

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Net cash generated from operating activities brought forward	1,133
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of shares in Subsidiary Company	(647)
Interest received	11
Proceeds from disposal of property, plant and equipment	94
Purchase of investment	(266)
Purchase of property, plant and equipment	(2,120)
Net cash used in investing activities	(2,928)
	(1,795)
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amounts due by Subsidiary Companies	164
Decrease in amounts due by Associated Companies	65
Decrease in amounts due by Related Companies	4,055
Decrease in amounts due to Subsidiary Companies	(115)
Decrease in amounts due to Related Companies	(72)
Hire purchase interest paid	(34)
Interest expense paid	(1,012)
Loan repaid	(454)
Proceeds from bank borrowings	250
Proceeds from term loan	1,167
Repayment of term loan	(189)
Repayments to hire purchase creditors	(115)
Repayments to finance lease creditors	(3)
Net cash generated from financing activities	3,707
Net increase in cash and cash equivalents	1,912
Cash and cash equivalents brought forward	(7,967)
Cash and cash equivalents carried forward	(6,055)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.4 PKJ (Bangsar)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	117
Adjustments for: -	
Depreciation	44
Forfeited customers' deposits	(1)
Hire purchase interest	1
Interest expense	22
Interest income	(4)
Property, plant and equipment written off	-
Operating profit before working capital changes	<u>179</u>
Increase in inventories	(126)
Increase in trade receivables	(141)
Decrease in deposits and prepayments	5
Increase in trade payables	446
Decrease in other payables and accruals	(111)
Increase in amounts due to Directors	6
Decrease in customers' deposits	(3)
	<u>76</u>
Cash generated from operations	255
Income tax paid	(16)
Net cash generated from operating activities	<u>239</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(20)
Purchase of property, plant and equipment	-
Net cash used in investing activities	<u>(20)</u>
Balance carried forward	219

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	219
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due to Ultimate Holding Company	(165)
Hire purchase interest paid	(1)
Interest expense paid	(22)
Loan repaid	(43)
Repayment to hire purchase creditor	(7)
Net cash used in financing activities	(238)
Net decrease in cash and cash equivalents	(19)
Cash and cash equivalents brought forward	(64)
Cash and cash equivalents carried forward	(83)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.5 PKJ (MV)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	1,074
Adjustments for: -	
Depreciation	45
Forfeited customers' deposits	(8)
Hire purchase interest	3
Interest expense	44
Operating profit before working capital changes	<u>1,158</u>
Increase in inventories	(194)
Decrease in trade receivables	701
Decrease in other receivables, deposits and prepayments	10
Decrease in trade payables	(1,297)
Increase in other payables and accruals	84
Decrease in customers' deposits	-
	<u>(696)</u>
Cash generated from operations	462
Income tax paid	(282)
Net cash generated from operating activities	<u>180</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amounts due to Related Companies	(65)
Hire purchase interest paid	(3)
Interest expense paid	(44)
Loan repaid	(170)
Repayments to hire purchase creditors	(13)
Net cash used in financing activities	<u>(295)</u>
Net decrease in cash and cash equivalents	(115)
Cash and cash equivalents brought forward	(53)
Cash and cash equivalents carried forward	<u>(168)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.6 PKJ (O. K. Road)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	616
Adjustments for: -	
Depreciation	57
Forfeited customers' deposits	(2)
Gain on disposal of property, plant and equipment	(30)
Hire purchase interest	2
Interest expense	81
Interest income	(1)
Operating profit before working capital changes	<u>723</u>
Increase in inventories	(941)
Increase in trade receivables	(240)
Decrease in deposits and prepayments	13
Decrease in trade payables	(127)
Decrease in other payables and accruals	(12)
Increase in amounts due to Directors	8
Increase in customers' deposits	-
	<u>(1,299)</u>
Cash used in operations	(576)
Income tax paid	(174)
Net cash used in operating activities	<u>(750)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(25)
Proceeds from disposal of property, plant and equipment	30
Purchase of property, plant and equipment	(6)
Net cash used in investing activities	<u>(1)</u>
Balance carried forward	(751)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	(751)
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due by Ultimate Holding Company	66
Decrease in amounts due by Related Companies	915
Decrease in amount due to a Related Company	(14)
Hire purchase interest paid	(2)
Interest expense paid	(81)
Loan raised	56
Repayment of term loan	(8)
Repayment to hire purchase creditor	(11)
Net cash generated from financing activities	921
Net increase in cash and cash equivalents	170
Cash and cash equivalents brought forward	(302)
Cash and cash equivalents carried forward	(132)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.7 PKD

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	29
Adjustment for: -	
Depreciation	-
Operating profit before working capital changes	<u>29</u>
Decrease in inventories	89
Increase in trade receivables	(83)
Decrease in trade payables	(121)
Increase in accruals	7
	<u>(108)</u>
Cash used in operations	(79)
Income tax paid	<u>(13)</u>
Net cash used in operating activities	(92)
CASH FLOWS FROM FINANCING ACTIVITY	
Decrease in amount due by Ultimate Holding Company	<u>116</u>
Net increase in cash and cash equivalents	24
Cash and cash equivalents brought forward	-
Cash and cash equivalents carried forward	<u>24</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.8 K. E. Likwong

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(21)
Adjustments for: -	
Depreciation	13
Operating loss before working capital changes	<u>(8)</u>
Decrease in deposits	<u>5</u>
Increase in accruals	<u>-</u>
Cash used in operations	<u>(3)</u>
CASH FLOWS FROM FINANCING ACTIVITY	
Increase in amount due to Ultimate Holding Company	<u>3</u>
Net change in cash and cash equivalents	<u>-</u>
Cash and cash equivalents brought forward	<u>-</u>
Cash and cash equivalents carried forward	<u>-</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.9 PK Properties

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	38
Adjustments for: -	
Depreciation	78
Interest expense	199
Operating profit before working capital changes	<u>315</u>
Decrease in deposits	-
Decrease in other payables and accruals	(30)
Decrease in amounts due to Directors	-
	<u>(30)</u>
Net cash generated from operations	285
Income tax paid	(28)
Net cash generated from operating activities	<u>257</u>
CASH FLOWS FROM INVESTING ACTIVITY	
Purchase of property, plant and equipment	(58)
	<u>199</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in amount due by a Related Company	(28)
Increase in amount due to Ultimate Holding Company	320
Interest expense paid	(199)
Repayment of term loan	(257)
Net cash used in financing activities	<u>(164)</u>
Net increase in cash and cash equivalents	35
Cash and cash equivalents brought forward	(499)
Cash and cash equivalents carried forward	<u>(464)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.10 PKJ (G. Seremban)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	158
Adjustments for: -	
Depreciation	30
Forfeited customers' deposits	(13)
Hire purchase interest	-
Operating profit before working capital changes	<u>-</u>
	175
Increase in inventories	(37)
Increase in trade receivables	(141)
Decrease in other receivables, deposits and prepayments	3
Increase in trade payables	17
Decrease in other payables and accruals	(2)
Increase in customers' deposits	1
	<u>(159)</u>
Net cash generated from operating activities	16
CASH FLOWS FROM INVESTING ACTIVITY	
Purchase of property, plant and equipment	<u>(7)</u>
	9
CASH FLOWS FROM FINANCING ACTIVITIES	
Hire purchase interest paid	-
Repayments to hire purchase creditor	(1)
Net cash used in financing activities	<u>(1)</u>
Net increase in cash and cash equivalents	8
Cash and cash equivalents brought forward	60
Cash and cash equivalents carried forward	<u>68</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.11 PKJ (T1, Seremban)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(3)
Decrease in deposits	12
Decrease in trade payables	(2)
Decrease in other payables and accruals	(2)
	8
Net cash generated from operating activities	5
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due by a Related Company	292
Decrease in amount due to a Related Company	(298)
Net cash used in financing activities	(6)
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents brought forward	2
Cash and cash equivalents carried forward	1

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.12 PKJ (Ampang)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	1,035
Adjustments for: -	
Depreciation	96
Forfeited customers' deposits	(62)
Hire purchase interest	10
Interest expense	68
Inventories losses	991
Operating profit before working capital changes	<u>2,138</u>
Increase in inventories	(1,975)
Increase in trade receivables	(218)
Decrease in other receivables, deposits and prepayments	3
Increase in trade payables	269
Increase in other payables and accruals	22
Increase in amounts due to Directors	17
Increase in customers' deposits	91
	<u>(1,791)</u>
Cash generated from operations	347
Income tax paid	(440)
Net cash used in operating activities	<u>(93)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(40)
Purchase of property, plant and equipment	(16)
Net cash used in investing activities	<u>(56)</u>
Balance carried forward	(149)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	(149)
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due by a Related Company	13
Hire purchase interest paid	(10)
Interest expense paid	(68)
Loan raised	112
Repayment to hire purchase creditor	(35)
Net cash generated from financing activities	<u>12</u>
Net decrease in cash and cash equivalents	(137)
Cash and cash equivalents brought forward	<u>(153)</u>
Cash and cash equivalents carried forward	<u>(290)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.13 PKJ (Selayang)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	172
Adjustments for: -	
Depreciation	39
Forfeited customers' deposits	(10)
Hire purchase interest	6
Operating profit before working capital changes	<u>207</u>
Increase in inventories	(311)
Decrease in trade receivables	205
Decrease in deposits and prepayments	730
Decrease in trade payables	(815)
Decrease in other payables and accruals	(13)
Increase in amounts due to Directors	7
Increase in customers' deposits	-
	<u>(197)</u>
Cash generated from operations	10
Income tax paid	(79)
Net cash used in operating activities	<u>(69)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amounts due by Related Companies	50
Hire purchase interest paid	(6)
Repayment to hire purchase creditor	(18)
Net cash generated from financing activities	<u>26</u>
Net decrease in cash and cash equivalents	<u>(43)</u>
Cash and cash equivalents brought forward	96
Cash and cash equivalents carried forward	<u>53</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.14 PKJ (O. Seremban)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	94
Adjustments for: -	
Depreciation	26
Forfeited customers' deposits	(10)
Gain on disposal for property, plant and equipment	-
Operating profit before working capital changes	<u>110</u>
Decrease in inventories	746
Decrease in trade receivables	467
Increase in deposits and prepayments	(17)
Decrease in trade payables	(1,216)
Increase in other payables and accruals	3
Decrease in amounts due to Directors	(5)
Increase in customers' deposits	7
	<u>(15)</u>
Cash generated from operations	95
Income tax paid	(111)
Net cash used in operating activities	<u>(16)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from disposal of property, plant and equipment	1
Purchase of property, plant and equipment	(1)
Net cash used in investing activities	-
Net decrease in cash and cash equivalents	(16)
Cash and cash equivalents brought forward	62
Cash and cash equivalents carried forward	<u>46</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.15 Precious

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(123)
Adjustments for: -	
Depreciation	31
Interest expense	21
Loss on disposal of investment	100
Operating profit before working capital changes	<u>29</u>
Decrease in other receivables	6
Decrease in other payables and accruals	(12)
	<u>(6)</u>
Cash used in operations	23
Income tax paid	(6)
Net cash used in operating activities	<u>17</u>
CASH FLOWS FROM INVESTING ACTIVITY	
Purchase of investments	<u>(32)</u>
	(15)
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due by a Sub-subsidiary Company	246
Increase in amounts due by Related Companies	(214)
Increase in amounts due to Related Companies	59
Interest expense paid	(21)
Repayments of term loans	(55)
Net cash generated from financing activities	<u>15</u>
Net change in cash and cash equivalents	-
Cash and cash equivalents brought forward	-
Cash and cash equivalents carried forward	<u>-</u>

Note: - The cash and cash equivalents carried forward as at 31 July 2003 was RM170.

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.16 PKJ (O. Kuantan)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	28
Adjustments for: -	
Deposit written off	1
Depreciation	30
Hire purchase interest	6
Interest expense	17
Interest income	(6)
Operating profit before working capital changes	<u>76</u>
Decrease in inventories	107
Decrease in trade receivables	21
Increase in deposits and prepayments	-
Decrease in trade payables	(5)
Decrease in other payables and accruals	(2)
Decrease in amount due to a Director	(5)
Decrease in customers' deposits	(3)
	<u>113</u>
Cash generated from operations	189
Income tax paid	(30)
Net cash generated from operating activities	<u>159</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(18)
Purchase of property, plant and equipment	(1)
Net cash used in investing activities	<u>(19)</u>
Balance carried forward	140

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	140
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due to a Related Company	(17)
Hire purchase interest paid	(6)
Interest expense paid	(17)
Loan repaid	(83)
Repayment to hire purchase creditor	(19)
Net cash used in financing activities	<u>(142)</u>
Net decrease in cash and cash equivalents	(2)
Cash and cash equivalents brought forward	<u>(133)</u>
Cash and cash equivalents carried forward	<u>(135)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.17 PKJ (Malacca)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	558
Adjustments for: -	
Depreciation	39
Forfeited customers' deposits	(7)
Interest expense	29
Interest income	(5)
Operating profit before working capital changes	<u>614</u>
Increase in inventories	(297)
Increase in trade receivables	(63)
Increase in other receivables, deposits and prepayments	(17)
Increase in trade payables	85
Increase in other payables and accruals	4
Increase in amounts due to Directors	12
Increase in customers' deposits	4
	<u>(272)</u>
Cash generated from operations	342
Income tax paid	(133)
Net cash generated from operating activities	<u>209</u>
CASH FLOWS FROM INVESTING ACTIVITY	
Purchase of property, plant and equipment	(1)
	<u>208</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in amount due by a Related Company	-
Decrease in amounts due to Related Companies	(137)
Interest expense paid	(29)
Loan repaid	(87)
Repayment of term loan	(4)
Net cash used in financing activities	<u>(257)</u>
Net decrease in cash and cash equivalents	(49)
Cash and cash equivalents brought forward	(99)
Cash and cash equivalents carried forward	<u>(148)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.18 PKJ (O. Malacca)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	28
Adjustments for: -	
Depreciation	24
Forfeited customers' deposits	(2)
Hire purchase interest	1
Interest expense	13
Interest income	(1)
Operating profit before working capital changes	<u>63</u>
Increase in inventories	(112)
Decrease in trade receivables	58
Increase in deposits and prepayments	-
Increase in trade payables	15
Decrease in other payables and accruals	(9)
Decrease in amount due to a Director	(7)
Increase in customers' deposits	1
	<u>(54)</u>
Cash generated from operations	9
Income tax paid	(18)
Net cash used in operating activities	<u>(9)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(9)
Purchase of property, plant and equipment	(6)
Net cash used in investing activities	<u>(15)</u>
Balance carried forward	(24)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	(24)
CASH FLOWS FROM FINANCING ACTIVITIES	
Hire purchase interest paid	(1)
Interest expense paid	(13)
Loan raised	18
Repayments to hire purchase creditors	(3)
Net cash generated from financing activities	1
Net decrease in cash and cash equivalents	(23)
Cash and cash equivalents brought forward	(51)
Cash and cash equivalents carried forward	(74)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.19 PKJ (SS2)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	570
Adjustments for: -	
Depreciation	192
Dividend income	(162)
Forfeited customers' deposits	(47)
Hire purchase interest	20
Interest expense	238
Interest income	(13)
Operating profit before working capital changes	798
Increase in inventories	(2,499)
Decrease in trade receivables	280
Decrease in other receivables, deposits and prepayments	67
Decrease in trade payables	(1,034)
Increase in other payables and accruals	99
Increase in amounts due to Directors	77
Decrease in customers' deposits	(9)
	(3,019)
Cash used in operations	(2,221)
Income tax paid	(180)
Net cash used in operating activities	(2,401)
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of Subsidiary Company	(253)
Acquisition of Associated Company	(43)
Dividends received	162
Fixed deposits pledged	(130)
Interest received	13
Purchase of property, plant and equipment	(206)
Net cash used in investing activities	(457)
Balance carried forward	(2,858)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	(2,858)
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amounts due by Subsidiary Companies	253
Decrease in amount due to a Related Company	(1,860)
Hire purchase interest paid	(20)
Interest expense paid	(238)
Proceeds from issuance of shares	5,000
Repayments to hire purchase creditors	(84)
Net cash generated from financing activities	<u>3,051</u>
Net increase in cash and cash equivalents	193
Cash and cash equivalents brought forward	<u>(2,931)</u>
Cash and cash equivalents carried forward	<u>(2,738)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.20 PKJ (G. Wall)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	1,919
Adjustments for: -	
Depreciation	241
Forfeited customers' deposits	(79)
Gain on disposal of investments	(695)
Gain on disposal of investments in Subsidiary Company	(22)
Gain on disposal of property, plant and equipment	(50)
Hire purchase interest	22
Interest expense	76
Interest income	(1)
Loss on disposal of investments	25
Property, plant and equipment written off	51
Operating profit before working capital changes	<u>1,487</u>
Increase in inventories	(1,694)
Increase in trade receivables	(275)
Decrease in other receivables, deposits and prepayments	13
Increase in trade payables	2,099
Decrease in other payables and accruals	(8)
Decrease in amounts due to Directors	(363)
Increase in customers' deposits	60
	<u>(168)</u>
Cash generated from operations	1,319
Income tax paid	(197)
Net cash generated from operating activities carried forward	<u>1,122</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Net cash generated from operating activities brought forward	1,122
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(37)
Proceeds from disposal of investments	717
Proceeds from disposal of property, plant and equipment	64
Proceeds from disposal of Subsidiary Company	32
Purchase of property, plant and equipment	(563)
Net cash generated from investing activities	213
	<u>1,335</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amounts due by Subsidiary Companies	1,455
Decrease in amount due to Ultimate Holding Company	(253)
Decrease in amount due to Associated Company	(517)
Decrease in amounts due to Related Companies	(2,039)
Hire purchase interest paid	(22)
Interest expense paid	(76)
Loan repaid	(44)
Repayments to hire purchase creditors	(70)
Net cash used in financing activities	(1,566)
Net decrease in cash and cash equivalents	(231)
Cash and cash equivalents brought forward	33
Cash and cash equivalents carried forward	<u>(198)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.21 PKJ (Banting)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	399
Adjustments for: -	
Depreciation	78
Forfeited customers' deposits	(11)
Gain on disposal of property, plant and equipment	(28)
Hire purchase interest	10
Interest expense	34
Operating profit before working capital changes	<u>482</u>
Increase in inventories	(46)
Increase in trade receivables	(299)
Decrease in other receivables, deposits and prepayments	9
Decrease in trade payables	(95)
Increase in other payables and accruals	-
Increase in amounts due to Directors	4
Increase in customers' deposits	14
	<u>(413)</u>
Cash generated from operations	69
Income tax paid	(158)
Net cash used in operating activities	<u>(89)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from disposal of property, plant and equipment	28
Purchase of investment	(306)
Purchase of property, plant and equipment	(15)
Net cash used in investing activities	<u>(293)</u>
Balance carried forward	(382)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	(382)
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due by Subsidiary Company	403
Decrease in amount due by Associated Company	319
Decrease in amount due to Related Companies	(10)
Hire purchase interest paid	(10)
Interest expense paid	(34)
Loan repaid	(218)
Repayment to hire purchase creditor	(41)
Net cash generated from financing activities	<u>409</u>
Net increase in cash and cash equivalents	27
Cash and cash equivalents brought forward	<u>(148)</u>
Cash and cash equivalents carried forward	<u>(121)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.22 DB

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	261
Adjustments for: -	
Depreciation	33
Forfeited customers' deposits	(7)
Hire purchase interest	2
Operating profit before working capital changes	<u>289</u>
Decrease in inventories	230
Increase in trade receivables	(30)
Decrease in other receivables, deposits and prepayments	7
Decrease in trade payables	(11)
Decrease in other payables and accruals	(8)
Increase in amounts due to Directors	10
Increase in customers' deposits	5
	<u>203</u>
Cash generated from operations	492
Income tax paid	(92)
Net cash generated from operating activities	<u>400</u>
CASH FLOWS FROM INVESTING ACTIVITY	
Purchase of property, plant and equipment	(1)
	<u>399</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due to Ultimate Holding Company	(403)
Hire purchase interest paid	(2)
Repayment to hire purchase creditor	(6)
Net cash used in financing activities	<u>(411)</u>
Net decrease in cash and cash equivalents	(12)
Cash and cash equivalents brought forward	21
Cash and cash equivalents carried forward	<u>9</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.23 PKJ (O. Klang)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	140
Adjustments for: -	
Deposit written off	-
Depreciation	209
Forfeited customers' deposits	(41)
Gain on disposal of investments	(90)
Gain on disposal of investment in Associated Company	(221)
Hire purchase interest	27
Interest expense	288
Operating profit before working capital changes	312
Decrease in inventories	3,568
Decrease in trade receivables	130
Increase in other receivables, deposits and prepayments	(290)
Decrease in trade payables	(5,387)
Increase in other payables and accruals	4,142
Decrease in amount due to a Director	(769)
Decrease in customers' deposits	(17)
	1,377
Cash generated from operating activities	1,689
Income tax paid	(1,246)
Net cash generated from operating activities	443
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from disposal of an Associated Company	621
Proceeds from disposal of investments	167
Purchase of property, plant and equipment	(12)
Net cash generated from investing activities	776
Balance carried forward	1,219

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	1,219
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in amount due by Subsidiary Company	(5)
Decrease in amount due to Holding Company	(1,455)
Increase in amounts due to Related Companies	183
Hire purchase interest paid	(27)
Interest expense paid	(288)
Repayments to hire purchase creditors	(100)
Net cash used in financing activities	<u>(1,692)</u>
Net decrease in cash and cash equivalents	(473)
Cash and cash equivalents brought forward	<u>(177)</u>
Cash and cash equivalents carried forward	<u>(650)</u>

11.24 Jungmax

No cash flow statement is presented as Jungmax had remained dormant since its incorporation.

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.25 PKJ (O. S. Klang)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(10)
Adjustment for: -	
Property, plant and equipment written off	<u>7</u>
Operating loss before working capital changes	(3)
Increase in inventories	(129)
Decrease in trade receivables	138
Increase in trade payables	-
Increase in other payables and accruals	<u>1</u>
	<u>10</u>
Cash generated from operation	7
Income tax paid	<u>(9)</u>
Net decrease in cash and cash equivalents	(2)
Cash and cash equivalents brought forward	<u>2</u>
Cash and cash equivalents carried forward	<u>-</u>

Note: - The cash and cash equivalents carried forward as at 31 July 2003 was RM531.

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.26 PKJ (B. Pahat)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(99)
Adjustments for: -	
Depreciation	56
Hire purchase interest	1
Interest expense	21
Interest income	(6)
Property, plant and equipment written off	44
Operating profit before working capital changes	<u>17</u>
Increase in inventories	(84)
Increase in trade receivables	(44)
Increase in deposits and prepayments	-
Increase in trade payables	209
Increase in other payables and accruals	159
Decrease in amounts due to Directors	(1)
Increase in customers' deposits	-
	<u>239</u>
Cash generated from operations	256
Income tax paid	<u>(16)</u>
Net cash generated from operating activities	240
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(19)
Purchase of property, plant and equipment	(218)
Net cash used in investing activities	<u>(237)</u>
Balance carried forward	3

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	3
CASH FLOWS FROM FINANCING ACTIVITIES	
Hire purchase interest paid	(1)
Interest expense paid	(21)
Loan repaid	(6)
Repayment to hire purchase creditor	(6)
Net cash used in financing activities	<u>(34)</u>
Net decrease in cash and cash equivalents	(31)
Cash and cash equivalents brought forward	<u>(105)</u>
Cash and cash equivalents carried forward	<u>(136)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.27 PKJ (J.T. Malacca)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	198
Adjustments for: -	
Depreciation	86
Forfeited customers' deposits	-
Gain on disposal of property, plant and equipment	(19)
Hire purchase interest	3
Interest expense	49
Interest income	(6)
Property, plant and equipment written off	-
Operating profit before working capital changes	<u>311</u>
Decrease in inventories	871
Decrease in trade receivables	114
Decrease in deposits and prepayments	14
Decrease in trade payables	(377)
Increase in other payables and accruals	214
Increase in amounts due to Directors	8
Increase in customers' deposits	12
	<u>856</u>
Cash generated from operations	1,167
Income tax paid	(54)
Net cash generated from operating activities	<u>1,113</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(43)
Proceeds from disposal of property, plant and equipment	28
Purchase of property, plant and equipment	(249)
Net cash used in investing activities	<u>(264)</u>
Balance carried forward	849

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	849
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amounts due to Related Companies	(739)
Hire purchase interest paid	(3)
Interest expense paid	(49)
Loan repaid	(129)
Repayment to hire purchase creditor	(17)
Net cash used in financing activities	<u>(937)</u>
Net decrease in cash and cash equivalents	(88)
Cash and cash equivalents brought forward	<u>(207)</u>
Cash and cash equivalents carried forward	<u>(295)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.28 PKJ (Muar)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	368
Adjustments for: -	
Depreciation	19
Forfeited customers' deposits	(3)
Interest expense	24
Interest income	-
Operating profit before working capital changes	<u>408</u>
Increase in inventories	(105)
Increase in trade receivables	(174)
Increase in deposits and prepayments	(1)
Increase in trade payables	129
Decrease in other payables and accruals	(3)
Increase in amounts due to Directors	2
Increase in customers' deposits	1
	<u>(151)</u>
Cash generated from operations	257
Income tax paid	<u>(109)</u>
Net cash generated from operating activities	148
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(12)
Purchase of property, plant and equipment	(4)
Net cash used in investing activities	<u>(16)</u>
	132
CASH FLOWS FROM FINANCING ACTIVITIES	
Interest expense paid	(24)
Loan repaid	(88)
Net cash used in financing activities	<u>(112)</u>
Net increase in cash and cash equivalents	20
Cash and cash equivalents brought forward	<u>(138)</u>
Cash and cash equivalents carried forward	<u>(118)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.29 PKJ (T. Mall)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	475
Adjustments for: -	
Depreciation	174
Forfeited customers' deposits	(120)
Gain on disposal of property, plant and equipment	(3)
Hire purchase interest	14
Interest expense	151
Interest income	(8)
Loss on disposal of investment	25
Property, plant and equipment written off	118
Operating profit before working capital changes	<u>826</u>
Decrease in inventories	578
Decrease in trade receivables	143
Decrease in other receivables, deposits and prepayments	137
Decrease in trade payables	(760)
Increase in other payables and accruals	375
Decrease in amount due to a Director	(89)
Increase in customers' deposits	22
	<u>406</u>
Cash generated from operations	<u>1,232</u>
Income tax paid	(279)
Net cash generated from operating activities	<u>953</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from disposal of property, plant and equipment	17
Purchase of investment in Associated Companies	(276)
Purchase of property, plant and equipment	(3)
Net cash used in investing activities	<u>(262)</u>
Balance carried forward	691

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	691
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due by a Related Company	126
Decrease in amounts due to Related Companies	(335)
Hire purchase interest paid	(14)
Interest expense paid	(151)
Loan repaid	(280)
Repayments to hire purchase creditors	(50)
Net cash used in financing activities	<u>(704)</u>
Net decrease in cash and cash equivalents	(13)
Cash and cash equivalents brought forward	<u>(720)</u>
Cash and cash equivalents carried forward	<u>(733)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.30 PKJ (W. Maju)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	332
Adjustments for: -	
Depreciation	46
Forfeited customers' deposits	(3)
Gain on disposal of property, plant and equipment	(30)
Hire purchase interest	2
Interest expense	21
Interest income	(7)
Loss on disposal of investment	280
Property, plant and equipment written off	7
Operating profit before working capital changes	<u>648</u>
Increase in inventories	(113)
Decrease in trade receivables	820
Increase in other receivables, deposits and prepayments	(15)
Decrease in trade payables	(1,046)
Decrease in other payables and accruals	(75)
Increase in amounts due to Directors	3
Decrease in customers' deposits	(1)
	<u>(427)</u>
Cash generated from operations	221
Income tax paid	(146)
Net cash generated from operating activities	<u>75</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(16)
Purchase of property, plant and equipment	(11)
Proceeds from disposal of investment	54
Proceeds from disposal of property, plant and equipment	30
Net cash generated from investing activities	<u>57</u>
Balance carried forward	132

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	132
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amounts due by Related Companies	65
Decrease in amounts due to Related Companies	(57)
Hire purchase interest paid	(2)
Interest expense paid	(21)
Loan repaid	(12)
Repayment to hire purchase creditor	(11)
Net cash used in financing activities	(38)
Net increase in cash and cash equivalents	94
Cash and cash equivalents brought forward	(168)
Cash and cash equivalents carried forward	(74)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.31 PKJ (Maluri)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	1,071
Adjustments for: -	
Depreciation	122
Forfeited customers' deposits	(12)
Gain on disposal of investment	(36)
Hire purchase interest	6
Interest expense	34
Interest income	(9)
Loss on disposal of investment	25
Operating profit before working capital changes	<u>1,201</u>
Increase in inventories	(463)
Decrease in trade receivables	224
Decrease in other receivables, deposits and prepayments	51
Decrease in trade payables	(395)
Decrease in other payables and accruals	(85)
Decrease in amounts due to Directors	(9)
Decrease in customers' deposits	(3)
	<u>(680)</u>
Cash generated from operations	521
Income tax paid	<u>(377)</u>
Net cash generated from operating activities	144
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(39)
Proceeds from disposal of investment	36
Purchase of investment	(60)
Purchase of property, plant and equipment	(52)
Net cash used in investing activities	<u>(115)</u>
Balance carried forward	29

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	29
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due by a Subsidiary Company	26
Increase in amount due by a Related Company	(19)
Hire purchase interest paid	(6)
Interest expense paid	(34)
Loan repaid	(48)
Repayments to hire purchase creditors	(41)
Net cash used in financing activities	<u>(122)</u>
Net decrease in cash and cash equivalents	(93)
Cash and cash equivalents brought forward	<u>(164)</u>
Cash and cash equivalents carried forward	<u>(257)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.32 PKJ (Summit)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	82
Adjustments for: -	
Depreciation	11
Forfeited customers' deposits	(6)
Interest expense	30
Operating profit before working capital changes	<u>117</u>
Decrease in inventories	16
Decrease in trade receivables	3
Decrease in deposits and prepayments	1
Increase in trade payables	53
Increase in other payables and accruals	-
Increase in customers' deposits	5
	<u>78</u>
Cash generated from operations	195
Income tax paid	(3)
Net cash generated from operating activities	<u>192</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(25)
Purchase of property, plant and equipment	(1)
Net cash used in investing activities	<u>(26)</u>
	166
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due to Holding Company	(139)
Decrease in amount due to a Related Company	(68)
Interest expense paid	(30)
Loan raised	39
Net cash used in financing activities	<u>(198)</u>
Net decrease in cash and cash equivalents	(32)
Cash and cash equivalents brought forward	(92)
Cash and cash equivalents carried forward	<u>(124)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.33 PKJ (T. Mines)

	For the year ended 31 July 2003 RM' 000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	126
Adjustments for: -	
Depreciation	24
Forfeited customers' deposits	(2)
Hire purchase interest	-
Interest expense	29
Interest income	(1)
Operating profit before working capital changes	<u>176</u>
Decrease in inventories	30
Increase in trade receivables	(60)
Increase in deposits and prepayments	(4)
Decrease in trade payables	(94)
Decrease in other payables and accruals	(14)
Increase in amounts due to Directors	3
Increase in customers' deposits	16
	<u>(123)</u>
Cash generated from operations	53
Income tax paid	<u>(37)</u>
Net cash generated from operating activities	16
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(24)
Purchase of property, plant and equipment	(7)
Net cash used in investing activities	<u>(31)</u>
Balance carried forward	(15)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM' 000
Balance brought forward	(15)
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due by a Related Company	93
Increase in amount due to Holding Company	113
Hire purchase interest paid	-
Interest expense paid	(29)
Loan repaid	(176)
Repayment of term loan	(11)
Repayment to hire purchase creditor	(1)
Net cash used in financing activities	(11)
Net decrease in cash and cash equivalents	(26)
Cash and cash equivalents brought forward	(59)
Cash and cash equivalents carried forward	(85)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.34 PKJ (O. Kajang)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	428
Adjustments for: -	
Depreciation	45
Forfeited customers' deposits	(10)
Hire purchase interest	6
Interest expense	47
Interest income	(7)
Operating profit before working capital changes	<u>509</u>
Increase in inventories	(922)
Decrease in trade receivables	471
Increase in deposits and prepayments	(16)
Increase in trade payables	53
Increase in other payables and accruals	13
Increase in amounts due to Directors	11
Increase in customers' deposits	6
	<u>(384)</u>
Net cash generated from operations	125
Income tax paid	(146)
Net cash used in operating activities	<u>(21)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(21)
Purchase of property, plant and equipment	(64)
Net cash used in investing activities	<u>(85)</u>
Balance carried forward	(106)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	(106)
CASH FLOWS FROM FINANCING ACTIVITIES	
Hire purchase interest paid	(6)
Interest expense paid	(47)
Loan repaid	(44)
Repayments to hire purchase creditors	(18)
Net cash used in financing activities	(115)
Net decrease in cash and cash equivalents	(221)
Cash and cash equivalents brought forward	3
Cash and cash equivalents carried forward	(218)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.35 PKJ (Jaya)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	708
Adjustments for: -	
Depreciation	50
Forfeited customers' deposits	(14)
Hire purchase interest	6
Interest expense	53
Loss on disposal of investment	95
Operating profit before working capital changes	<u>898</u>
Increase in inventories	(1,417)
Decrease in trade receivables	1,111
Decrease in other receivables, deposits and prepayments	6
Decrease in trade payables	(97)
Decrease in other payables and accruals	(73)
Decrease in amounts due to Directors	-
Increase in customers' deposits	4
	<u>(466)</u>
Cash generated from operations	432
Income tax paid	(311)
Net cash generated from operating activities	<u>121</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(38)
Purchase of property, plant and equipment	(1)
Net cash used in investing activities	<u>(39)</u>
Balance carried forward	82

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	82
CASH FLOWS FROM INVESTING ACTIVITIES	
Decrease in amount due to a Related Company	-
Hire purchase interest paid	(6)
Interest expense paid	(53)
Loan repaid	(46)
Repayments to hire purchase creditors	(19)
Repayment of term loan	(4)
Net cash used in financing activities	<u>(128)</u>
Net decrease in cash and cash equivalents	(46)
Cash and cash equivalents brought forward	<u>(141)</u>
Cash and cash equivalents carried forward	<u>(187)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.36 PKJ (BU)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	1,285
Adjustments for: -	
Depreciation	49
Forfeited customers' deposits	(17)
Hire purchase interest	3
Operating profit before working capital changes	<u>1,320</u>
Decrease in inventories	1,208
Increase in trade receivables	(44)
Increase in deposits and prepayments	-
Decrease in trade payables	(2,295)
Increase in other payables and accruals	25
Increase in amounts due to Directors	6
Increase in customers' deposits	9
	<u>(1,091)</u>
Cash generated from operations	229
Income tax paid	(198)
Net cash generated from operating activities	<u>31</u>
CASH FLOWS FROM INVESTING ACTIVITY	
Purchase of property, plant and equipment	(36)
Net cash used in investing activity	<u>(5)</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Hire purchase interest paid	(3)
Repayments of hire purchase creditors	(19)
Net cash used in financing activities	<u>(22)</u>
Net decrease in cash and cash equivalents	(27)
Cash and cash equivalents brought forward	<u>107</u>
Cash and cash equivalents carried forward	<u>80</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.37 GB (Klang)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(22)
Increase in inventories	(194)
Decrease in trade receivables	507
Decrease in other receivables	3
Decrease in trade payables	(536)
Increase in other payables and accruals	-
	<u>(220)</u>
Net cash used in operating activities	(242)
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in amount due by a Related Company	(5)
Increase in amounts due to Related Companies	244
Net cash generated from financing activities	<u>239</u>
Net decrease in cash and cash equivalents	(3)
Cash and cash equivalents brought forward	<u>4</u>
Cash and cash equivalents carried forward	<u>1</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.38 PKJM

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	5,605
Adjustments for: -	
Depreciation	986
Hire purchase interest	15
Interest expense	940
Operating profit before working capital changes	<u>7,546</u>
Increase in inventories	(2,769)
Decrease in trade receivables	6,650
Increase in other receivables, deposits and prepayments	(125)
Decrease in trade payables	(16)
Increase in other payables and accruals	55
Increase in amounts due to Directors	754
	<u>4,549</u>
Cash generated from operations	12,095
Income tax paid	(1,312)
Net cash generated from operating activities	<u>10,783</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(60)
Purchase of property, plant and equipment	(300)
Net cash used in investing activities	<u>(360)</u>
Balance carried forward	10,423

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	10,423
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in amount due by Subsidiary Company	(9)
Hire purchase interest paid	(15)
Interest expense paid	(940)
Loan repaid	(8,317)
Repayment of term loans	(1,583)
Repayment to hire purchase creditors	(58)
Net cash used in financing activities	<u>(10,922)</u>
Net decrease in cash and cash equivalents	(499)
Cash and cash equivalents brought forward	<u>1,323</u>
Cash and cash equivalents carried forward	<u>824</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.39 PKJ (Export)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(2)
Decrease in trade receivables	2
Increase in prepayment	-
Decrease in other payables and accruals	-
	<u>2</u>
Net cash generated from operating activities	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Advances from Related Companies	-
Net increase in cash and cash equivalents	-
Cash and cash equivalents brought forward	<u>11</u>
Cash and cash equivalents carried forward	<u>11</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.40 PKJ (Puchong)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(153)
Adjustments for: -	
Depreciation	32
Gain on disposal of property, plant and equipment	(8)
Hire purchase interest	1
Operating loss before working capital changes	(128)
Decrease in inventories	244
Decrease in trade receivables	16
Decrease in deposits and prepayments	5
Decrease in trade payables	(259)
Decrease in other payables and accruals	(85)
Increase in customers' deposits	3
Net cash used in operating activities	(204)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from disposal of property, plant and equipment	16
Purchase of property, plant and equipment	(13)
Net cash generated from investing activities	3
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in amount due to a Related Company	215
Hire purchase interest paid	(1)
Repayment to hire purchase creditor	(10)
Net cash generated from financing activities	204
Net increase in cash and cash equivalents	3
Cash and cash equivalents brought forward	21
Cash and cash equivalents carried forward	24

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.41 PKJ (O. Ipoh)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	201
Adjustments for: -	
Depreciation	28
Gain on disposal of property, plant and equipment	(7)
Interest expense	47
Interest income	(12)
Property, plant and equipment written off	14
Operating profit before working capital changes	<u>271</u>
Decrease in inventories	142
Decrease in trade receivables	501
Increase in deposits and prepayments	(6)
Decrease in trade payables	(764)
Increase in other payables and accruals	170
Increase in amounts due to Directors	9
Increase in customers' deposits	-
	<u>52</u>
Cash generated from operations	323
Income tax paid	(136)
Net cash generated from operating activities	<u>187</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(37)
Proceeds from disposal of property, plant and equipment	8
Purchase of property, plant and equipment	(377)
Net cash used in investing activities	<u>(406)</u>
Balance carried forward	(219)

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	(219)
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due by Subsidiary Company	261
Increase in amounts due to Related Companies	-
Interest expense paid	(47)
Loan repaid	(4)
Net cash generated from financing activities	<u>210</u>
Net decrease in cash and cash equivalents	(9)
Cash and cash equivalents brought forward	<u>(268)</u>
Cash and cash equivalents carried forward	<u>(277)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.42 PKJ (K. City)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	688
Adjustments for: -	
Depreciation	32
Forfeited customers' deposits	(2)
Gain on disposal of property, plant and equipment	(5)
Hire purchase interest expense	-
Interest expense	21
Interest income	(4)
Operating profit before working capital changes	<u>730</u>
Decrease in inventories	37
Decrease in trade receivables	41
Increase in other receivable, deposits and prepayments	(26)
Decrease in trade payables	(377)
Increase in other payables and accruals	2
Increase in amounts due to Directors	16
Increase in customers' deposits	2
	<u>(305)</u>
Cash generated from operations	425
Income tax paid	(134)
Net cash generated from operating activities	<u>291</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Fixed deposits pledged	(21)
Proceeds from disposal of property, plant and equipment	8
Purchase of property, plant and equipment	(11)
Net cash used in investing activities	<u>(24)</u>
Balance carried forward	267

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	267
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due to Ultimate Holding Company	(261)
Decrease in amounts due to Related Companies	(13)
Hire purchase interest paid	-
Interest expense paid	(21)
Loan repaid	(41)
Repayment to hire purchase creditor	(3)
Net cash used in financing activities	<u>(339)</u>
Net decrease in cash and cash equivalents	(72)
Cash and cash equivalents brought forward	<u>(52)</u>
Cash and cash equivalents carried forward	<u>(124)</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.43 PKJ (S. Parade)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	2,449
Adjustments for: -	
Depreciation	127
Gain on disposal of property, plant and equipment	(92)
Hire purchase interest	6
Interest expense	112
Property, plant and equipment written off	92
Operating profit before working capital changes	<u>2,694</u>
Increase in inventories	(1,164)
Decrease in trade receivables	59
Increase in other receivable, deposits and prepayments	(244)
Increase in trade payables	179
Increase in other payables and accruals	233
Decrease in amount due to a Director	(1)
Increase in customers' deposits	12
	<u>(926)</u>
Cash generated from operations	1,768
Income tax paid	<u>(918)</u>
Net cash generated from operating activities	850
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from disposal of property, plant and equipment	92
Purchase of property, plant and equipment	(319)
Net cash used in investing activities	<u>(227)</u>
Balance carried forward	623

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

	For the year ended 31 July 2003 RM'000
Balance brought forward	623
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in amounts due by Related Companies	(308)
Hire purchase interest paid	(6)
Interest expense paid	(112)
Loan repaid	(168)
Repayment of term loan	(118)
Repayment to hire purchase creditor	(18)
Net cash used in financing activities	<u>(730)</u>
Net decrease in cash and cash equivalents	(107)
Cash and cash equivalents brought forward	<u>367</u>
Cash and cash equivalents carried forward	<u>260</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.44 PKJ (O. Johor Bahru)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(105)
Adjustments for: -	
Depreciation	46
Forfeited customers' deposits	(6)
Gain on disposal of property, plant and equipment	(19)
Hire purchase interest	2
Operating loss before working capital changes	(82)
Decrease in inventories	172
Decrease in trade receivables	256
Increase in deposits and prepayments	-
Increase in trade payables	8
Decrease in other payables and accruals	(8)
Decrease in amount due to a Director	(5)
Increase in customers' deposits	5
	428
Cash generated from operations	346
Income tax paid	(18)
Net cash generated from operating activities	328
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of shares in Associated Company	(360)
Proceeds from disposal of property, plant and equipment	28
Purchase of property, plant and equipment	(4)
Net cash used in investing activities	(336)
	(8)
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due to a Related Company	-
Hire purchase interest paid	(2)
Repayment to hire purchase creditor	(15)
Net cash used in financing activities	(17)
Net decrease in cash and cash equivalents	(25)
Cash and cash equivalents brought forward	30
Cash and cash equivalents carried forward	5

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.45 PKJ (Peringgit)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(17)
Adjustments for: -	
Depreciation	20
Interest expense	-
Operating profit before working capital changes	<u>3</u>
Increase in inventories	(1,260)
Increase in trade receivables	(23)
Increase in deposits and prepayments	(40)
Increase in trade payables	354
Increase in other payables and accruals	43
Increase in customers' deposits	2
	<u>(924)</u>
Net cash used in operating activities	(921)
CASH FLOWS FROM INVESTING ACTIVITY	
Purchase of property, plant and equipment	<u>(233)</u>
	(1,154)
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due to a Related Company	(15)
Interest expense paid	-
Proceeds from issuance of ordinary shares	1,200
Net cash generated from financing activities	<u>1,185</u>
Net increase in cash and cash equivalents	31
Cash and cash equivalents brought forward	-
Cash and cash equivalents carried forward	<u>31</u>

11. ACCOUNTANTS' REPORT (Cont'd)

POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT

11.46 PKJ (Tmn Uni, JB)

	For the year ended 31 July 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	183
Adjustments for: -	
Depreciation	31
Hire purchase interest	-
Operating profit before working capital changes	<u>214</u>
Decrease in inventories	199
Increase in deposits and prepayments	(8)
Decrease in trade payables	(1,302)
Increase in other payables and accruals	18
Increase in amounts due to Directors	11
Increase in customers' deposits	18
	<u>(1,064)</u>
Cash used in operations	(850)
Income tax paid	<u>(49)</u>
Net cash used in operating activities	(899)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from issuance of shares	1,200
Purchase of property, plant and equipment	(274)
Net cash generated from investing activities	<u>926</u>
	27
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in amount due to a Related Company	(11)
Hire purchase interest paid	-
Repayment to hire purchase creditor	-
Net cash used in financing activities	<u>(11)</u>
Net increase in cash and cash equivalents	16
Cash and cash equivalents brought forward	<u>22</u>
Cash and cash equivalents carried forward	<u>38</u>

11. ACCOUNTANTS' REPORT (Cont'd)

*POH KONG HOLDINGS BERHAD
ACCOUNTANTS' REPORT*

11.47 PKJ (Franchise)

No cash flow statement is presented as PKJ (Franchise) had remained dormant since its incorporation.

12. SUBSEQUENT EVENTS

There are no material subsequent events other than the on-going restructuring and listing exercise as disclosed in section 2.2 of this report.

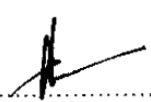
13. AUDITED FINANCIAL STATEMENTS

No audited financial statements of PKHB has been prepared in respect of any period subsequent to 31 July 2003.

Yours faithfully,

GEP Associates

.....
GEP ASSOCIATES
No: AF 1030
Chartered Accountants


.....
ESTIER TAN CHOON HWA
No: 1023 / 03 / 04 (J)
Partner