losses.

The Statement on Internal Control section herein provides an overview of the state of internal controls within the Group.

Relationship with the Auditors

The Company maintains a transparent relationship with the auditors in seeking their professional advice and towards ensuring compliance with the accounting standards.

The Audit Committee met with the auditors without the presence of the Executive Directors twice during the current financial year.

AUDIT COMMITTEE

Audit Committee Report For The Financial Year Ended 31 October 2012

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 (*Redesignated as Chairman on 1 November 2012*)
Chairman of the Audit Committee
Independent Non-Executive Director
2. Dato' Haji Zaini bin Md. Hasim
Independent Non-Executive Director
3. Mr Boo Chin Liong (*Redesignated as Member on 1 November 2012*)
Independent Non-Executive Director
4. Mr Tay Khim Seng
Non-Independent Non-Executive Director

hereinafter referred to as the "Committee".

Terms of Reference

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

Objectives

The primary objective of the Committee is to assist the Board 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 Audit Committee will:-

1. oversee and appraise the quality of the audits conducted by the Company's external auditors and where applicable, the internal auditors in order to strengthen the confidence of the shareholders and public in the Group's reported results;
2. maintain, by scheduling regular meetings, open 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

Composition

The members of the Committee shall be appointed by the Board from amongst their members and shall comprise no fewer than 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 Malaysia's Main Market Listing Requirements.

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

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

AUDIT COMMITTEE (cont'd)

Audit Committee Report For The Financial Year Ended 31 October 2012

Meetings

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

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

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

Authority

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

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

Duties and Responsibilities

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

1. to consider and recommend the appointment and remuneration of the external auditors;

2. to oversee matters pertaining to the external audit including the review of the audit scope and plans, the external auditors evaluation of the internal control system and their audit report;
3. to review, where applicable, the scope and results of internal audit procedures, the findings and recommendations of the internal audit report and the remedial or corrective action taken;
4. to review the 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 on a timely manner;
5. to identify and direct any special project or investigate and report on any matters, issues or concerns that may be agreed to by the Committee and the Board; 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.

Meetings and Attendance

Four (4) Audit Committee meetings were held during the financial year ended 31 October 2012. Details of the attendance of members at Audit Committee Meetings are as follows:-

Name	Attendance
Mr Boo Chin Liong	3/4
Dato' Haji Zaini bin Md. Hasim	4/4
Mr Tay Khim Seng	3/4
Mr Chua Syer Cin	4/4

AUDIT COMMITTEE (cont'd)

Audit Committee Report For The Financial Year Ended 31 October 2012

Activities of the Audit Committee

The activities of the Audit Committee during the financial year ended 31 October 2012 included the following:-

1. Reviewed with the external auditors their scope of work and audit plans prior to the commencement of the audit activities;
2. Reviewed and discussed the Group audited financial statements for the year ended 31 October 2012 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;
3. Reviewed and discussed with the internal auditors on the Group's 3 years internal audit plans and the overall assessment of the system of internal controls of the Group;
4. 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;
5. Reviewed the unaudited quarterly financial results of the Group and made recommendation to the Board;
6. Reviewed major investment and corporate proposals undertaken by the Group during the financial year; and
7. Reviewed related party transactions entered into by the Group in its ordinary course of business.

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 Audit Function reports directly to the audit committee who reviews and approves the Internal Audit

Function's audit plan, financial budget and to ensure that the function is adequately resourced with competent and proficient internal auditors.

The principal role of the Internal Audit Function 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 Audit Function conducted various internal audit engagements in accordance with the risk-based audit plans that cover a rolling period of 3 years. The Internal Audit Function evaluated the adequacy and effectiveness of key controls within the Group's operating units in responding to the risk within the Group's governance, operations and information systems regarding the:

- (a) Reliability and integrity of financial and operational information;
- (b) Effectiveness and efficiency of operations;
- (c) Safeguarding of assets; and
- (d) Compliance with laws and regulations.

The Internal Auditor Function documents 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 Audit Function reports 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 2012 was RM42,000.

STATEMENT ON INTERNAL CONTROL

The Directors acknowledge their ultimate responsibility for the Group's system of internal controls, which is designed to identify and manage the risks facing the businesses in pursuit of its business objectives. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Key Elements of the Group's Internal Control System

The internal control system is designed to give reasonable assurance with respect to the:-

1. reliability of financial information used within the business or for publication;
2. maintenance of proper accounting records;
3. safeguarding of assets against unauthorized use or disposition; and
4. efficiency and effectiveness of the running of the businesses and operations.

The Board is of the view that the current system of internal controls is sufficient to safeguard the Group's interest.

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

1. 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 accurate and timely management information;
2. monitoring and control of key financial risks through clearly laid down authorization levels and proper segregation of accounting duties;

3. detailed reporting of trading results, balance sheets and cash flows, with regular review by the management, Audit Committee and Board of Directors;
4. regular independent internal audit activities to monitor compliance with procedures and assess the integrity of operational and financial information provided; and
5. regular information provided to the management, covering financial performance, key business indicators and cash flow performance.

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 the 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 Board is satisfied that the internal control system was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The external auditors have reviewed the Statement of Internal Control pursuant to Paragraph 15.23 of the Listing Requirements of Bursa Malaysia Securities Berhad and have reported to the Board that it appropriately reflects the processes that the Board has adopted in reviewing the adequacy and integrity of the system of internal controls.

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 purchased 2,765,800 of its own shares, representing approximately 2.44% of its share capital. The details of the repurchases are as follows:-

Month	No. of Shares Purchased	Highest Price per Share RM	Lowest Price per Share RM	Average Price per Share RM	Total Consideration Paid RM
Nov 2011	1,320,800	0.4250	0.4000	0.4214	556,647
Jan 2012	675,200	0.4150	0.3900	0.4110	277,534
Feb 2012	14,000	0.3800	0.3800	0.3800	5,368
Aug 2012	5,000	0.3900	0.3800	0.3900	1,993
Oct 2012	750,800	0.4150	0.3900	0.4127	309,829

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

The Company has not granted any 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.

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

No material variation between the audited results for the financial year and the unaudited results previously announced.

ADDITIONAL COMPLIANCE INFORMATION (cont'd)

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 Directors or major shareholders 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 27 of the Financial Statements herein.



CORPORATE RESPONSIBILITY

As an entity, the Group is an integral part of the community and 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 6,000 employees both Malaysian and foreigners, either deploy in Malaysia or their home country where the Group has operational bases. The Group policies on recruitment, working hours, remuneration and welfare exceed requirements set forth by the relevant authorities in the countries that we operate in. Most of the production workers in Malaysia and China are given accommodation arrangement and all production workers are given meal and medical benefits. 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 conducive 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 Program (an important part of the ISO 9001/2000 Manufacturing Technology Innovation Policy). The Group emphasise on 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.

Representative 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 emphasise 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 strengthened 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.

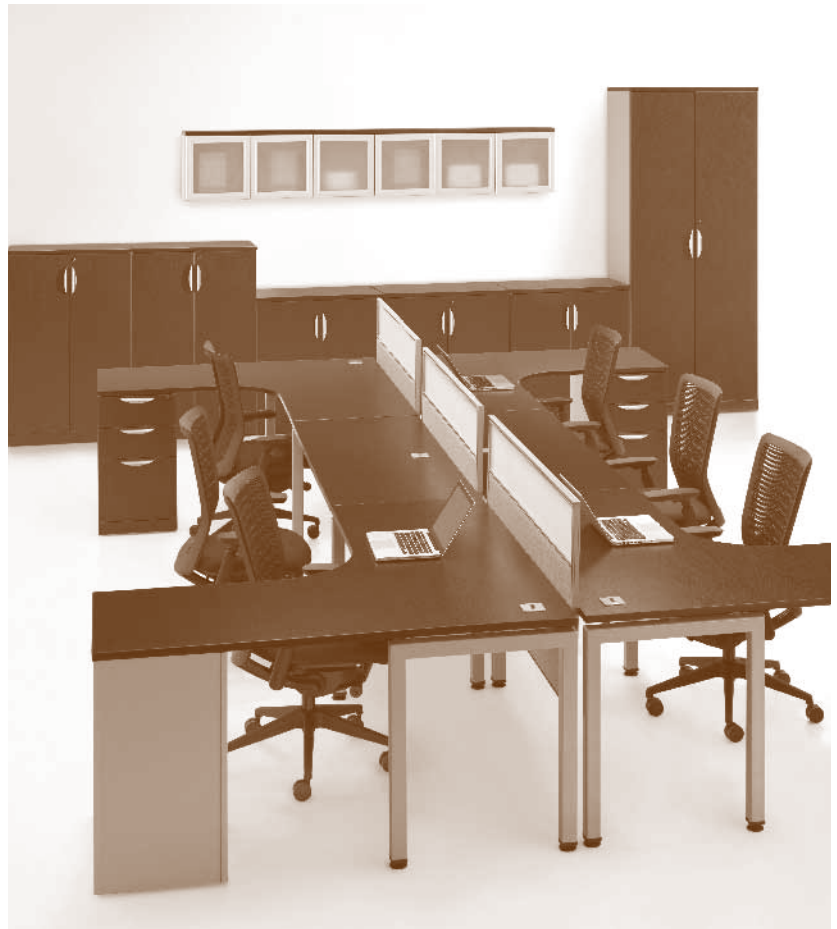
DIRECTORS' RESPONSIBILITIES STATEMENT

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 and 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 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 and 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.





FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 October 2012.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
Profit after tax for the financial year	14,842,586	2,969,305
Attributable to:		
Owners of the Company	15,168,007	2,969,305
Non-controlling interests	(325,421)	-
	14,842,586	2,969,305

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the effects of the fire incident as disclosed in Note 31 to the financial statements.

DIVIDENDS

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

A first and final tax exempt dividend of 2% equivalent to 2 sen per ordinary share amounting to RM 2,157,542 in respect of the financial year ended 31 October 2011 was approved by the shareholders at the Annual General Meeting held on 19 April 2012 and paid on 18 May 2012

At the forthcoming Annual General Meeting, a first and final tax exempt dividend of 2% 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 2013.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT (cont'd)

ISSUES OF SHARES AND DEBENTURES

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

TREASURY SHARES

During the financial year, the Company purchased 2,765,800 of its issued ordinary shares from the open market at prices ranging from RM 0.38 to RM 0.42 per share. The total consideration paid for the purchase was RM 1,151,371 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 and are presented as a deduction from equity.

At 31 October 2012, the Company held as treasury shares a total of 6,265,800 out of its 113,387,105 issued and fully paid-up ordinary shares. The treasury shares are held at carrying amount of RM 2,573,777. Relevant details on the treasury shares are disclosed in Note 12 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 of the Company.

DIRECTORS

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

Tay Kim Huat

Tay Kim Hau

Dato' Ng Ah Poh

Boo Chin Liong

Dato' Haji Zaini Bin Md Hasim

Tay Khim Seng

Chua Syer Cin

Chai Meng Kui

Datuk Seri Zulkipli Bin Mat Noor

Toh Kim Chong

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 shares in the Company and its related corporations during the financial year are as follows :

		<u>Number Of Ordinary Shares Of RM 1 Each</u>			
		Balance At			Balance At
		01.11.2011	Bought	Sold	31.10.2012
Tay Kim Huat	- Direct interest	25,505,838	-	-	25,505,838
	- Indirect interest *	3,086,894	188,000	-	3,274,894
Tay Kim Hau	- Direct interest	3,996,980	-	1,715,000	2,281,980
Dato' Ng Ah Poh	- Direct interest	4,599,855	-	-	4,599,855
Boo Chin Liong	- Direct interest	19,500	-	-	19,500
Dato' Haji Zaini Bin Md Hasim	- Direct interest	15,600	-	-	15,600
Tay Khim Seng	- Direct interest	2,318,050	-	-	2,318,050
Chai Meng Kui	- Direct interest	3,503,586	-	-	3,503,586
Toh Kim Chong	- Direct interest	685,000	527,700	-	1,212,700

* Indirect interest by virtue of the shareholdings of his spouse and children.

By virtue of his shareholding in the Company, Mr. Tay Kim Huat is deemed to have interests in shares in all the subsidiaries to the extent of the Company's interest, 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 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 the 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 save as disclosed in Note 27(a) 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.

DIRECTORS' REPORT (cont'd)

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps :
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and have satisfied themselves that all known bad debts had been written off 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.
- (b) At the date of this report, the directors are not aware of any circumstances :
- (i) that would require the further 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 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 EVENT DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 31 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 : 4 February 2013

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the directors of **Poh Huat Resources Holdings Berhad**, state that, in the opinion of the directors, the financial statements set out on pages 45 to 109 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 October 2012 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 33, 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 : 4 February 2013

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 statements of financial position at 31 October 2012 of the Group and of the Company, and statements of 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 45 to 109.

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 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 the 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 2012 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 5 to the financial statements.

**INDEPENDENT
AUDITORS' REPORT (cont'd)
To The Members Of Poh Huat
Resources Holdings Berhad**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (cont'd)

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following : (cont'd)

- (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 33 on page 110 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.

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

Lim Swee Chong

Approval No.: 1177/12/14 (J)

Chartered Accountant

Muar, Johor Darul Takzim

Date : 4 February 2013

STATEMENTS OF FINANCIAL POSITION

At 31 October 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	111,088,997	106,962,745	-	-
Investment in subsidiaries	5	-	-	78,531,674	78,531,674
Long term receivables	6	-	-	39,098,765	33,000,663
		111,088,997	106,962,745	117,630,439	111,532,337
CURRENT ASSETS					
Inventories	7	59,150,568	54,375,388	-	-
Trade and other receivables	6	46,018,964	39,823,951	293,385	688,471
Deposits, bank and cash balances	8	32,236,168	19,800,817	2,014,839	432,246
Dividend receivable		-	-	-	1,845,000
Derivative assets	9	81,382	285,218	-	-
		137,487,082	114,285,374	2,308,224	2,965,717
Assets of disposal subsidiary classified as held for sale	10	15,550,547	15,343,800	-	-
		153,037,629	129,629,174	2,308,224	2,965,717
TOTAL ASSETS		264,126,626	236,591,919	119,938,663	114,498,054

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

**STATEMENTS OF
FINANCIAL POSITION (cont'd)**
At 31 October 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	11	113,387,105	113,387,105	113,387,105	113,387,105
Treasury shares	12	(2,573,777)	(1,422,406)	(2,573,777)	(1,422,406)
Reserves	13	31,693,133	18,678,668	3,276,541	2,464,778
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
		142,506,461	130,643,367	114,089,869	114,429,477
NON-CONTROLLING INTERESTS					
		1,556,270	2,060,314	-	-
TOTAL EQUITY					
		144,062,731	132,703,681	114,089,869	114,429,477
NON-CURRENT LIABILITIES					
Bank borrowings	14	2,990,707	2,736,161	-	-
Hire purchase payables	15	531,107	391,169	-	-
Deferred tax liabilities	16	3,930,000	4,530,000	-	-
		7,451,814	7,657,330	-	-
CURRENT LIABILITIES					
Trade and other payables	17	74,140,946	57,138,154	5,848,794	68,577
Bank borrowings	14	35,370,570	38,664,841	-	-
Hire purchase payables	15	366,444	204,591	-	-
Tax payable		2,734,121	223,322	-	-
		112,612,081	96,230,908	5,848,794	68,577
TOTAL LIABILITIES					
		120,063,895	103,888,238	5,848,794	68,577
TOTAL EQUITY AND LIABILITIES					
		264,126,626	236,591,919	119,938,663	114,498,054

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

STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year Ended
31 October 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
REVENUE	18	392,019,223	359,289,922	7,973,266	20,288,235
COST OF SALES		(339,544,022)	(317,104,984)	-	-
GROSS PROFIT		52,475,201	42,184,938	7,973,266	20,288,235
OTHER INCOME		8,332,047	7,799,943	1,386,378	-
SELLING AND DISTRIBUTION EXPENSES		(18,714,303)	(18,901,876)	-	-
ADMINISTRATIVE EXPENSES		(16,624,991)	(16,853,438)	(542,986)	(545,794)
OTHER EXPENSES		(6,191,595)	(8,522,738)	(5,800,603)	(14,475,136)
FINANCE COSTS	19	(2,352,360)	(1,941,627)	(815)	(2,304)
PROFIT BEFORE TAX	20	16,923,999	3,765,202	3,015,240	5,265,001
TAX EXPENSE	23	(2,081,413)	1,880,354	(45,935)	(3,122,634)
PROFIT AFTER TAX		14,842,586	5,645,556	2,969,305	2,142,367
OTHER COMPREHENSIVE EXPENSE					
- Foreign currency translation		(173,959)	(3,798,102)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		14,668,627	1,847,454	2,969,305	2,142,367
PROFIT AFTER TAX ATTRIBUTABLE TO :					
Owners of the Company		15,168,007	5,584,898	2,969,305	2,142,367
Non-controlling interests		(325,421)	60,658	-	-
		14,842,586	5,645,556	2,969,305	2,142,367
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :					
Owners of the Company		15,172,007	2,082,448	2,969,305	2,142,367
Non-controlling interests		(503,380)	(234,994)	-	-
		14,668,627	1,847,454	2,969,305	2,142,367
EARNINGS PER ORDINARY SHARES (SEN)	24				
Basic		14.04	4.94		

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 October 2012

Group	Attributable To Owners Of The Company									
	Non-Distributable					Distributable				
Note	Share Capital RM	Treasury Shares RM	Revaluation Reserve RM	Foreign Exchange Fluctuation Reserve RM	Retained Profits RM	Total RM	Non-controlling Interests RM	Total RM	Equity RM	Total RM
At 1 November 2010	113,387,105	-	6,787,594	(15,255,800)	27,332,168	132,251,067	2,295,785	134,546,852		
Profit after tax for the financial year	-	-	-	-	5,584,898	5,584,898	60,658	5,645,556		
Other comprehensive expense for the financial year :										
- Foreign currency translation	-	-	-	(3,502,450)	-	(3,502,450)	(295,652)	(3,798,102)		
Total comprehensive income for the financial year	-	-	-	(3,502,450)	5,584,898	2,082,448	(234,994)	1,847,454		
Contributions by and distributions to owners :										
- Purchase of treasury shares	12	(1,422,406)	-	-	-	(1,422,406)	-	(1,422,406)		
- Dividends										
- by the Company	25	-	-	-	(2,267,742)	(2,267,742)	-	(2,267,742)		
- by subsidiary to non-controlling interests		-	-	-	-	-	(477)	(477)		
Total transactions with owners		(1,422,406)	-	-	(2,267,742)	(3,690,148)	(477)	(3,690,625)		
At 31 October 2011	113,387,105	(1,422,406)	6,787,594	(18,758,250)	30,649,324	130,643,367	2,060,314	132,703,681		

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

**STATEMENTS OF
CHANGES IN EQUITY (cont'd)**
For The Financial Year Ended 31 October 2012

Group	Attributable To Owners Of The Company									
	Non-Distributable					Distributable				
Note	Share Capital RM	Treasury Shares RM	Revaluation Reserve RM	Fluctuation Reserve RM	Foreign Exchange Reserve RM	Retained Profits RM	Total RM	Non-controlling Interests RM	Total RM	Total Equity RM
At 31 October 2011	113,387,105	(1,422,406)	6,787,594	(18,758,250)	-	30,649,324	130,643,367	2,060,314	132,703,681	
/ 1 November 2011	-	-	-	-	-	15,168,007	15,168,007	(325,421)	14,842,586	
Profit after tax for the financial year	-	-	-	-	4,000	-	4,000	(177,959)	(173,959)	
Other comprehensive income/ (expense) for the financial year:										
- Foreign currency translation										
Total comprehensive income for the financial year	-	-	-	-	4,000	15,168,007	15,172,007	(503,380)	14,668,627	
Contributions by and distributions to owners:										
- Purchase of treasury shares	12	(1,151,371)	-	-	-	-	(1,151,371)	-	(1,151,371)	
- Dividends										
- by the Company	25	-	-	-	-	(2,157,542)	(2,157,542)	-	(2,157,542)	
- by subsidiary to non-controlling interests						-	-	(664)	(664)	
Total transactions with owners		(1,151,371)	-	-	-	(2,157,542)	(3,308,913)	(664)	(3,309,577)	
At 31 October 2012	113,387,105	(2,573,777)	6,787,594	(18,754,250)	-	43,659,789	142,506,461	1,556,270	144,062,731	

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

**STATEMENTS OF
CHANGES IN EQUITY (cont'd)**
For The Financial Year Ended 31 October 2012

Company	Attributable To Owners Of The Company				Total Equity RM
	Note	Non-Distributable		Distributable	
		Share Capital RM	Treasury Shares RM	Retained Profits RM	
At 1 November 2010		113,387,105	-	2,590,153	115,977,258
Profit after tax / Total comprehensive income for the financial year		-	-	2,142,367	2,142,367
Contributions by and distribution to owners					
- Purchase of treasury shares	12	-	(1,422,406)	-	(1,422,406)
- Dividends	25	-	-	(2,267,742)	(2,267,742)
At 31 October 2011 / 1 November 2011		113,387,105	(1,422,406)	2,464,778	114,429,477
Profit after tax / Total comprehensive income for the financial year		-	-	2,969,305	2,969,305
Contributions by and distribution to owners					
- Purchase of treasury shares	12	-	(1,151,371)	-	(1,151,371)
- Dividends	25	-	-	(2,157,542)	(2,157,542)
At 31 October 2012		113,387,105	(2,573,777)	3,276,541	114,089,869

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

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 October 2012

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	16,923,999	3,765,202	3,015,240	5,265,001
Adjustments for:				
Allowance for impairment losses on trade and other receivables	1,318	829,423	-	1,367,234
Bad debts written off	1,078,236	10,314	4,361,098	-
Deposit forfeited	-	1,000	-	-
Deposit forfeited income	-	(50)	-	-
Depreciation	7,910,240	9,181,280	-	-
Dividend income	-	-	-	(1,845,000)
Fair value loss/(gain) on derivatives	203,836	(285,218)	-	-
Fire insurance compensation	(3,830,858)	(4,860,108)	-	-
Goodwill written off	-	296,148	-	-
Impairment loss on investment in a subsidiary	-	-	-	12,856,592
Impairment loss on property, plant and equipment	568,402	4,742,540	-	-
Loss on disposal of property, plant and equipment	20,930	147,650	-	-
Property, plant and equipment written off	3,351,611	469,242	-	-
Reversal of allowance for impairment losses on trade and other receivables	(1,082,968)	(171,211)	(1,367,234)	-
Unrealised (gain)/loss on foreign exchange	(2,846)	(1,058,958)	72,271	205,237
Waiver of debt	-	-	1,367,234	-
Write down of inventories	268,918	-	-	-
Interest income	(618,734)	(347,206)	-	-
Interest expenses	1,664,723	1,490,196	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	26,456,807	14,210,244	7,448,609	17,849,064
Changes In Working Capital				
Inventories	(5,349,948)	1,636,005	-	-
Trade and other receivables	(2,855,045)	5,064,242	(18,692,315)	(36,838,744)
Trade and other payables	14,607,430	(10,706,876)	5,780,217	2,870
CASH GENERATED FROM/(ABSORBED INTO) OPERATIONS	32,859,244	10,203,615	(5,463,489)	(18,986,810)
Interest received	618,734	347,206	-	-
Interest paid	(1,664,723)	(1,490,196)	-	-
Tax refund/(paid)	103,091	(1,461,412)	536,729	(3,228,751)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	31,916,346	7,599,213	(4,926,760)	(22,215,561)
BALANCE CARRIED FORWARD	31,916,346	7,599,213	(4,926,760)	(22,215,561)

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

STATEMENTS OF CASH FLOWS (cont'd)

For The Financial Year Ended 31 October 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
BALANCE BROUGHT FORWARD		31,916,346	7,599,213	(4,926,760)	(22,215,561)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		816,016	405,505	-	-
Purchase of property, plant and equipment	4(g)	(13,863,165)	(11,845,774)	-	-
Dividends received from subsidiaries		-	-	9,818,266	26,269,930
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		(13,047,149)	(11,440,269)	9,818,266	26,269,930
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loans		2,770,422	-	-	-
Repayment of term loans		(1,007,181)	(943,020)	-	-
Net movements in trade bills		(4,326,947)	5,565,614	-	-
Repayment of hire purchase payables		(443,709)	(193,276)	-	-
Purchase of treasury shares		(1,151,371)	(1,422,406)	(1,151,371)	(1,422,406)
Dividends paid		(2,158,206)	(2,268,681)	(2,157,542)	(2,267,742)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		(6,316,992)	738,231	(3,308,913)	(3,690,148)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		21,968	(139,052)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		12,574,173	(3,241,877)	1,582,593	364,221
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		19,661,995	22,903,872	432,246	68,025
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	26	32,236,168	19,661,995	2,014,839	432,246

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 October 2012

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the requirements of 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 4 February 2013.

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 5.

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

3. ACCOUNTING POLICIES AND STANDARDS

3.1 Basis of Preparation of Financial Statements

- (a) The financial statements of the Group and of the Company are prepared in compliance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company have adopted new FRSs which is mandatory for financial period beginning on or after 1 November 2011 as disclosed in Note 3.3.
- (b) The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in summary of significant accounting policies.
- (c) The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.1 Basis of Preparation of Financial Statements (cont'd)

- (c) In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are disclosed in Note 3.5.
- (d) The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the entities operates ("the functional currency"). All the financial statements are presented in Ringgit Malaysia ("RM") and the figures have been rounded to nearest RM, unless otherwise stated.

3.2 Summary of Significant Accounting Policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investment in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. On disposal of such investments, the difference between net disposal proceeds and their carrying amount is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 October 2012.

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.

Non-controlling interests are presented within equity in the consolidated statements of financial position, separately from the equity attributable to owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.2 Summary of Significant Accounting Policies (cont'd)

(a) Subsidiaries and basis of consolidation (cont'd)

(ii) Basis of consolidation (cont'd)

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.

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 and attributed to owners of the parent.

Upon loss of control of a subsidiary, the profit or loss on disposal 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 (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. 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 FRS 139 or, when applicable, the cost on initial recognition of an investment, an associate or a jointly controlled entity.

Business combinations from 1 November 2011 onwards

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.2 Summary of Significant Accounting Policies (cont'd)

(a) Subsidiaries and basis of consolidation (cont'd)

(ii) Basis of consolidation (cont'd)

Business combinations before 1 November 2011

All subsidiaries are consolidated using the purchase method. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree at the date of acquisition.

Business combinations under common control

Business combinations under common control are accounted using the merger method of accounting. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted based on the carrying amounts from the perspective of common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the par values of the shares received. Any resulting credit difference is classified as equity and be regarded as a non-distributable reserve. Any resulting debit difference is first charged against any suitable capital reserves and then against revenue reserves in case where there are no suitable capital reserves or they are insufficient to cover the merger deficit.

(b) 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 or valuation less accumulated depreciation and impairment losses, if any.

The Group revalues its properties comprising leasehold land and factory buildings every 5 years or at shorter intervals whenever the fair value of the revalued property, plant and equipment is expected to differ materially from their carrying amount.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.2 Summary of Significant Accounting Policies (cont'd)

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

Surpluses arising on revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Deficit arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss. In all other cases, a decrease in carrying amount is charged to the profit or loss. Subsequent to revaluation, any addition is stated at cost whilst disposal is stated at cost or valuation as appropriate.

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%
Plant and machinery	10%-66.67%
Vehicles, hostel, furniture, fittings and equipment	2%-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 3.2(e).

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the profit or loss and the unutilised portion of the revaluation surplus on that item, if any, is transferred directly to retained profits.

(c) Assets under hire purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 3.2(b) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.2 Summary of Significant Accounting Policies (cont'd)

(d) 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 in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Where necessary, due allowance is made for all damaged, obsolete and slow moving items. The Group writes down its obsolete or slow moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstance indicate that the carrying amounts may not be recovered.

(e) Impairment

(i) 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.

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.

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 the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.2 Summary of Significant Accounting Policies (cont'd)

(e) Impairment

(ii) Impairment of non-financial assets

The carrying amounts of assets, other than those to which FRS 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 amounts 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 unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

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, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

(f) 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 plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.2 Summary of Significant Accounting Policies (cont'd)

(f) Financial instruments (cont'd)

(i) 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.

- **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.

- **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 revenue recognised on an effective yield basis.

- **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.

- **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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.2 Summary of Significant Accounting Policies (cont'd)

(f) Financial instruments (cont'd)

(i) Financial assets (cont'd)

- **Available-for-sale financial assets (cont'd)**

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.

(ii) 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.

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.

(iii) Equity instruments

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

- **Ordinary shares**

Incremental costs directly attributable to the issue of new 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.

- **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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.2 Summary of Significant Accounting Policies (cont'd)

(f) Financial instruments (cont'd)

(iv) 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.

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 discharged 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.

(g) Revenue recognition

(i) Sale of goods

Revenue from sale of goods is recognised when the goods are shipped/delivered and when the risks and rewards of ownership have passed to the customers.

(ii) Dividend income

Dividend income is recognised when the shareholder's right to receive 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.

(h) Employee benefits

(i) Short-term benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses, social security costs and non-monetary benefits are recognised as expenses in the profit or loss in the period in which the associated services are rendered by employees of the Group.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.2 Summary of Significant Accounting Policies (cont'd)

(h) Employee benefits (cont'd)

(ii) 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.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition and construction of property, plant and equipment 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 are incurred.

(j) 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 year 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.2 Summary of Significant Accounting Policies (cont'd)

(j) Income tax (cont'd)

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.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, 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.

(l) Related parties

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

- (i) A person or a close member of that person's family is related to a reporting entity if that person :
 - has control or joint control over the reporting entity ;
 - has significant influence over the reporting entity ; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (ii) An entity is related to a reporting entity if any of the following conditions applies :
 - 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).
 - 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).
 - Both entities are joint ventures of the same third party.
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.2 Summary of Significant Accounting Policies (cont'd)

(l) Related parties (cont'd)

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.

(m) Functional and foreign currencies

(i) 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.

(ii) 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.

(iii) 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.

(n) 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 (cont'd) For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.2 Summary of Significant Accounting Policies (cont'd)

(o) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Upon classification as held for sale, non-current assets or components of a disposal group are not depreciated and are measured at the lower of their carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

- 3.3** During the current financial year, the Group and the Company have adopted the following new accounting standards and interpretations (including the consequential amendments) :

FRSs and IC Interpretation (Including The Consequential Amendments)

Amendments to FRS 1 (Revised)	:	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1 (Revised)	:	Additional Exemptions for First-time Adopters
Amendments to FRS 2	:	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	:	Improving Disclosures about Financial Instruments
IC Interpretation 4	:	Determining Whether An Arrangement Contains a Lease
IC Interpretation 18	:	Transfers of Assets from Customers
IC Interpretation 19	:	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	:	Prepayments of a Minimum Funding Requirement

Annual Improvements to FRSs (2010)

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following :

- (a) Amendments to FRS 7 expand the disclosure requirements in respect of fair value measurements and liquidity risk. In particular, the amendments require additional disclosure of fair value measurements by level of a fair value measurement hierarchy, as shown in Note 32.5. Comparatives are not presented by virtue of the exemption given in the amendments.
- (b) Annual Improvements to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes.

The amendments to FRS 101 (Revised) clarify that an entity may choose to present the analysis of the items of other comprehensive income either in the statements of changes in equity or in the notes to the financial statements. The Group has chosen to present the items of other comprehensive income in the statements of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

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

FRSs and IC Interpretations (Including The Consequential Amendments)	Effective date
FRS 9 : Financial Instruments	1 January 2015
FRS 10 : Consolidated Financial Statements	1 January 2013
FRS 11 : Joint Arrangements	1 January 2013
FRS 12 : Disclosure of Interests in Other Entities	1 January 2013
FRS 13 : Fair Value Measurement	1 January 2013
FRS 119 (Revised) : Employee Benefits	1 January 2013
FRS 124 (Revised) : Related Party Disclosures	1 January 2012
FRS 127 (2011) : Separate Financial Statements	1 January 2013
FRS 128 (2011) : Investments in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1 (Revised) : Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 1 (Revised) : Government Loans	1 January 2013
Amendments to FRS 7 : Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 7 : Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9 : Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
Amendments to FRS 10, FRS 11 and FRS 12 : Transition Guidance	1 January 2013
Amendments to FRS 101 (Revised) : Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 112 : Recovery of Underlying Assets	1 January 2012
Amendments to FRS 132 : Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to FRSs (2012)	1 January 2013

The Group's next set of financial statements for the annual period beginning on 1 November 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRSs"). As a result, the Group will not be adopting the above accounting standards and interpretations (including the consequential amendments).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.5 Significant 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.

(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) Revaluation of properties

Certain properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(d) 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 financial lease.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

3. ACCOUNTING POLICIES AND STANDARDS (cont'd)

3.5 Significant Accounting Estimates and Judgements (cont'd)

(e) 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.

(f) 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 loan 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 amount of receivables.

(g) 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.

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

4. PROPERTY, PLANT AND EQUIPMENT

Group - At 31 October 2012

	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 / Valuation							
At 1 November 2011	3,043,456	17,564,806	78,519,862	76,479,194	14,792,593	163,639	190,563,550
Additions	3,287,533	-	244,500	5,215,306	2,264,103	6,194,941	17,206,383
Disposals	-	-	-	(1,321,124)	(913,467)	-	(2,234,591)
Write off	-	-	(1,903,532)	(4,192,362)	(4,163,567)	-	(10,259,461)
Reclassifications	1,310,571	(105,650)	2,302,400	2,144,938	137,665	(5,895,574)	(105,650)
* Adjustment	(10,373)	-	-	-	-	-	(10,373)
Foreign exchange differences	(114,513)	1,639	(357,516)	58,153	(76,664)	(1,818)	(490,719)
At 31 October 2012	7,516,674	17,460,795	78,805,714	78,384,105	12,040,663	461,188	194,669,139
Representing :							
At valuation	-	10,902,105	13,272,729	-	-	-	24,174,834
At cost	7,516,674	6,558,690	65,532,985	78,384,105	12,040,663	461,188	170,494,305
	7,516,674	17,460,795	78,805,714	78,384,105	12,040,663	461,188	194,669,139
Less : Accumulated Depreciation							
At 1 November 2011	-	3,516,075	11,487,781	57,776,321	10,820,628	-	83,600,805
Charge for the financial year	-	336,778	1,719,664	4,456,439	1,397,359	-	7,910,240
Disposals	-	-	-	(715,659)	(681,986)	-	(1,397,645)
Write off	-	-	(87,950)	(2,821,888)	(3,998,012)	-	(6,907,850)
Reclassifications	-	(105,650)	188,046	(200,839)	12,793	-	(105,650)
Foreign exchange differences	-	277	(31,439)	11,363	(66,623)	-	(86,422)
At 31 October 2012	-	3,747,480	13,276,102	58,505,737	7,484,159	-	83,013,478
Representing :							
At valuation	-	2,499,170	3,401,339	-	-	-	5,900,509
At cost	-	1,248,310	9,874,763	58,505,737	7,484,159	-	77,112,969
	-	3,747,480	13,276,102	58,505,737	7,484,159	-	83,013,478

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

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

Group - At 31 October 2012 (cont'd)		Freehold land	Leasehold land	Warehouse and factory buildings	Plant and machinery	Vehicles, hostel, furniture, fittings and equipment	Capital work-in- progress	Total
		RM	RM	RM	RM	RM	RM	RM
Less : Impairment Loss								
	Impairment for the financial year	-	-	-	567,671	731	-	568,402
	Foreign exchange differences	-	-	-	(1,736)	(2)	-	(1,738)
<hr/>								
	At 31 October 2012	-	-	-	565,935	729	-	566,664
<hr/>								
Representing :								
	At valuation	-	-	-	-	-	-	-
	At cost	-	-	-	565,935	729	-	566,664
<hr/>								
Carrying Amount								
	At 31 October 2012	7,516,674	13,713,315	65,529,612	19,312,433	4,555,775	461,188	111,088,997
<hr/>								
Representing :								
	At valuation	-	8,402,935	9,871,390	-	-	-	18,274,325
	At cost	7,516,674	5,310,380	55,658,222	19,312,433	4,555,775	461,188	92,814,672
<hr/>								
	At 31 October 2012	7,516,674	13,713,315	65,529,612	19,312,433	4,555,775	461,188	111,088,997

* This represents discount received subsequently on property, plant and equipment acquired in previous financial year.

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

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

Group - At 31 October 2011

	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 / Valuation							
At 1 November 2010	1,580,622	18,779,728	96,389,397	78,532,807	14,357,533	1,423,658	211,063,745
Additions	1,462,834	-	1,284,590	2,953,824	1,518,234	3,011,881	10,231,363
Disposals	-	-	-	(1,797,099)	(566,324)	-	(2,363,423)
Write off	-	-	-	(1,104,696)	(190,811)	-	(1,295,507)
Reclassifications	-	(308,706)	4,240,648	243,064	-	(4,175,006)	-
Reclassified as held for sale	-	(585,730)	(20,971,935)	-	-	-	(21,557,665)
Foreign exchange differences	-	(320,486)	(2,422,838)	(2,348,706)	(326,039)	(96,894)	(5,514,963)
At 31 October 2011	3,043,456	17,564,806	78,519,862	76,479,194	14,792,593	163,639	190,563,550
Representing :							
At valuation	-	10,902,105	13,272,729	-	-	-	24,174,834
At cost	3,043,456	6,662,701	65,247,133	76,479,194	14,792,593	163,639	166,388,716
	3,043,456	17,564,806	78,519,862	76,479,194	14,792,593	163,639	190,563,550

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

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

	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
Less : Accumulated Depreciation							
At 1 November 2010	-	3,050,623	10,793,594	56,269,335	10,068,298	-	80,181,850
Charge for the financial year	-	620,323	2,236,946	4,926,633	1,397,378	-	9,181,280
Disposals	-	-	-	(1,463,583)	(346,685)	-	(1,810,268)
Write off	-	-	-	(721,170)	(105,095)	-	(826,265)
Reclassified as held for sale	-	(91,359)	(1,379,966)	-	-	-	(1,471,325)
Foreign exchange differences	-	(63,512)	(162,793)	(1,234,894)	(193,268)	-	(1,654,467)
At 31 October 2011	-	3,516,075	11,487,781	57,776,321	10,820,628	-	83,600,805
Representing :							
At valuation	-	2,304,491	3,135,887	-	-	-	5,440,378
At cost	-	1,211,584	8,351,894	57,776,321	10,820,628	-	78,160,427
At 31 October 2011	-	3,516,075	11,487,781	57,776,321	10,820,628	-	83,600,805
Less : Impairment Loss							
Impairment for the financial year	-	-	4,742,540	-	-	-	4,742,540
Reclassified as held for sale	-	-	(4,742,540)	-	-	-	(4,742,540)
At 31 October 2011	-	-	-	-	-	-	-
Representing :							
At valuation	-	-	-	-	-	-	-
At cost	-	-	-	-	-	-	-
At 31 October 2011	-	-	-	-	-	-	-

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

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

Group - At 31 October 2011 (cont'd)

	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
Carrying Amount							
At 31 October 2011	3,043,456	14,048,731	67,032,081	18,702,873	3,971,965	163,639	106,962,745
Representing :							
At valuation	-	8,597,614	10,136,842	-	-	-	18,734,456
At cost	3,043,456	5,451,117	56,895,239	18,702,873	3,971,965	163,639	88,228,289
	3,043,456	14,048,731	67,032,081	18,702,873	3,971,965	163,639	106,962,745

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

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

- (a) The leasehold land and factory buildings of the Group were last revalued by the directors in July 2009 based on professional appraisals by an independent valuer using the open market value basis.
- (b) The carrying amount of the Group's revalued property, plant and equipment that would have been included in the financial statements stated at cost less accumulated depreciation are as follows :

	Group	
	2012	2011
	RM	RM
Carrying Amount		
Leasehold land	4,671,604	4,780,024
Factory buildings	5,435,027	5,595,845
	10,106,631	10,375,869

- (c) The carrying amount of property, plant and equipment charged against bank borrowings granted to the Group (Note 14(a)) are as follows :

	Group	
	2012	2011
	RM	RM
Freehold land	1,196,058	-
Leasehold land	4,868,564	9,773,861
Factory buildings	15,679,866	28,004,779
Plant and machinery	4,098,532	-
Vehicle and equipment	333,341	-
	26,176,361	37,778,640

- (d) The motor vehicles with carrying amount of RM 1,148,779 (2011 : RM 778,666) are acquired under hire purchase instalment plans (Note 15). These leased assets have been pledged as security for the related finance lease liabilities of the Group.
- (e) The carrying amount of property, plant and equipment of the Group written off during the current financial year as a result of fire incident as disclosed in Note 31 amounted to RM 3,043,450.

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

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

- (f) The Group had recognised the impairment losses on property, plant and equipment to reduce the carrying amount of the property, plant and equipment to their recoverable amount are as follows :

	Group	
	2012	2011
	RM	RM
Factory building	-	4,742,540
Plant and machinery	567,671	-
Furniture, fittings and equipment	731	-
	<hr/>	<hr/>
	568,402	4,742,540

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

	Group	
	2012	2011
	RM	RM
Aggregate cost of property, plant and equipment acquired	17,206,383	10,231,363
Finance via hire purchase	(745,500)	-
Unpaid balances included under sundry payables (Note 17(c))	(3,023,743)	(436,398)
Cash paid in respect of acquisition in previous financial year	436,398	2,050,809
Adjustment	(10,373)	-
	<hr/>	<hr/>
Cash paid during the financial year	13,863,165	11,845,774

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

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

5. INVESTMENT IN SUBSIDIARIES

	Company	
	2012	2011
	RM	RM
Unquoted shares - at cost		
At 1 November	97,707,337	97,707,337
Accumulated impairment losses	(19,175,663)	(19,175,663)
At 31 October	78,531,674	78,531,674
Accumulated impairment losses :		
At 1 November	19,175,663	6,319,071
Addition during the financial year	-	12,856,592
At 31 October	19,175,663	19,175,663

The details of subsidiaries are as follows :

Name of Company	Principal Activities	Country of Incorporation	Equity Interest Held	
			2012	2011
Subsidiaries				
Poh Huat Furniture Industries (M) Sdn. Bhd.	Manufacturing and sale of furniture and investment holding.	Malaysia	100%	100%
Poh Huat Woodwork (M) Sdn. Bhd.	Dormant	Malaysia	100%	100%
Poh Huat International Sdn. Bhd.	Trading of furniture and investment holding.	Malaysia	100%	100%
# Poh Huat Furniture Industries Vietnam Joint Stock Company	Processing and manufacturing of wooden furniture.	Vietnam	72.983% (Direct) ^ 27.011% (Indirect)	72.983% (Direct) ^ 27.011% (Indirect)
# Poh Huat Furniture Industries (Qingdao) Co. Ltd.	Dormant	People's Republic of China	100%	100%
* Poh Huat International (BVI) Limited	Investment holding.	British Virgin Islands	100%	100%

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

5. INVESTMENT IN SUBSIDIARIES (cont'd)

The details of subsidiaries are as follows : (cont'd)

Name of Company	Principal Activities	Country of Incorporation	Equity Interest Held	
			2012	2011
Subsidiary Of				
Poh Huat Furniture Industries (M) Sdn. Bhd.				
# Contempro Furniture (Qingdao) Co. Ltd.	Manufacturing of furniture and related products.	People's Republic of China	100%	100%
Subsidiaries Of				
Poh Huat International Sdn. Bhd.				
Creative Home Design Sdn. Bhd.	Striking off under Section 308 of the Companies Act, 1965.	Malaysia	100%	100%
# Poh Huat International Furniture S.A. (Proprietary) Limited	Trading of furniture.	South Africa	51%	51%

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

The financial statements of these subsidiaries were audited by other firms of chartered accountants.

^ The indirect equity interest of 27.011% is held through a subsidiary of the Company, namely Poh Huat International (BVI) Limited.

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

6. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
NON-CURRENT				
Long Term Receivables				
Amount due from subsidiaries	-	-	39,098,765	34,367,897
Less : Allowance for impairment losses	-	-	-	(1,367,234)
	-	-	39,098,765	33,000,663
Allowance for impairment losses :				
At 1 November	-	-	1,367,234	-
Addition during the financial year	-	-	-	1,367,234
Reversal of allowance no longer required	-	-	(1,367,234)	-
At 31 October	-	-	-	1,367,234
CURRENT				
Trade Receivables				
Deposits to suppliers	726,401	670,648	-	-
Other trade receivables	33,046,406	29,738,417	-	-
Less : Allowance for impairment losses	(23,652)	(1,105,302)	-	-
	33,749,155	29,303,763	-	-
Other Receivables				
Deposits	101,299	105,575	1,000	1,000
Prepayments	994,242	773,822	188,447	869
Tax recoverable	1,612,048	1,844,509	103,938	686,602
Fire insurance compensation receivable (Note 31)	2,238,444	-	-	-
Sundry receivables	7,358,776	7,831,282	-	-
Less : Allowance for impairment losses	(35,000)	(35,000)	-	-
	7,323,776	7,796,282	-	-
	12,269,809	10,520,188	293,385	688,471
	46,018,964	39,823,951	293,385	688,471

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

6. TRADE AND OTHER RECEIVABLES (cont'd)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Allowance for impairment losses :				
At 1 November	1,140,302	482,090	-	-
Additions during the financial year	1,318	829,423	-	-
Reversal of allowance no longer required	(1,082,968)	(171,211)	-	-
At 31 October	58,652	1,140,302	-	-

- (a) The Group's normal trade terms range from cash term to 120 days from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.
- (b) The non-current amount due from subsidiaries represents unsecured, non-interest bearing advances of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investment in the subsidiaries and are stated at cost less accumulated impairment losses, if any.

7. INVENTORIES

	Group	
	2012 RM	2011 RM
At Cost		
Raw materials	27,863,456	21,477,258
Packing materials	79,170	81,199
Work-in-progress	14,362,695	14,708,388
Finished goods	16,775,285	18,108,543
	59,080,606	54,375,388
At Net Realisable Value		
Work-in-progress	33,206	-
Finished goods	36,756	-
	69,962	-
	59,150,568	54,375,388
Inventories recognised as cost of sales	339,812,940	317,104,984
Amount written down to net realisable value	268,918	-

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

8. DEPOSITS, BANK AND CASH BALANCES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Bank and cash balances	29,271,468	16,812,286	2,014,839	432,246
Short term deposits placed with licensed banks	2,964,700	2,988,531	-	-
	32,236,168	19,800,817	2,014,839	432,246

- (a) The interest rate of short term deposits placed with licensed banks of the Group at the end of the reporting period is 9.0% (2011 : 14.0%) 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 within 1 month (2011 : 1 month).

9. DERIVATIVE ASSETS

	Group			
	2012		2011	
	Contract/ Notional Amount RM	Derivative Assets RM	Contract/ Notional Amount RM	Derivative Assets RM
Forward foreign exchange contracts	1,608,500	81,382	34,445,510	285,218

- (a) Forward foreign exchange contracts are used to hedge the Group's sales denominated in United States Dollar ("USD") for which firm commitments existed at the end of the reporting period. Such derivatives do not qualify for hedge accounting.
- (b) The Group has recognised a loss of RM 203,836 (2011 : profit of RM 285,218) arising from fair value changes of derivatives during the financial year as disclosed in Note 20. The fair value changes were attributed to changes in foreign exchange spot and forward rates. The method and assumptions applied in determining the fair value of derivatives are disclosed in Note 32.4(iv).

10. ASSETS OF DISPOSAL SUBSIDIARY CLASSIFIED AS HELD FOR SALE

On 21 December 2011, the Group announced the disposal of its entire equity interest in Poh Huat Furniture Industries (Qingdao) Co. Ltd. ("PHFIQ"), a wholly-owned subsidiary of the Company for a total consideration of RMB 31.00 million (equivalent to RM 14.95 million). As mentioned in Note 17, a deposit of RMB 12.00 million (equivalent to RM 5.79 million) is received from the buyer during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

10. ASSETS OF DISPOSAL SUBSIDIARY CLASSIFIED AS HELD FOR SALE (cont'd)

At the end of the reporting period, the assets of the PHFIQ has been presented in the consolidated statement of financial position as "Assets of disposal subsidiary classified as held for sale". The disposal is expected to be completed by June 2013.

The assets of the disposal subsidiary, measured at the lower of their carrying amount and fair value less cost to sell, are as follows :

	Group	
	2012	2011
	RM	RM
Assets		
Property, plant and equipment	15,550,547	15,343,800

11. SHARE CAPITAL

	Group And Company			
	2012		2011	
	Number of shares	RM	Number of shares	RM
Authorised :				
Ordinary shares of RM 1.00 each	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid :				
Ordinary shares of RM 1.00 each	113,387,105	113,387,105	113,387,105	113,387,105

The holders of ordinary shares are entitled to receive dividends as declared by the Company and are entitled to one (1) vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares, all rights are suspended until those shares are reissued.

12. TREASURY SHARES

During the financial year, the Company purchased 2,765,800 (2011 : 3,500,000) of its issued ordinary shares from the open market at prices ranging from RM 0.38 to RM 0.42 (2011 : RM 0.40 to RM 0.43) per share. The total consideration paid for the purchase was RM 1,151,371 (2011 : RM 1,422,406) including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total 113,387,105 issued and fully paid-up ordinary shares at the end of the reporting period, 6,265,800 ordinary shares (2011 : 3,500,000 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 (cont'd)
For The Financial Year Ended 31 October 2012**

13. RESERVES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Non-Distributable				
Revaluation reserve	6,787,594	6,787,594	-	-
Foreign exchange fluctuation reserve	(18,754,250)	(18,758,250)	-	-
Distributable				
Retained profits	43,659,789	30,649,324	3,276,541	2,464,778
	31,693,133	18,678,668	3,276,541	2,464,778

(a) Revaluation Reserve

Revaluation reserve represent the surpluses arising from the revaluation of leasehold land and factory buildings, net of deferred tax effect.

(b) Foreign Exchange Fluctuation Reserve

Foreign exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(c) Retained Profits

Retained profits are those available for distribution by way of dividends. At 31 October, subject to the agreement of the Inland Revenue Board, the Company has sufficient Section 108 balance under Finance Act 2007 (Act 683), and the balance in tax exempt income account to frank the payment of dividends out of its entire retained profits without incurring additional tax liability.

Finance Act 2007 (Act 683) introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 balance at 31 December 2007 will be available to the Company until such time the balance is fully utilised or upon expiry on 31 December 2013, whichever is earlier unless it opts to disregard the Section 108 balance to pay single tier dividends.

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

14. BANK BORROWINGS

	Group	
	2012	2011
	RM	RM
CURRENT		
Secured - Trade bills	16,372,277	28,246,728
- Term loans	1,642,705	444,758
Unsecured - Bank overdrafts	-	138,822
- Trade bills	17,355,588	9,834,533
	35,370,570	38,664,841
NON-CURRENT		
Secured - Term loans	2,990,707	2,736,161
	38,361,277	41,401,002
TOTAL BANK BORROWINGS		
Secured - Trade bills	16,372,277	28,246,728
- Term loans	4,633,412	3,180,919
Unsecured - Bank overdrafts	-	138,822
- Trade bills	17,355,588	9,834,533
	38,361,277	41,401,002

- (a) The bank borrowings are secured against :
- (i) Property, plant and equipment with carrying amount of RM 26,176,361 (2011 : RM 37,778,640) of the Group (Note 4(c)).
 - (ii) Corporate guarantee by the Company.
- (b) The bank overdrafts are interest bearing at NIL (2011 : 8.1%) per annum whilst trade bills are interest bearing at 2.2% - 4.1% (2011 : 2.4% - 4.0%) per annum.
- (c) The term loans are interest bearing at 2.8% - 7.0% (2011 : 2.6% - 7.5%) per annum.

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

14. BANK BORROWINGS (cont'd)

- (d) The term loans are repayable by 60 to 120 monthly instalments, or 9 equal quarterly instalments (2011 : 120 monthly instalments, or 10 equal quarterly instalments) where applicable. At the end of the reporting period, they are repayable as follows :

	Group	
	2012	2011
	RM	RM
CURRENT		
Not later than one year	1,642,705	444,758
NON-CURRENT		
Later than one year and not later than two years	1,139,213	323,632
Later than two years and not later than five years	1,094,610	1,129,262
Later than five years	756,884	1,283,267
	2,990,707	2,736,161
	4,633,412	3,180,919

15. HIRE PURCHASE PAYABLES

	Group	
	2012	2011
	RM	RM
Minimum hire purchase payments :		
Not later than one year	409,176	230,376
Later than one year and not later than two years	409,176	230,348
Later than two years and not later than five years	144,407	181,200
	962,759	641,924
Less : Future finance charges	(65,208)	(46,164)
	897,551	595,760
Present value of hire purchase payables		
The net hire purchase payables are repayable as follows :		
Current portion	366,444	204,591
Non-current portion	531,107	391,169
	897,551	595,760

The effective interest rates of the hire purchase payables are ranging from 4.7% - 7.7% (2011 : 5.0% - 5.7%) per annum.

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

16. DEFERRED TAX LIABILITIES

	Group	
	2012	2011
	RM	RM
At 1 November	4,530,000	6,680,000
Recognised in profit or loss	(710,000)	(2,150,000)
Underprovision in prior years	110,000	-
	<hr/>	<hr/>
At 31 October	3,930,000	4,530,000
	<hr/>	<hr/>
Presented after appropriate offsetting as follows :		
Deferred tax liabilities	3,930,000	4,530,000
	<hr/>	<hr/>

(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	Total RM
At 1 November	2,118,000	2,641,000	4,759,000
Recognised in profit or loss	-	(819,000)	(819,000)
	<hr/>	<hr/>	<hr/>
At 31 October	2,118,000	1,822,000	3,940,000
	<hr/>	<hr/>	<hr/>

(ii) Deferred tax assets :

	Other temporary differences RM	Total RM
At 1 November	(229,000)	(229,000)
Recognised in profit or loss	219,000	219,000
	<hr/>	<hr/>
At 31 October	(10,000)	(10,000)
	<hr/>	<hr/>

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

16. DEFERRED TAX LIABILITIES (cont'd)

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

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Unused tax losses	18,288,000	25,171,000	103,000	-
Unabsorbed capital allowances	3,170,000	9,235,000	-	-
Unutilised reinvestment allowances	7,800,000	7,800,000	-	-
Unutilised increased export allowances	12,053,000	12,053,000	-	-
	41,311,000	54,259,000	103,000	-

No deferred tax assets have been recognised in the financial statements for the above items as there is no assurance beyond any reasonable doubt that future taxable profits will be sufficient to allow deferred tax assets to be realised.

The above unused tax losses of the Group up to RM 12,423,000 (2011 : RM 19,383,000) do not expire under current tax legislation whilst RM 2,855,000 (2011 : RM 2,817,000), RM 2,025,000 (2011 : RM 1,999,000) and RM 985,000 (2011 : RM 972,000) will expire in December 2015, December 2014 and December 2013 respectively.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Trade Payables				
Advance from customers	2,389,292	2,167,015	-	-
Other trade payables	50,411,910	40,554,075	-	-
	52,801,202	42,721,090	-	-
Other Payables				
Amount due to a subsidiary	-	-	-	12,151
Amount due to a director of a subsidiary	61,043	68,382	-	-
Amount due to shareholders of a subsidiary	56,449	62,240	-	-
Accruals	7,506,936	6,633,973	53,500	51,500
Deposit received (Note 10)	5,788,800	-	5,788,800	-
Sundry payables	7,926,516	7,652,469	6,494	4,926
	21,339,744	14,417,064	5,848,794	68,577
	74,140,946	57,138,154	5,848,794	68,577

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

17. TRADE AND OTHER PAYABLES (cont'd)

- (a) The normal trade terms granted to the Group range from cash term to 120 days from the date of invoices.
- (b) The amounts due to a subsidiary, 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 3,023,743 (2011 : RM 436,398) payable for the purchase of property, plant and equipment (Note 4(g)).

18. REVENUE

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

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Dividend income	-	-	7,973,266	20,288,235
Sale of furniture and furniture parts net of discounts, returns, sales tax and sales rebate	392,019,223	359,289,922	-	-
	<u>392,019,223</u>	<u>359,289,922</u>	<u>7,973,266</u>	<u>20,288,235</u>

19. FINANCE COSTS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Interest On :				
Hire purchase	47,250	37,100	-	-
Term loans	295,010	282,598	-	-
Trade bills	1,322,463	1,170,498	-	-
	<u>1,664,723</u>	<u>1,490,196</u>	<u>-</u>	<u>-</u>
Bank commission and charges	687,637	451,431	815	2,304
	<u>2,352,360</u>	<u>1,941,627</u>	<u>815</u>	<u>2,304</u>

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

20. PROFIT BEFORE TAX

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
This is arrived at after charging :				
Allowance for impairment losses on trade and other receivables	1,318	829,423	-	1,367,234
Auditors' remuneration :				
- current	179,417	188,415	22,000	20,000
- (over)/underprovision in previous financial year	(4,000)	4,000	-	2,000
Bad debts written off	1,078,236	10,314	4,361,098	-
Deposit forfeited	-	1,000	-	-
Depreciation	7,910,240	9,181,280	-	-
Fair value loss on derivatives	203,836	-	-	-
Goodwill written off	-	296,148	-	-
Impairment loss on investment in a subsidiary	-	-	-	12,856,592
Impairment loss on property, plant and equipment	568,402	4,742,540	-	-
Lease rental	377,623	334,945	-	-
Loss on disposal of property, plant and equipment	20,930	147,650	-	-
Property, plant and equipment written off	3,351,611	469,242	-	-
Realised loss on foreign exchange	-	1,367,578	-	46,073
Rental of hostel	9,600	9,600	-	-
Rental of office equipment	30,558	28,792	-	-
Rental of premises	109,492	156,912	-	-
Rental of showroom	162,000	108,000	-	-
Rental of warehouse	-	145,568	-	-
Unrealised loss on foreign exchange	-	-	72,271	205,237
Waiver of debt	-	-	1,367,234	-
Write down of inventories	268,918	-	-	-
This is arrived at after crediting :				
Deposit forfeited income	-	(50)	-	-
Fair value gain on derivatives	-	(285,218)	-	-
Fire insurance compensation (Note 31)	(3,830,858)	(4,860,108)	-	-
Interest income	(618,734)	(347,206)	-	-
Realised gain on foreign exchange	(1,527,870)	-	(19,144)	-
Rental income	(275,000)	(660,000)	-	-
Reversal of allowance for impairment losses on trade and other receivables	(1,082,968)	(171,211)	(1,367,234)	-
Unrealised gain on foreign exchange	(2,846)	(1,058,958)	-	-

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

21. 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	
	2012	2011	2012	2011
	RM	RM	RM	RM
Directors of the Company Executive Directors :				
Fee	204,000	204,000	156,000	156,000
Salaries and other emoluments	1,541,279	1,387,091	-	-
Pension costs - defined contribution plan	51,700	67,950	-	-
Social security costs	586	586	-	-
Estimated monetary value of benefits-in-kind	28,000	28,300	-	-
	1,825,565	1,687,927	156,000	156,000
Non-executive Directors :				
Fee	222,000	222,000	222,000	222,000
	2,047,565	1,909,927	378,000	378,000
Directors of the Subsidiaries Executive Directors :				
Salaries and other emoluments	389,042	475,334	-	-
Total directors' remuneration	2,436,607	2,385,261	378,000	378,000
Analysis excluding monetary value of benefits-in-kind :				
Total executive directors' remuneration	2,186,607	2,134,961	156,000	156,000
Total non-executive directors' remuneration	222,000	222,000	222,000	222,000
Total directors' remuneration excluding monetary value of benefits-in-kind	2,408,607	2,356,961	378,000	378,000

- (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 (cont'd)
For The Financial Year Ended 31 October 2012**

21. DIRECTORS' REMUNERATION (cont'd)

- (c) Details of directors' emoluments of the Group received/receivable for the financial year in bands of RM 50,000 are as follows :

	Number of Directors	
	2012	2011
Executive Directors :		
RM 1 - RM 50,000	1	1
RM 50,001 - RM 100,000	1	1
RM 350,001 - RM 400,000	1	-
RM 450,001 - RM 500,000	-	1
RM 1,050,001 - RM 1,100,000	-	1
RM 1,300,001 - RM 1,350,000	1	-
Non-executive Directors :		
RM 1 - RM 50,000	5	5
RM 50,001 - RM 100,000	1	1

22. EMPLOYEE INFORMATION

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Executive Directors' Remuneration (excluding benefits-in-kind) (Note 21(a))	2,186,607	2,134,961	156,000	156,000
Other Staff Costs :				
Salaries and other emoluments	67,567,667	57,195,650	-	-
Pension costs - defined contribution plan	1,081,158	1,015,031	-	-
Social security costs	232,224	199,961	-	-
Other staff related expenses	3,292,109	3,397,967	-	-
	72,173,158	61,808,609	-	-
Total Staff Costs	74,359,765	63,943,570	156,000	156,000

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

23. TAX EXPENSE

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
(a) Components of tax expense				
Current tax expense :				
- Malaysian tax	80,000	-	-	3,121,000
- Foreign tax	2,898,640	1,077,500	-	-
(Over)/Underprovision in prior years :				
- Malaysian tax	(297,227)	(807,854)	45,935	1,634
	2,681,413	269,646	45,935	3,122,634
Deferred tax income :				
- Reversal of temporary differences	(710,000)	(2,150,000)	-	-
- Underprovision in prior years	110,000	-	-	-
	(600,000)	(2,150,000)	-	-
	2,081,413	(1,880,354)	45,935	3,122,634

Domestic current tax expense is calculated at the Malaysian statutory tax rates of 25% (2011 : 25%) over the estimated assessable profit for the financial year. Tax expense for other jurisdictions is calculated at the tax rates prevailing in the respective jurisdictions.

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

23. TAX EXPENSE (cont'd)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
(b) Reconciliation of effective tax rate				
Profit before tax	16,923,999	3,765,202	3,015,240	5,265,001
Tax at Malaysian statutory tax rate	4,231,000	941,000	754,000	1,316,000
Tax effect of different tax rates in foreign subsidiaries	(962,000)	(2,827,000)	-	-
Tax effect of non-deductible expenses	1,440,000	1,454,000	1,136,000	3,648,000
Tax effect of non-taxable income	(817,000)	(811,000)	(1,993,000)	(1,843,000)
Tax effect of double deduction expenses	(192,000)	(1,451,000)	-	-
Utilisation of deferred tax assets previously not recognised	(1,642,000)	(46,000)	-	-
Deferred tax assets not recognised during the financial year	211,000	1,667,000	103,000	-
(Over)/Underprovision in prior years :				
- current tax expense	(297,227)	(807,854)	45,935	1,634
- deferred tax income	110,000	-	-	-
Others	(360)	500	-	-
	2,081,413	(1,880,354)	45,935	3,122,634

24. EARNINGS PER ORDINARY SHARE

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

	Group	
	2012 RM	2011 RM
Profit attributable to owners of the Company	15,168,007	5,584,898

	Group	
	2012 Units	2011 Units
Number of ordinary shares in issue at 1 November	113,387,105	113,387,105
Effect of treasury shares held	(5,362,488)	(321,233)
Weighted average number of ordinary shares at 31 October	108,024,617	113,065,872
Basic earnings per ordinary share (sen)	14.04	4.94

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

24. EARNINGS PER ORDINARY SHARE (cont'd)

The diluted earnings per ordinary share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

25. DIVIDENDS

	Group And Company	
	2012	2011
	RM	RM
In respect of the financial year ended 31 October 2010		
First and final tax exempt dividend of 2% equivalent to 2 sen per ordinary share on 113,387,105 ordinary shares of RM 1.00 each	-	2,267,742
In respect of the financial year ended 31 October 2011		
First and final tax exempt dividend of 2% equivalent to 2 sen per ordinary share on 107,877,105 ordinary shares of RM 1.00 each	2,157,542	-
	2,157,542	2,267,742

At the forthcoming Annual General Meeting, a first and final tax exempt dividend of 2% 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 2013.

26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following amounts :

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Deposits, bank and cash balances	32,236,168	19,800,817	2,014,839	432,246
Bank overdrafts :				
- unsecured	-	(138,822)	-	-
	32,236,168	9,661,995	2,014,839	432,246

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

27. RELATED PARTY DISCLOSURES

- (a) In addition to the information detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Subsidiaries				
- Dividend received / receivable	-	-	(7,973,266)	(20,288,235)
Director				
- Rental of showroom	162,000	108,000	-	-
A firm in which a director of the Company is senior partner				
- Legal fee	12,400	8,850	-	-

- (b) Information regarding outstanding balances arising from related party transactions at 31 October 2012 are disclosed in Note 6 and Note 17.

(c) **Compensation of key management personnel**

The compensation of key management personnel who are the directors of the Group and of the Company are detailed in Note 21(a).

28. COMMITMENTS

(a) **Capital Commitment**

At 31 October, the capital expenditure not provided for in the financial statements is as follows :

	Group	
	2012	2011
	RM	RM
Approved but not contracted for :		
Property, plant and equipment	329,000	-
Analysed as follows :		
Plant and machinery	329,000	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

28. COMMITMENTS (cont'd)

(b) Lease Commitment

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

	Group	
	2012 RM	2011 RM
Not later than one year	422,959	422,712
Later than one year and not later than five years	1,887,091	1,884,826
Later than five years	13,332,657	13,787,860
	15,642,707	16,095,398

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

29. COMPARATIVE FIGURES

The following comparative figures on the face of statements of financial position has been reclassified to conform with current year's presentation :

	Group	
	Amount as restated RM	Amount as previously reported RM
Trade and other receivables	39,823,951	39,061,451
Trade and other payables	(57,138,154)	(56,375,654)

The above reclassification has no effect on the result for the previous financial year.

30. 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 mainly confined to a single operating segment, namely furniture industry.

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

30. OPERATING SEGMENTS (cont'd)

(b) Geographical Information

	Revenue		Non-Current Assets	
	2012 RM	2011 RM	2012 RM	2011 RM
South Africa	5,513,682	7,613,518	3,784,137	4,502,868
Vietnam	205,164,348	160,295,011	41,612,168	40,817,361
People's Republic of China	1,884,260	4,886,624	952,233	2,412,466
Malaysia	179,456,933	186,494,769	64,740,459	59,230,050
	<u>392,019,223</u>	<u>359,289,922</u>	<u>111,088,997</u>	<u>106,962,745</u>

(c) Major Customers

Revenue from three (2011 : two) major customers, with revenue equal to or more than 10% of the Group's revenue, amounts to RM 189,573,153 (2011 : RM 99,306,312).

31. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 17 December 2011, there was a fire destroying one of the factory buildings of Poh Huat Furniture Vietnam Joint Stock Company ("PHFIV"). The affected manufacturing facilities, comprise one 9,600 square meters factory building, is located in the Province of Dong Nai, Vietnam and houses one of three-finishing lines in the same location.

Total confirmed insurance compensation was VND 25,832 million (equivalent to RM 3,830,858). At the end of the reporting period, PHFIV had received insurance claim of VND 10,500 million (equivalent to RM 1,592,414). As mentioned in Note 6, insurance claim of VND 15,332 million (equivalent to RM 2,238,444) is receivable from the insurance company at 31 October 2012.

At 31 October 2012, the carrying amount of the affected property, plant and equipment was VND 20,522 million (equivalent to RM 3,043,450).

The net impact of the fire incident on profit or loss is as follows :

	Group 2012 RM
Total fire insurance compensation (Note 20)	3,830,858
Less : Property, plant and equipment written off (Note 4(e))	(3,043,450)
	<u>787,408</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

32. 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.

32.1 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 Remimbi ("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 exchange contracts to hedge against its foreign currency risk.

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

32. FINANCIAL INSTRUMENTS (cont'd)

32.1 Financial Risk Management Policies (cont'd)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency exposure

Group - 2012

Financial assets	RM	RMB	SGD	USD	VND	RAND	Others	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Trade and other receivables	4,187,260	183,467	1,891,096	27,027,948	9,656,190	365,414	-	43,311,375
Deposits, bank and cash balances	7,948,404	488	798	20,393,145	3,546,167	335,677	11,489	32,236,168
Derivative assets	81,382	-	-	-	-	-	-	81,382
	12,217,046	183,955	1,891,894	47,421,093	13,202,357	701,091	11,489	75,628,925
Financial liabilities								
Trade and other payables	(29,046,713)	(360,927)	51,525	(19,590,080)	(19,270,498)	(146,746)	11,293	(68,352,146)
Bank borrowings	(13,907,168)	-	-	(21,997,810)	-	(2,456,299)	-	(38,361,277)
Hire purchase payables	(897,551)	-	-	-	-	-	-	(897,551)
	(43,851,432)	(360,927)	51,525	(41,587,890)	(19,270,498)	(2,603,045)	11,293	(107,610,974)
Net financial (liabilities)/assets	(31,634,386)	(176,972)	1,943,419	5,833,203	(6,068,141)	(1,901,954)	22,782	(31,982,049)
Less : Net financial liabilities/(assets) denominated in the respective entities' functional currencies	31,634,386	30,235	-	-	6,068,304	1,916,500	-	39,649,425
Forward foreign exchange contracts (contracted notional principal)	-	-	-	(1,608,500)	-	-	-	(1,608,500)
Currency exposure	-	(146,737)	1,943,419	4,224,703	163	14,546	22,782	6,058,876

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

32. FINANCIAL INSTRUMENTS (cont'd)

32.1 Financial Risk Management Policies (cont'd)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency exposure (cont'd)

	RM	RMB	SGD	USD	VND	RAND	Others	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Group - 2011								
Financial assets								
Trade and other receivables	4,524,688	183,447	1,000,676	22,721,969	7,624,082	1,045,183	-	37,100,045
Deposits, bank and cash balances	4,546,351	207,317	745	6,751,178	7,654,472	633,228	7,526	19,800,817
Derivative assets	285,218	-	-	-	-	-	-	285,218
	9,356,257	390,764	1,001,421	29,473,147	15,278,554	1,678,411	7,526	57,186,080
Financial liabilities								
Trade and other payables	(25,142,285)	(1,444,457)	-	(14,603,493)	(15,224,862)	(447,607)	(275,450)	(57,138,154)
Bank borrowings	(20,078,355)	-	-	(18,291,394)	-	(3,031,253)	-	(41,401,002)
Hire purchase payables	(595,760)	-	-	-	-	-	-	(595,760)
	(45,816,400)	(1,444,457)	-	(32,894,887)	(15,224,862)	(3,478,860)	(275,450)	(99,134,916)
Net financial (liabilities)/ assets	(36,460,143)	(1,053,693)	1,001,421	(3,421,740)	53,692	(1,800,449)	(267,924)	(41,948,836)
Less : Net financial liabilities/(assets) denominated in the respective entities' functional currencies	36,460,143	906,956	-	-	(53,497)	1,806,417	-	39,120,019
Forward foreign exchange contracts (contracted notional principal)	-	-	-	(7,025,247)	-	-	-	(7,025,247)
Currency exposure	-	(146,737)	1,001,421	(10,446,987)	195	5,968	(267,924)	(9,854,064)

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

32. FINANCIAL INSTRUMENTS (cont'd)

32.1 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	
	2012	2011
	RM	RM
Effects on profit before tax		
RMB		
- strengthened by 5%	(7,337)	(7,337)
SGD		
- strengthened by 5%	97,171	50,071
USD		
- strengthened by 5%	211,235	(522,349)
VND		
- strengthened by 5%	8	10
RAND		
- strengthened by 5%	727	298

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

32. FINANCIAL INSTRUMENTS (cont'd)

32.1 Financial Risk Management Policies (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 32.1(c).

Interest rate risk sensitivity analysis

A 50 basis points increase/decrease in the interest rate at the end of the reporting period would have immaterial impact on the profit or loss. This assumes that all other variables remain constant.

(iii) Equity price risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

(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 cash and bank balances and derivatives), 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.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by two (2011 : three) customers which constituted approximately 40% (2011 : 40%) of its trade receivables at the end of the reporting period.

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

32. FINANCIAL INSTRUMENTS (cont'd)

32.1 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 each class of financial assets recognised in the statements of financial position.

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

	Group	
	2012	2011
	RM	RM
Africa	57,480	1,105,671
Asia (exclude Malaysia)	3,912,280	1,021,716
North America	23,308,778	19,841,601
Europe	2,046,808	2,720,228
Malaysia	3,697,408	3,943,899
	33,022,754	28,633,115

- (ii) A nominal amount of RM 35,904,979 (2011 : RM 38,369,749) relating to financial guarantees provided by the Company to banks for banking facilities granted to its subsidiaries.

The financial guarantees have not been recognised in the financial statements of the Company as the requirement to reimburse are remote. The Company do not expect to incur material losses under these corporate guarantees. At 31 October 2012, there was no indication that any subsidiaries would default on payment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

32. FINANCIAL INSTRUMENTS (cont'd)

32.1 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
2012			
Not past due	32,932,030	-	32,932,030
Past due :			
- less than 3 months	83,750	-	83,750
- 3 to 6 months	6,268	(1,248)	5,020
- over 6 months	24,358	(22,404)	1,954
	33,046,406	(23,652)	33,022,754
	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
2011			
Not past due	27,620,834	-	27,620,834
Past due :			
- less than 3 months	1,027,680	(30,452)	997,228
- 3 to 6 months	20,485	(5,432)	15,053
- over 6 months	1,069,418	(1,069,418)	-
	29,738,417	(1,105,302)	28,633,115

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.

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

32. FINANCIAL INSTRUMENTS (cont'd)

32.1 Financial Risk Management Policies (cont'd)

(b) Credit risk (cont'd)

Ageing analysis (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) For The Financial Year Ended 31 October 2012

32. FINANCIAL INSTRUMENTS (cont'd)

32.1 Financial Risk Management Policies (cont'd)

(c) Liquidity risk (cont'd)

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 - 2012						
Trade and other payables	-	68,352,146	68,352,146	68,352,146	-	-
Bank borrowings :						
- Trade bills	2.2 - 4.1	33,727,865	33,727,865	33,727,865	-	-
- Term loans	2.8 - 7.0	4,633,412	5,321,346	1,817,415	2,688,760	815,171
Hire purchase payables	4.7 - 7.7	897,551	962,759	409,176	553,583	-
		107,610,974	108,364,116	104,306,602	3,242,343	815,171
Group - 2011						
Trade and other payables	-	57,138,154	57,138,154	57,138,154	-	-
Bank borrowings :						
- Bank overdrafts	8.1	138,822	138,822	138,822	-	-
- Trade bills	2.4 - 4.0	38,081,261	38,081,261	38,081,261	-	-
- Term loans	2.6 - 7.5	3,180,919	4,164,584	668,994	2,071,460	1,424,130
Hire purchase payables	5.0 - 5.7	595,760	641,924	230,376	411,548	-
		99,134,916	100,164,745	96,257,607	2,483,008	1,424,130
Company - 2012						
Trade and other payables		59,994	59,994	59,994	-	-
Company - 2011						
Trade and other payables		68,577	68,577	68,577	-	-

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

32. FINANCIAL INSTRUMENTS (cont'd)

32.2 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. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

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 :

	2012	Group	2011
	RM		RM
Trade and other payables	68,352,146		57,138,154
Bank borrowings	38,361,277		41,401,002
Hire purchase payables	897,551		595,760
	<u>107,610,974</u>		<u>99,134,916</u>
Less : Short term deposits placed with licensed banks	(2,964,700)		(2,988,531)
Less : Cash and bank balances	(29,271,468)		(16,812,286)
	<u>75,374,806</u>		<u>79,334,099</u>
Net debt	<u>75,374,806</u>		<u>79,334,099</u>
Total equity	<u>144,062,731</u>		<u>132,703,681</u>
Debt-to-equity ratio	<u>0.52</u>		<u>0.60</u>

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 (cont'd) For The Financial Year Ended 31 October 2012

32. FINANCIAL INSTRUMENTS (cont'd)

32.3 Classification of Financial Instruments

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Financial assets				
<u>Loans and receivables financial assets</u>				
Trade and other receivables	43,311,375	37,100,045	-	-
Deposits, bank and cash balances	32,236,168	19,800,817	2,014,839	432,246
Dividend receivable	-	-	-	1,845,000
	75,547,543	56,900,862	2,014,839	2,277,246
<u>Fair value through profit or loss</u>				
Derivative assets	81,382	285,218	-	-
Financial liabilities				
<u>Other financial liabilities</u>				
Trade and other payables	68,352,146	57,138,154	59,994	68,577
Bank borrowings	38,361,277	41,401,002	-	-
Hire purchase payables	897,551	595,760	-	-
	107,610,974	99,134,916	59,994	68,577

32.4 Fair Values of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values based on methods summarised as follows :

- (i) The carrying amounts of cash and cash equivalents, receivables, payables and short-term bank borrowings approximately their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The carrying amounts of hire purchase payables are reasonably approximate their fair values due to insignificant impact of discounting.
- (iii) The carrying amounts of the term loans approximated their fair values as these instruments bear interest at variable rates.
- (iv) The fair value of forward foreign exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)
For The Financial Year Ended 31 October 2012**

32. FINANCIAL INSTRUMENTS (cont'd)

32.5 Fair Values Hierarchy

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:

- Level 1 : Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Fair value measurements derive from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value hierarchy analysis

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group - 2012				
Financial Asset				
Derivative Assets :				
- forward foreign exchange contracts	-	81,382	-	81,382

**NOTES TO THE
FINANCIAL STATEMENTS (cont'd)**
For The Financial Year Ended 31 October 2012

33. SUPPLEMENTARY INFORMATION
DISCLOSURE 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	
	2012	2011	2012	2011
	RM	RM	RM	RM
Total retained profits :				
- realised	66,383,188	57,024,654	3,348,812	2,670,015
- unrealised	(3,845,772)	(3,185,824)	(72,271)	(205,237)
	62,537,416	53,838,830	3,276,541	2,464,778
Less : Consolidation adjustments	(18,877,627)	(23,189,506)	-	-
At 31 October	43,659,789	30,649,324	3,276,541	2,464,778

LIST OF LANDED PROPERTIES

As At 31 October 2012

Address/ Location	Description	Land Area (hectare)	Use	Tenure/ Age of Building	Net Book Value as at 31.10.2012 RM'000	Date of Revaluation or Acquisition
<i>Poh Huat Furniture Industries (M) Sdn Bhd</i>						
PTD No. 1502 Bukit Pasir Industrial Area Mukim of Sungai Terap District of Muar Johor Darul Takzim	1 plot of industrial land with an office building, a warehouse and ancillary structures	1.08	Office with warehousing facilities	60 years leasehold expiring in 2056/15 years	4,700	17.6.99 (Date of Revaluation)
PTD No. 1531 Bukit Pasir Industrial Area Mukim of Sungai Terap District of Muar Johor Darul Takzim	1 plot of industrial land with 2 blocks of factory buildings and ancillary structures	0.96	Furniture manufacturing facilities	60 years leasehold expiring in 2056/15 years	4,085	17.6.99 (Date of Revaluation)
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 and warehousing facilities	60 years leasehold expiring in 2060/7 years	14,968	21.10.03 (Date of 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 2056/16 years	7,322	17.6.99 (Date of Revaluation)
PTD Nos. 1547 & 1548 Bukit Pasir Industrial Area Mukim of Sungai Terap District of Muar Johor Darul Takzim	2 plots of industrial land with 1 block of factory building and ancillary structures	1.92	Furniture manufacturing facilities	60 years leasehold expiring in 2056/14 years	5,883	27.7.99 (Date of Revaluation)
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 2056/12 years	10,295	12.9.00 (Date of Acquisition)

**LIST OF LANDED
PROPERTIES (cont'd)
As At 31 October 2012**

Address/ Location	Description	Land Area (hectare)	Use	Tenure/ Age of Building	Net Book Value as at 31.10.2012 RM'000	Date of Revaluation or Acquisition
<i>Poh Huat Furniture Industries (M) Sdn Bhd</i>						
GM No. 445, Lot 424 Mukim of Sungai Terap District of Muar Johor Darul Takzim	1 plot of agriculture land	1.21	Vacant land	Freehold/ 2 years	1,246	6.10.10 (Date of Acquisition)
GM No. 446, Lot 418 Mukim of Sungai Terap District of Muar Johor Darul Takzim	1 plot of agriculture land	1.21	Vacant land	Freehold/ 1 year	1,412	30.06.11 (Date of Acquisition)
PTD No. 15904 Bandar Maharani District of Muar Johor Darul Takzim	1 plot of agriculture land	0.55	Vacant land	Freehold/ na	3,238	23.08.12 (Date of Acquisition)
<i>Poh Huat International Sdn Bhd</i>						
GM No. 1483, Lot 110 Mukim of Sungai Terap District of Muar Johor Darul Takzim	1 plot of agriculture land with an office building, a warehouse and ancillary structures	0.38	Office and warehousing facilities	Freehold/ 3 years	1,026	7.12.09 (Date of Acquisition)
<i>Poh Huat Furniture Industries Vietnam Joint Stock Company</i>						
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 facilities	50 years lease expiring in 2045/ 11 years	9,317	1.3.02 (Date of 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/ 8 years	19,504	29.8.02 (Date of Acquisition)

**LIST OF LANDED
PROPERTIES (cont'd)**
As At 31 October 2012

Address/ Location	Description	Land Area (hectare)	Use	Tenure/ Age of Building	Net Book Value as at 31.10.2012 RM'000	Date of Revaluation or Acquisition
<i>Poh Huat Furniture Industries (Qingdao) Co Ltd</i>						
Ducun Industrial Zone Ducun Town, Jiaozhou City Qingdao, Shangdong Province Peoples' Republic of China	1 plot of industrial land with an office building, 1 hostel, 2 factory buildings and ancillary structures	28.01	Office with furniture manufacturing and accom- modation facilities	50 years lease expiring in 2056/ 6 years	15,551	4.8.06 (Date of Acquisition)
<i>Poh Huat International Furniture SA (Proprietary) Ltd</i>						
Unit 3, Hambleton Business Park 959 Richards Drive, Halfway House, Midrand, Gauteng 1685, Republic of South Africa	6 commercial buildings with office, warehouse and ancillary structures	0.27	Office and warehousing facilities	Freehold/ 4 years	3,764	10.7.09 (Date of Acquisition)

ANALYSIS OF SHAREHOLDINGS As At 28 February 2013

Principal Statistics

Authorised Share Capital	- RM500,000,000
Issued and Paid-up Share Capital	- RM113,387,105
Class of Shares	- Ordinary shares of RM1.00 each
Voting Rights	- One vote per ordinary share at any shareholders' meeting
Number of Shareholders	- 3,538

Note : All information on shareholdings disclosed hereunder excludes 6,276,800 treasury shares held by the Company

Distribution of Shareholdings

POH HUAT RESOURCES HOLDINGS BERHAD ANALYSIS BY SIZE OF SHAREHOLDINGS

CATEGORY	SHAREHOLDERS	%	SHAREHOLDINGS	%
Less than 100	313	8.85	17,703	0.02
100 to 1,000	118	3.34	65,485	0.06
1,001 to 10,000	2,248	63.54	8,719,330	8.14
10,001 to 100,000	752	21.25	21,107,872	19.71
100,001 to less than 5% of issued shares	105	2.97	57,982,461	54.13
5% and above of issued shares	2	0.05	19,217,454	17.94
TOTAL	3,538	100.00	107,110,305	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	25,505,838	5,169,436 ^(a)	23.81	4.83

Note:-

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

ANALYSIS OF SHAREHOLDINGS (cont'd)

As At 28 February 2013

Directors' Shareholdings (Based on the Register of Directors' Shareholdings)

Name of Directors	No. of Shares Held		% of Issued Share Capital	
	Direct	Deemed	Direct	Deemed
Datuk Seri Zulkipli bin Mat Noor	-	-	-	-
Tay Kim Huat	25,505,838	5,169,436 ^(a)	23.81	4.83
Dato' Ng Ah Poh	4,599,855	-	4.29	-
Tay Kim Hau	1,630,980	-	1.52	-
Dato' Haji Zaini bin Md. Hasim	15,600	-	0.01	-
Boo Chin Liong	19,500	-	0.02	-
Tay Khim Seng	2,318,050	-	2.16	-
Chua Syer Cin	-	-	-	-
Toh Kim Chong	2,821,744	-	2.63	-

Note:-

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

The 30 Largest Shareholders

No	Name of Shareholders	No. of Shares Held	% of Issued Share Capital
1	TAY KIM HUAT	11,365,519	10.61
2	TAY KIM HUAT	7,851,935	7.33
3	NG AH POH	4,599,855	4.29
4	TAY KIM HUAT	4,535,484	4.23
5	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE FOR HORIZON GROWTH FUND N.V.	4,430,800	4.14
6	TOH KIM CHONG	2,821,744	2.63
7	LU CHIN POH	2,237,300	2.09
8	TAN CHEN NEO @ TANG CHEN NEO	1,975,300	1.84
9	SIM SHEAU YUN	1,935,365	1.81
10	TAY KIM HUAT	1,752,900	1.64
11	TAY KIM HAU	1,630,980	1.52

ANALYSIS OF SHAREHOLDINGS (cont'd) As At 28 February 2013

The 30 Largest Shareholders (cont'd)

No	Name of Shareholders	No. of Shares Held	% of Issued Share Capital
12	LIM SEOK KIM	1,400,000	1.31
13	TAY YUAN SEN	1,388,054	1.30
14	HLB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR AH KAU @ GAN AH KAU</i>	1,312,300	1.23
15	AIBB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAY KHIM SENG</i>	1,280,000	1.20
16	YEO GEK CHENG	1,165,014	1.09
17	TAY LI PING	1,160,250	1.08
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAY KHIM SENG (E-BPT)</i>	910,000	0.85
19	LIM SEOK KIM	900,000	0.84
20	LU KIM SAN	875,000	0.82
21	TAY LI CHIN	807,944	0.75
22	CHA AU PENG	800,000	0.75
23	WONG SHAK ON	701,000	0.65
24	PUI CHENG WUI	675,300	0.63
25	TAN AH LIAN	666,790	0.62
26	GAN POH MUN	627,900	0.59
27	CARTABAN NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR SU MING KEAT</i>	585,000	0.55
28	TOR LIAN SENG	579,040	0.54
29	TAY LEE THING	562,894	0.53
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEAH KAM CHOY</i>	560,820	0.52

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 15th Annual General Meeting of the Company to be held at Hotel D'99 No. 173, Jalan Abdullah, 84000 Muar Johor Darul Takzim on 25 April 2013 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 first and final tax-exempt dividend of 2%		
Ordinary Resolution 3	Re-election of Datuk Seri Zulkipli bin Mat Noor as Director		
Ordinary Resolution 4	Re-election of Dato' Ng Ah Poh as Director		
Ordinary Resolution 5	Re-election of Tay Kim Hau as Director		
Ordinary Resolution 6	Re-appointment of Auditors		
Ordinary Resolution 7	Share Buy-Back Mandate		
Special Resolution 1	Adoption of New Articles of Association		

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 2013.

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 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 18 April 2013 shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the Annual General Meeting.

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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

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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 Darul Takzim, West Malaysia

Tel 606-985 9688

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