

13.0 VALUATION CERTIFICATE
(Prepared for inclusion in this Prospectus)

COLLIERS
JORDAN LEE & JAAFAR

<u>Property/ Ref. No.</u>	<u>Date of Valuation</u>	<u>Tenure/ Approximate Age of Building</u>	<u>Land Area/ Gross Built- up Area (Acre/Sq. ft)</u>	<u>Existing Use/ Description</u>	<u>Market Value (RM)</u>
<u>Yee Lu Fah Sdn Bhd</u>					
HS (D) 21964, PTD 1546, Mukim of Sg. Terap, District of Muar, State of Johore MK/SC97/1110	17-06-1999	Leasehold, expiring on 05-09-2056 3 years	4.00 125,034	Industrial/ single-storey factory with a double-storey office annex and ancillary buildings.	8,930,000
Total:					<u>RM22,135,000</u>

Yours faithfully
COLLIERS
JORDAN LEE & JAAFAR (M'CCA) SDN BHD



LEE THIAM SING MIS (M)
Registered Valuer (V-315)

14.0 ACCOUNTANTS' REPORT
(Prepared for inclusion in this Prospectus)



MEMBER FIRM OF
MALAYSIAN INSTITUTE OF ACCOUNTANTS



S C LIM
& company

林瑞宗會計公司

Date : 14th February, 2000

THE BOARD OF DIRECTORS

Poh Huat Resources Holdings Berhad
(Formerly Known As Singscape Berhad)
PLO 1 Kawasan Perindustrian Jarak
84300 Bukit Pasir, Muar, Johor Darul Takzim

Dear Sirs,

1. INTRODUCTION

This report has been prepared for inclusion in the Prospectus to be dated 24 February 2000 in connection with the Public Issue of 11,000,000 new ordinary shares of RM 1.00 each at an issue price of RM 1.80 per ordinary share in Poh Huat Resources Holdings Berhad (hereinafter referred to as "Poh Huat " or the "Company") and the listing of and quotation for the entire issued and fully paid-up share capital of Poh Huat comprising 46,000,000 ordinary shares of RM 1.00 each on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE").

2. GENERAL INFORMATION

2.1 The Company

The Company was incorporated in Malaysia on 15 August 1997 as a private limited company under the name of Singscape Sdn. Bhd.. The Company was converted to a public company on 20 October 1997 and its name was changed to Poh Huat Resources Holdings Berhad on 15 November 1999.

2.2 Restructuring Scheme

In conjunction with and as an integral part of the listing of and quotation for the entire issued and fully paid-up share capital of Poh Huat on the Second Board of the KLSE, the Group has undertaken the following restructuring scheme :

- (a) Revaluation of the landed properties of Poh Huat Furniture Industries (M) Sdn. Bhd. ("PH Furniture") and Yee Lu Fah Sdn. Bhd. ("Yee Lu Fah") resulting in a surplus totalling RM 9,100,364 based on the valuation carried out by Colliers, Jordan Lee & Jaafar (M'cca) Sdn. Bhd., an independent firm of professional valuers in June and July 1999 adopting the open market value basis using the comparison, investment and cost methods of valuation. The revaluation surplus has been incorporated into Revaluation Reserves Account of the respective companies for the financial year ended 31 October 1999.

Member of
B R International
Accounting Firms

S C LIM & CO Public Accountants Malaysia
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14.0 ACCOUNTANTS' REPORT (Cont'd)
 (Prepared for inclusion in this Prospectus)

- (b) Revaluation by PH Furniture of the investment in Yee Lu Fah, a wholly owned subsidiary company, up to its net tangible assets (NTA) value as at 31 October 1998 incorporating the revaluation surplus arising from the revaluation of landed property of Yee Lu Fah. The revaluation surplus of RM 4,442,284 arising from this revaluation has been incorporated into PH Furniture's accounts.
- (c) Acquisition by Poh Huat of the entire issued and fully paid-up share capital of PH Furniture for a purchase consideration of RM 43,114,231 which was satisfied by the issuance of 34,999,998 new ordinary shares of RM 1.00 each in Poh Huat at an issue price of approximately RM 1.23 per share based on the fair value of the NTA of the PH Furniture Group at 31 October 1998 after taking into account the revaluation surplus as explained in (a) above.

In conjunction with the listing of and quotation for the entire issued and fully paid-up share capital on the second board of the KLSE, Poh Huat will undertake a Public Issue of 11,000,000 new ordinary shares of RM 1.00 each at an issue price of RM 1.80 per share for cash.

The above scheme was approved by the Securities Commission ("SC") on 1 October 1999.

2.3 Share Capital

At the date of incorporation, the authorised share capital of the Company was RM 100,000 divided into 100,000 ordinary shares of RM 1.00 each. As at 30 November 1999, the authorised share capital was increased from RM 100,000 to RM 100,000,000 by the creation of 99,900,000 new ordinary shares of RM 1.00 each.

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows :

<u>Date of allotment</u>	<u>No. of ordinary share</u>	<u>Par value (RM)</u>	<u>Consideration</u>	<u>Cumulative total (RM)</u>
15.08.1997	2	1.00	Subscribers' shares	2
08.12.1999	34,999,998	1.00	Issued at RM 1.23 per share as consideration for the acquisition of PH Furniture (Refer to paragraph 2.2(c))	35,000,000

The present issued and fully paid-up share capital of the Company is RM 35,000,000 comprising 35,000,000 ordinary shares of RM 1.00 each. Upon completion of the Public Issue as detailed in paragraph 2.2, the issued and fully paid-up share capital of Poh Huat will be enlarged to RM 46,000,000 comprising 46,000,000 ordinary shares of RM 1.00 each.

14.0 ACCOUNTANTS' REPORT *(Cont'd)*
 (Prepared for inclusion in this Prospectus)

2.4 Principal Activity

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are described in paragraph 2.5.

2.5 Subsidiary Companies

Details of the subsidiary companies acquired are as follows :

<u>Company Name</u>	<u>Date and place of incorporation</u>	<u>Authorised share capital</u>	<u>Issued and fully paid-up share capital</u>	<u>Effective equity interest</u>	<u>Principal Activities</u>
		RM	RM		
Poh Huat Furniture Industries (M) Sdn. Bhd.	10 June 1992 Malaysia	10,000,000	6,150,000	100 %	Manufacturing and sale of furniture.
<i>Subsidiary Company of PH Furniture :-</i>					
Yee Lu Fah Sdn. Bhd.	16 December 1991 Malaysia	500,000	265,000	100 %	Dealer in furniture and property investment holding.

3. AUDITORS

We have been appointed as auditors for the Company since its date of incorporation and the accounts were reported without any qualification.

The accounts of PH Furniture for the financial years ended 31 October 1995 to 1999 were audited and reported on by us without any qualification. The accounts for the financial year ended 31 October 1994 were audited by another firm of auditors. The auditors reported a qualification on the accounts for the financial year ended 31 October 1994 that the Company did not maintain continuous stock records and the stock as at 31 October 1994 was based on figures supplied by the Company's directors. The auditors further stated that they were unable to satisfy themselves as to the stock value by other audit procedures. However, subsequent to the completion of the said audit, the auditors issued a letter informing the directors of the Company that there were actual continuous stock records being maintained by the Company and that having conducted a subsequent audit of the records, they were satisfied that the records corresponded with the figures as stated in the audited accounts for the financial year ended 31 October 1994.

The accounts of Yee Lu Fah for the financial years ended 31 May 1993 to 1996, the 17 months period ended 31 October 1997, the financial years ended 31 October 1998 and 1999 were audited and reported on by us without any qualification.

14.0 ACCOUNTANTS' REPORT *(Cont'd)*
 (Prepared for inclusion in this Prospectus)

4. SUMMARY OF RESULTS

4.1 POH HUAT GROUP – Proforma Consolidated Results

The summarised proforma consolidated results of the Poh Huat Group for the five years ended 31 October 1995 to 1999 set out below have been prepared based on the audited accounts of its subsidiary companies after making such adjustments as considered appropriate and on the assumption that the Acquisition had been in effect throughout the financial years under review. The results of Poh Huat are not included as it has been dormant since its incorporation. The proforma consolidated results are prepared for illustrative purposes only and should be read in conjunction with the notes hereto :

	Financial Year Ended 31 October				
	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	20,095	46,111	80,472	72,767	91,578
	=====	=====	=====	=====	=====
Profit before depreciation and interest	2,976	9,065	17,358	18,206	16,915
Depreciation	(586)	(1,343)	(1,896)	(2,405)	(2,991)
Interest income	13	7	8	7	10
Interest expense	(403)	(1,259)	(2,124)	(2,307)	(2,044)
	-----	-----	-----	-----	-----
Profit before taxation	2,000	6,470	13,346	13,501	11,890
Share of profit of associated company	-	-	4	-	-
Taxation	(4)	(1,137)	(2,866)	(766)	(3)
	-----	-----	-----	-----	-----
Profit after taxation	1,996	5,333	10,484	12,735	11,887
	=====	=====	=====	=====	=====
Number of ordinary shares assumed to be in issue ('000)	35,000	35,000	35,000	35,000	35,000
Gross earnings per share (sen)	5.71	18.49	38.14	38.57	33.97
Net earnings per share (sen)	5.70	15.24	29.95	36.39	33.96

14.0 ACCOUNTANTS' REPORT *(Cont'd)*
(Prepared for inclusion in this Prospectus)

Notes To The Proforma Consolidated Results

- (a) The results of Yee Lu Fah for financial years ended 31 May 1995, 1996 and 17 months period ended 31 October 1997 have been time-apportioned in order to be co-terminous with the financial year end of the Poh Huat Group.
- (b) The increase in the turnover of the Group for the financial year ended 31 October 1996 compared to 31 October 1995 is mainly attributable to the increase in production capacity following the construction of 2 new factories and the expansion in the local and overseas distribution network. The increase in profit before taxation in financial year ended 31 October 1996 was mainly due to the improved gross profit margin as a result of the decline in the cost of particleboard, improved production efficiency and economies of scale achieved through the expansion in its business operation.
- (c) The increase in turnover and profit before taxation in financial year ended 31 October 1997 was mainly due to the strong demand for its products, further reduction in material cost, better production efficiency and improved economies of scale.
- (d) Despite the decline in turnover for financial year ended 31 October 1998, the Group was able to sustain its profit before taxation by increasing the sale of high-end furniture series and customised products to overseas customers, savings on raw material costs arising from cash discounts given by suppliers for cash purchases, cost reduction measures undertaken and improvement in production efficiency.
- (e) For financial year ended 31 October 1999, the turnover increased significantly mainly as a result of the launch of a range of SOHO furniture and entertainment furniture sets which are manufactured in the new factory located at Lot PTD 1547 and 1548, Bukit Pasir Industrial Estate, Muar, Johor Darul Takzim and the increase in demand for office furniture from the domestic market following the economic recovery in Malaysia.

Notwithstanding the increase in turnover, the profit before taxation declined mainly due to the initial set-up costs incurred as a result of the establishment of the abovesaid new factory and the low level of production achieved by the new factory during its initial months of operations.

- (f) There were no extraordinary or exceptional items throughout the financial years under review.

14.0 ACCOUNTANTS' REPORT *(Cont'd)*
 (Prepared for inclusion in this Prospectus)

- (g) The proforma consolidated results and indices for the financial years ended 31 October 1995 to 1999 have been adjusted for under and over provision for taxation which were deemed material and were reflected in the PH Furniture Group accounts in the financial years ended 31 October 1995 to 1999.

	Financial Year Ended 31 October				
	1995	1996	1997	1998	1999
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
Taxation (as per audited accounts)	(51)	915	2,963	1,103	(69)
Adjustments	55	222	(97)	(337)	72
As restated	4	1,137	2,866	766	3

- (h) The lower effective tax rate in comparison to the statutory rate for the financial year ended 31 October 1995 is attributable to reinvestment allowance whilst lower effective tax rates in financial years ended 31 October 1996 to 1998 are principally due to relief from industrial building allowances and reinvestment allowances. No provision for taxation is made for the financial year ended 31 October 1999 as income derived in 1999 would be waived from income tax in accordance with the waiver granted under Income Tax (Amendment) Act 1999.
- (i) The gross earnings per share has been calculated based on profit before taxation divided by 35,000,000 ordinary shares of RM 1.00 each assumed to have been in issue throughout the financial years under review.
- (j) The net earnings per share has been calculated on a basis similar to (i) above but based on profit after taxation.

4.2 Poh Huat

No profit and loss account was prepared as the Company has not commenced operations since its incorporation on 15 August 1997. All expenses incurred for the incorporation of the Company and those incurred prior to commencement of business have been deferred.

14.0 ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)

4.3 Poh Huat Furniture Group

The following table sets out the summary of the results of the PH Furniture Group prepared based on the audited accounts for the last five (5) financial years ended 31 October 1995 to 31 October 1999.

	Financial Year Ended 31 October				
	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
Turnover	20,095	45,538	80,472	72,767	91,578
	=====	=====	=====	=====	=====
Profit before depreciation and interest	2,982	8,785	17,358	18,206	16,915
Depreciation	(586)	(1,343)	(1,896)	(2,405)	(2,991)
Interest income	13	7	8	7	10
Interest expense	(403)	(1,259)	(2,124)	(2,307)	(2,044)
	-----	-----	-----	-----	-----
Profit before taxation	2,006	6,190	13,346	13,501	11,890
Share of profit of associated company	-	-	4	-	-
Taxation	(4)	(1,137)	(2,866)	(766)	(3)
	-----	-----	-----	-----	-----
Profit after taxation	2,002	5,053	10,484	12,735	11,887
	=====	=====	=====	=====	=====
Weighted average number of ordinary shares in issue ('000)	1,785	3,180	4,465	6,150	6,150
Gross earnings per share (RM)	1.12	1.95	2.99	2.20	1.93
Net earnings per share (RM)	1.12	1.59	2.35	2.07	1.93

14.0 ACCOUNTANTS' REPORT (Cont'd)
 (Prepared for inclusion in this Prospectus)

Notes :

- (a) There were no extraordinary or exceptional items throughout the financial years under review.
- (b) There were no Group accounts prepared for the financial year ended 31 October 1995 as PH Furniture only acquired Yee Lu Fah in the financial year 1996 and prepared the Group accounts therefrom.
- (c) Taxation has been adjusted to reflect the under/over provision in the respective financial years as follows:

	Financial Year Ended 31 October				
	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
Taxation (as per audited accounts)	(51)	915	2,963	1,103	(69)
Adjustments	55	222	(97)	(337)	72
As restated	4	1,137	2,866	766	3

- (d) The lower effective tax rate in comparison to the statutory rate for the financial year ended 31 October 1995 is attributable to reinvestment allowance whilst lower effective tax rates in financial years ended 31 October 1996 to 1998 are principally due to relief from industrial building allowances and reinvestment allowances. No provision for taxation is made for the financial year ended 31 October 1999 as income derived in 1999 would be waived from income tax in accordance with the waiver granted under Income Tax (Amendment) Act 1999.
- (e) The gross earnings per share has been calculated based on profit before taxation divided by the weighted average number of ordinary shares in issue during the respective financial years.
- (f) The net earnings per share has been calculated on a basis similar to (e) above but based on profit after taxation.

5. DIVIDENDS

5.1 Poh Huat

Poh Huat has not paid or declared any dividend since its incorporation on 15 August 1997.

14.0 ACCOUNTANTS' REPORT *(Cont'd)*
 (Prepared for inclusion in this Prospectus)

5.2 Subsidiary Companies

No dividend had been paid or declared by Yee Lu Fah in respect of the financial years/period under review. Details of dividends paid or declared by PH Furniture in respect of the financial years under review are as follows :

<u>Financial year ended</u>	<u>No. of ordinary shares ranking for dividends</u>	<u>Gross rate of dividend per share (%)</u>	<u>Net dividend (RM)</u>	<u>Type of dividend</u>
31 October 1998	6,150,000	30%	1,845,000	First & final (tax exempt)
31 October 1999	6,150,000	25%	1,537,500	Interim (tax exempt)
31 October 1999	6,150,000	100%	6,150,000	Special (tax exempt)

6. SUMMARISED BALANCE SHEETS

The audited balance sheets of the Company and the PH Furniture Group are summarised as follows :

6.1 Poh Huat

	<u>As at</u> <u>31 Oct 1998</u>	<u>As at</u> <u>31 Oct 1999</u>
	RM	RM
Current assets	2	2
Current liabilities	218,466	301,327
Net current liabilities	(218,464)	(301,325)
Expenditure carried forward	218,466	301,327
	2	2
=====		
Financed By :		
Share capital	2	2
	(109,232)	(150,663)
Net Liabilities Per Share	(109,232)	(150,663)
	=====	=====

The company was incorporated on 15 August 1997 and the accounts for the financial year ended 31 October 1998 was the first set of accounts since its incorporation.

14.0 ACCOUNTANTS' REPORT (Cont'd)
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6.2 PH Furniture Group

	Year End 31 October					
	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
Fixed assets	2,796	12,255	17,355	25,398	39,777	49,043
Investment	-	-	-	26	26	26
Investment property	-	-	4,462	4,462	-	-
Intangible assets	2	1	765	732	701	669
Current assets	4,707	10,780	19,941	26,267	27,077	48,422
Current liabilities	(5,514)	(13,006)	(21,470)	(21,410)	(24,756)	(39,880)
Net current assets/ (liabilities)	(807)	(2,226)	(1,529)	4,857	2,321	8,542
	1,991	10,030	21,053	35,475	42,825	58,280
Financed By :						
Share capital	400	2,800	4,100	6,150	6,150	6,150
Revaluation reserve	-	-	-	-	-	9,100
Retained profits	742	2,348	7,624	18,011	28,565	32,836
Shareholders' fund	1,142	5,148	11,724	24,161	34,715	48,086
Long-term liabilities	798	4,882	8,648	10,484	7,280	9,364
Deferred taxation	51	-	681	830	830	830
	1,991	10,030	21,053	35,475	42,825	58,280
NTA Per Share (RM)	2.85	1.84	2.67	3.81	5.53	7.71

14.0 ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)

7. STATEMENT OF ASSETS AND LIABILITIES

The following are the statements of assets and liabilities of the Company and the Proforma Group as at 31 October 1999 based on the audited accounts of the Company, PH Furniture and Yee Lu Fah, and should be read in conjunction with the notes set out below. The statement of assets and liabilities of the Proforma Group has been prepared for illustrative purposes only incorporating the effects of the Acquisition and the Public Issue as though they were effected on 31 October 1999.

	<u>Notes</u>	<u>Company</u> RM' 000	<u>Proforma Group</u> RM' 000
Fixed assets	8.3	-	49,043
Intangible assets	8.4	-	669
Investments	8.5	-	26
Deferred expenditure	8.6	301	9
Current Assets			
Stocks	8.7	-	20,346
Trade debtors		-	16,788
Other debtors, deposit and prepayment		-	615
Fixed deposits with licensed bank	8.8	-	103
Cash and bank balances		-	29,069
Current Liabilities			
Trade creditors		-	9,239
Other creditors & accruals		301	8,925
Hire purchase creditors	8.9	-	875
Short term bank borrowings	8.10	-	14,597
Provision for taxation		-	102
Proposed dividend		-	6,150
		301	39,888
Net Current Assets/(Liabilities)		(301)	27,033
		-	76,780
			=====

14.0 ACCOUNTANTS' REPORT *(Cont'd)*
 (Prepared for inclusion in this Prospectus)

	<u>Note</u>	<u>Company</u>	<u>Proforma Group</u>
		RM'000	RM'000
Financed By :			
Share capital	8.11	*	46,000
Share premium	8.12	-	7,500
Reserves	8.13	-	13,086
<hr/>			
Shareholders' Funds		-	66,586
Long-term liabilities	8.14	-	9,364
Deferred taxation	8.15	-	830
<hr/>			
		-	76,780
=====			
NTA Per Share	8.16	-	1.43
=====			

* The issued and fully paid-up share capital consists of 2 ordinary shares of RM 1.00 each.

14.0 ACCOUNTANTS' REPORT *(Cont'd)*
(Prepared for inclusion in this Prospectus)

8. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES

8.1 Basis Of Preparation – Statement Of Assets And Liabilities Of The Proforma Group

- (a) The statement of assets and liabilities of the Proforma Group has been prepared based on the audited accounts of the Company and PH Furniture Group made up to 31 October 1999.
- (b) The statement of assets and liabilities of the Proforma Group has been prepared based on the merger method of accounting in accordance with the requirements of Malaysian Accounting Standard No. 2.

8.2 Significant Accounting Policies

(a) Basis Of Accounting

The accounts of the Group and of the Company are prepared under the historical cost convention modified by the revaluation of land and buildings and in compliance with approved accounting standards.

(b) Basis Of Consolidation

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

Yee Lu Fah's accounts are consolidated in PH Furniture Group using the acquisition method of accounting. The net excess of PH Furniture's cost of investment in Yee Lu Fah over the value of net assets acquired at the date of acquisition is retained in the consolidated balance sheet as goodwill on consolidation. The amount so retained is written off over a period of 25 years commencing in 1996.

(c) Fixed Assets And Depreciation

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

Buildings	2 %
Plant and machinery	10 %
Renovation, office equipment, furniture and fittings	2 % - 10 %
Motor vehicles and forklifts	20 %

Net surplus arising as a result of the incorporation of property valuations in the accounts are taken up in the revaluation reserve.

14.0 ACCOUNTANTS' REPORT *(Cont'd)*
(Prepared for inclusion in this Prospectus)

(d) Investment

Investment held on a long-term basis is stated at cost unless in the opinion of the directors there has been a permanent diminution in value, in which case an appropriate provision is made.

(e) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes cost of materials, direct labour and appropriate proportion of production overheads.

(f) Foreign Currency Conversion And Translation

Transaction in foreign currencies are measured and recorded in Ringgit Malaysia by use of exchange rate approximating those ruling at the date of transaction or at contracted rates, where applicable. Monetary assets and liabilities denominated in a foreign currency are adjusted to reflect the rate at the balance sheet date or at the forward exchange contracted rates, where applicable. All realised and unrealised exchange gains and losses are taken to the profit and loss account.

(g) Deferred Taxation

Provision for deferred taxation is provided under the liability method in respect of all material timing differences between accounting income and taxable income except where there is reasonable evidence that these timing differences will not reverse in the foreseeable future. Where such timing differences give rise to net deferred tax benefits, these benefits are recognised only upon actual realisation.

(h) Deferred Expenditure

Deferred expenditure comprises preliminary expenses, pre-operating expenses and listing expenses. The preliminary and pre-operating expenses will be written off to profit and loss account upon the commencement of operations while the listing expenses will be written off against future share premium account.

14.0 ACCOUNTANTS' REPORT (Com'd)
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8.3 Fixed Assets

	<u>Leasehold land and buildings</u>	<u>Tools & equipment, plant and machinery</u>	<u>Renovation, office equipment, furniture and fittings</u>	<u>Motor vehicles and forklifts</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>At Cost/Valuation</u>					
Addition through acquisition of subsidiary companies	26,177	26,999	1,596	2,627	57,399
As at 31 October 1999	26,177	26,999	1,596	2,627	57,399
<u>Accumulated Depreciation</u>					
Addition through acquisition of subsidiary companies	43	6,242	423	1,648	8,356
As at 31 October 1999	43	6,242	423	1,648	8,356
Net book value as at 31 October 1999	26,134	20,757	1,173	979	49,043

Analysis Of Land And Buildings

	<u>Leasehold land</u>	<u>Buildings</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<u>At Cost/Valuation</u>			
Addition through acquisition of subsidiary companies	8,637	17,540	26,177
As at 31 October 1999	8,637	17,540	26,177
<u>Accumulated Depreciation</u>			
Addition through acquisition of subsidiary companies	-	43	43
As at 31 October 1999	-	43	43
Net book value as at 31 October 1999	8,637	17,497	26,134

Certain machinery and forklifts amounting to RM 16.37 million at cost and all the leasehold land & buildings of the Group are pledged to banks for bank borrowings granted to the subsidiary companies.

The leasehold land & buildings stated at valuation were revalued by the Directors of the subsidiary companies based on independent professional valuations in June and July 1999 adopting the open market value basis using the comparison, investment and cost methods of valuation.

14.0 ACCOUNTANTS' REPORT (Cont'd)
 (Prepared for inclusion in this Prospectus)

8.3 Fixed Assets - (cont'd)

Fixed assets acquired under hire purchase agreements are as follows :

	Proforma <u>Group</u>
	RM' 000
<u>At Cost</u>	
Plant and machinery	3,357
Office equipment	64
Motor vehicles and forklifts	1,503

	4,924
	=====

8.4 Intangible Assets

	Proforma <u>Group</u>
	RM' 000
Goodwill on consolidation	796
Less : Cumulative amortisation	(127)

	669
	=====

The goodwill on consolidation arising from the acquisition of Yee Lu Fah by PH Furniture is amortised over 25 years commencing in financial year 1996.

8.5 Investment

	Proforma <u>Group</u>
	RM' 000
Unquoted shares at cost	26
	=====

8.6 Deferred Expenditure

	<u>Company</u>	Proforma <u>Group</u>
	RM' 000	RM' 000
Preliminary & pre-operating expenses	9	9
Listing expenses	292	-
	-----	-----
	301	9
	===	===

14.0 ACCOUNTANTS' REPORT *(Cont'd)*
 (Prepared for inclusion in this Prospectus)

8.7 Stocks

	Proforma <u>Group</u>
	RM' 000
Raw materials	11,308
Work-in-progress	3,681
Finished goods	5,290
Packing materials	67
	<hr/>
	20,346
	=====

8.8 Fixed Deposits With Licensed Bank

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

8.9 Hire Purchase Creditors

	Proforma <u>Group</u>
	RM' 000
Total hire purchase obligations	1,329
Less : Interest in suspense	(252)
	<hr/>
Principal portion of hire purchase	1,077
	=====
Repayable within next twelve months	875
Repayable after next twelve months (Refer Note 8.14)	202
	<hr/>
	1,077
	=====

8.10 Bank Borrowings (secured)

	Proforma <u>Group</u>
	RM' 000
Bankers' acceptances	10,975
Bills payable	1,735
Term-loan (current portion)	1,887
	<hr/>
Total short-term bank borrowings	14,597
Term-loan (long-term portion) (Refer Note 8.14)	9,162
	<hr/>
Total bank borrowings	23,759
	=====

14.0 ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)

8.10 Bank Borrowings (secured) – (cont'd)

Bank borrowings are secured by :

- (i) A first legal charge over the leasehold land and factory buildings of the Group ;
- (ii) A fixed charge over certain machinery and forklifts of a subsidiary company ; and
- (iii) "All monies" debenture over the fixed and floating assets of a subsidiary company.

Interests are charged between 1.00 % to 1.50 % per annum above the respective bank's base lending rates.

8.11 Share Capital

	Proforma <u>Group</u>
	RM' 000
Ordinary shares of RM 1.00 each	RM' 000
Authorized :	100,000
	=====
Issued and fully paid-up :	
- Issued as consideration for the acquisition of PH Furniture	35,000
- Public issue	11,000

	46,000
	=====

8.12 Share Premium

	Proforma <u>Group</u>
	RM' 000
Public issue of 11,000,000 new ordinary shares of RM 1.00 each at an issue price of RM 1.80 per share	8,800
Less : Listing expenses	(1,300)

	7,500
	=====

8.13 Reserves

	Proforma <u>Group</u>
	RM' 000
Distributable reserve :	
- Retained profits	32,836
Non-distributable reserves :	
- Revaluation reserve	9,100
- Merger/(Contra) reserve	(28,850)

	13,086
	=====

14.0 ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)

8.13 Reserves – (cont'd)

Subject to the agreement of the Inland Revenue Board, PH Furniture and Yee Lu Fah have sufficient tax credit under Section 108 of the Income Tax Act 1967 and the tax exempt income to frank the payment of dividend out of their entire retained profits without incurring additional tax liability.

8.14 Long-Term Liabilities

	Proforma <u>Group</u>
	RM' 000
Term-loan (secured) (Refer Note 8.10)	9,162
Hire purchase creditors (Refer Note 8.9)	202

	9,364
	=====

8.15 Deferred Taxation

Deferred taxation for the Group relates principally to the timing differences arising from depreciation charge of fixed assets and capital allowances claimed.

A potential deferred tax liability estimated at RM 1.45 million was not provided for as it is anticipated that the tax effects of such deferrals will continue in the foreseeable future.

No deferred taxation is provided on the surplus arising from the revaluation of leasehold land and buildings which are held for long-term purposes.

8.16 Net Tangible Assets Per Ordinary Share

Based on the proforma statement of assets and liabilities of the Poh Huat Group as at 31 October 1999 the net tangible assets cover per share (after Acquisition and Public Issue) is calculated as follows :

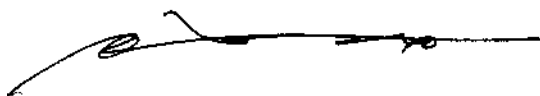
	Proforma <u>Group</u>
	RM' 000
Net tangible assets as per Proforma Group's Statement of Assets and Liabilities as at 31 October 1999	65,908 =====
Number of ordinary shares in issue based on the proposed enlarged share capital	46,000 =====
NTA per share	1.43 =====

14.0 ACCOUNTANTS' REPORT *(Cont'd)*
(Prepared for inclusion in this Prospectus)

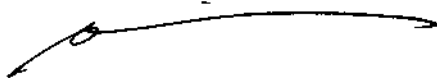
9. ACCOUNTS

No audited accounts have been prepared in respect of any period subsequent to 31 October 1999.

Yours faithfully,



S. C. LIM & CO.,
No. AF 0681
PUBLIC ACCOUNTANTS



LIM SWEE CHONG
No. 1177/12/00 (J)
PARTNER

15.0 STATUTORY AND GENERAL INFORMATION

15.1 Share capital

1. No shares will be allotted on the basis indicated in the Prospectus later than 6 months after the date of the issue of the Prospectus.
2. There are no founder, management or deferred shares in the Company. There is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari passu with one another.
3. Save for the 1,800,000 Public Issue Shares in Poh Huat reserved for subscription by the eligible employees of the Group and persons who have contributed to the success of the Group, no person has been or is entitled to be given an option to subscribe for any share, stock or debenture of the Company or its subsidiary companies.
4. Save as disclosed in section 8.0 of this Prospectus, no shares or debentures of the Company or its subsidiary company have been issued or is proposed to be issued as partly or as fully paid-up for cash or otherwise than for cash within the 2 years immediately preceding the date of this Prospectus.
5. Save as disclosed in section 7.0 of this Prospectus, there are no restriction on the transfer of the securities of the Company, except as otherwise required by law.

15.2 Articles of Association

The following provisions are reproduced from the Company's Articles of Association which has been approved by the KLSE.

(1) Remuneration of Directors

Article 90

The Directors shall be paid by way of fees for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine. PROVIDED ALWAYS that:-

- (a) fee payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting.
- (d) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 91

- (1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors of the Company.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determine by the Board provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

(2) Voting and borrowing powers of the Directors

The provisions in the Articles of Association of the Company dealing with voting powers of the Directors in proposals, arrangements or contracts in which they are interested in and the borrowing power exercisable by them and how such borrowing powers can be varied are as follows :-

Article 93

The business of the Company shall be managed by Directors who may pay all expenses incurred in promoting and registering the Company, and exercise all such powers of the Company as are not by these Articles required to be exercised by the Company in general meeting, subject nevertheless, to any of these Articles, to the provisions of the Act, and to such resolutions, not being inconsistent with these Articles or the provisions of the Act as may be prescribed by the Company in general meeting but no resolution made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such resolution had not been made.

Article 94

The Directors shall not without the prior approval of the Company in general meeting: -

- (a) carry into effect any proposal or execute any transaction for the acquisition of any undertaking or property of a substantial value, or the disposal of a substantial portion of or a controlling interest in the Company's main undertaking or property;
- (b) exercise any power of the Company to issue shares unless otherwise permitted under the Act;
- (c) subject to Sections 132E and 132F of the Act, enter into any arrangement or transaction with a Director of the Company or its holding company or with a person connected with such a Director, to acquire from or dispose to such a Director or person, any non-cash assets of the requisite value.

Article 95

- (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or any related company as may be thought fit.
- (2) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Article 99

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be in such manner as the Directors may from time to time by resolution determine.

Article 100

A Director shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.

Article 101

Every Director shall give notice to the Company of such events and matters relating to himself as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.

Article 102

Subject always to Sections 131, 132E, 132F and 132G of the Act, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contracts, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

Article 112

A Director may contract with and be interested in any contract or proposed contract with the Company and shall not be liable to account for any profit made by him by reason of any such contract; PROVIDED ALWAYS THAT the nature of the interest of the Director in any such contract be declared at a meeting of the Directors as required by Section 156 of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly a personal material interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.

Article 113

A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or whereat any decision is taken upon any contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles.

Article 114

A Director may vote in respect of: -

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company;
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security.

(3) Changes in capital and variations of class rights

The provision in the Articles of Association of the Company as to changes in capital and variation of class rights are as follows :-

Article 3

Without prejudice to any special rights previously conferred on the holders of any existing shares but subject to the Act and to these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Directors subject to any ordinary resolution of the Company, may determine.

Article 4

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of these Articles and the Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot, or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions: -

- (a) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act;
- (b) in the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than five per cent (5%) of the nominal amount of the share;
- (c) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same;
- (d) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members of the Company in general meetings;
- (e) every issue of shares or options to employees and/or Directors of the Company shall be approved by the Members in general meeting and no Director shall participate in such issues of shares unless: -
 - (i) the Members in general meeting have approved of the specific allotment to be made to such Director; and
 - (ii) he holds office in the Company in an executive capacity PROVIDED ALWAYS that a Director not holding office in an executive capacity may so participate in any issue of shares pursuant to a public issue or public offer or special issue, such participation to be approved by the relevant authorities.

Article 7

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy, one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 152 of the Act shall with such adaptations as are necessary, apply.

Article 8

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

Article 42

The Company may by ordinary resolution passed at a general meeting convert any paid up shares into stock or reconvert any stock into paid up shares of any denomination.

Article 43

The holders of the stock may transfer the same, or any part thereof in the same manner and subject to the same Articles as and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances permit; but the Director may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

Article 44

The holders of stock shall, according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such right, privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred that right, privilege or advantage.

Article 45

Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

Article 46

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs.

Article 47

Subject to any direction to the contrary that may be given by the Company in general meeting, any original shares for the time being unissued and not allotted and any new shares from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to any offer of new shares) cannot, in the opinion of the Directors be conveniently offered under this Article.

Article 48

Notwithstanding Article 47 above, but subject always to Section 132(D) of the Act, the Company may apply to the Exchange upon which the Company is listed for waiver of convening extraordinary general meetings to obtain shareholders' approval for further issues of shares (other than bonus or rights issues) where the aggregate issues of which in any one financial year do not exceed ten percent (10%) of the issued capital.

Article 49

Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

Article 50

The Company may by ordinary resolution: -

- (a) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares of any of them subject nevertheless to the provisions of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares and;
- (d) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 51

Subject to and in accordance with the provisions of the Act and the requirements of the Exchange and such other relevant law, regulation or guideline, the Company is allowed and shall have power, to the fullest extent permitted, to purchase its own shares. Any shares in the Company so purchased by the Company shall be dealt with as provided by the Act, the requirements of the Exchange and any other relevant authority.

Article 52

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorization, and consent required by law.

(4) **Transfer of securities**

The provisions in the Articles of Association of the Company in respect of the arrangement for transfer of securities of the Company and restrictions on their free transferability are as follows:-

Article 24

The transfer of any securities or class of securities of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of securities.

Article 25

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole, thirty (30) days in any year. Eighteen (18) market days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. The said notice shall state the period and purpose or purposes for which the Register is being closed. At least three (3) market days prior notice shall be given to the Central Depository to prepare the appropriate Record of Depositors.

Article 26

Subject to the provisions of these Articles, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.

Article 27

Where by the exercise of reasonable diligence the Company is unable to discover the whereabouts of a member for a period of not less than ten (10) years the Company may cause an advertisement circulating in the place shown in the Register or the Record of Depositors as the address of the member stating that the Company after expiration of one (1) month from the date of the advertisement intends to transfer the shares to the Minister charged with responsibility for finance.

Article 28

If after the expiration of one (1) month from the date of the advertisement the whereabouts of the Member remains unknown, the Company may transfer the shares held by the Member to the Minister charged with responsibility for finance and for the purpose may execute for and on behalf of such Members a transfer of those shares to the Minister charged with responsibility for finance.

Article 29

In the case of the death of a Member, the legal representatives of the deceased shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased shareholder from any liability in respect of any share which had been held by him.

Article 30

Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy. Provided always that where the share is a Deposited Security, subject to the Rules, a transfer or withdrawal of the shares may be carried out by the person becoming so entitled.

Article 31

If any person so becoming entitled elects to register himself, he shall deliver or send to the Company, a notice in writing signed by him and stating that he so elects, provided that where the share is a Deposited Security and the person becoming entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Central Depository. If he elects to have another person registered, he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

Article 32

Where the registered holder of any share dies or becomes bankrupt, his personal representative or the assignee or his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt.

15.3 Second Board Listing Requirements of the KLSE

The provisions of the Second Board Listing Requirements of the KLSE on the transferability of securities are as follows:-

Section 9.5A – Transfer of securities

The transfer of any securities or class of securities of the company, shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding Sections 103 and 104 of the Companies Act, 1965, but subject to subsection 107C(2) of the Companies Act, 1965 and any exemption that may be made from compliance with subsection 107C(1) of the Companies Act, 1965, the company shall be precluded from registering and effecting any transfer of securities.

Section 9.5B – Transmission of securities from Foreign Register

(1) Where:-

- (a) the securities of a company are listed on an Approved Market Place; and
- (b) such company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act, 1991 or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Central Depository in respect of such securities;

such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the Approved Market Place (hereinafter referred to as “the Foreign Register”), to the register of holders maintained by the registrar of the company in Malaysia (hereinafter referred to as “the Malaysian Register”) subject to the following conditions:-

- (i) there shall be no change in the ownership of such securities; and
- (ii) the transmission shall be executed by causing such securities to be credited directly into the securities account of such securities holder.

15.4 Companies Act, 1965

The provisions within the Companies Act, 1965 on the transferability of securities are as follows:-

Section 103(1)

Notwithstanding anything in its articles a company shall not register a transfer of shares or debentures unless a proper instrument of transfer in the prescribed form has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation law.

Section 103(1A)

Nothing in this section shall be construed as affecting the validity of any instrument which would be effective to transfer shares or debentures apart from this section; and any instrument purporting to be made in any form which was common or usual in use, or in any other form authorised or required for the purpose apart from this section before the commencement of this Act, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer.

Provided that a company shall be precluded from registering a transfer of shares or debentures, the titles of which is evidenced by a certificate that is issued on or after the date of coming into operation of this subsection unless a proper instrument of transfer in the prescribed form has been delivered to the company.

Section 107C(1)

On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and notwithstanding Sections 103 and 104, such company shall be precluded from registering and effecting any transfer of securities.

Section 107C(2)

Subsection (1) shall not apply to a transfer of securities to a central depository or its nominee company.

15.5 Rules of the MCD

The rules within MCD on the transferability of securities are as follows:-

Rule 8.01 (2)

The Central Depository may, in its absolute discretion, reject a transfer request made by a depositor thereunder, where the reason for the said transfer does not fall within any of the approved reasons stipulated under Rule 8.03(1)(c).

Rule 8.05A

Transfers made by the authorised depository agent from the agent's principal or nominee account shall be subject to the Rules in this Chapter.

Rule 9.03(2)

It shall be the responsibility of the authorised depository agent, in processing the transfer between two securities accounts belonging to different depositors (hereinafter the transfer is referred to as "the inter-account transfer"), to check and ensure the completeness, accuracy and/or genuineness of the documents lodged as follows:

- (a) the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FTF015 (request for express transfer of securities form) fully and properly completed in triplicate;
- (b) the Transferring Depositor has executed the Transferor portion on the said form duly witnessed by another person (other than depositor's spouse);

- (c) the Transferring Depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:
 - (i) transmission and transfer of securities arising from the provision of any written law or an order of court of competent jurisdiction;
 - (ii) rectification of errors;
 - (iii) pledge, charge or mortgage;
 - (iv) mandatory offer pursuant to the provisions of the Malaysian Code On Takeovers and Mergers 1998;
 - (v) any other circumstances as deemed fit by the Central Depository after consultation with the Securities Commission;
- (d) documents to support the reason for the transfer; and
- (e) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedural Manual.

15.6 Directors and substantial shareholders

1. The names, addresses and occupations of the Directors of Poh Huat are set out in section 1.0 of this Prospectus.
2. A Director is not required to hold any qualification share in the Company.
3. Save as disclosed below, no Director, Senior Executive Officer or person nominated to become a Director or Senior Executive Officer is or was involved in the following events:-
 - (a) petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an Executive Officer;
 - (b) conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
 - (c) the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

On 3 July 1996, Mr Tay Kim Huat paid a fine of RM1,000 for an unauthorised building structure. The said structure was subsequently demolished in compliance with an order from the Southern Muar District Council.

4. None of the Directors of the Company has any existing or proposed service contracts with the Company or its subsidiary companies, excluding contracts expiring or which are determinable by the employing company without payment or compensation (other than statutory compensation) within a year.
5. For the financial year ended 31 October 1999, the amount paid to the Directors for services in all capacities to the Company and its subsidiary companies was RM300,301. For the current financial year ending 31 October 2000, Directors' remuneration is estimated to be RM559,000.

6. Save as disclosed in section 8.2 of this Prospectus relating to the Acquisition and section 15.6.8 of this Prospectus, none of the Directors and substantial shareholders of the Company has any interest, direct or indirect, in the promotion of or in any assets acquired or proposed to be acquired or assets disposed or proposed to be disposed of by or leased or proposed to be leased to the Company or its subsidiary companies within the 2 years immediately preceding the date of this Prospectus.
7. Save as disclosed below, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as the Company and its subsidiary companies and which is not quoted on a recognised stock exchange:-

<i>Director/ Substantial share- holder</i>	<i>Company</i>	<i>Effective Equity interest %</i>	<i>Nature of Business</i>
Tay Kim Huat	TKH Resources Sdn Bhd	50.00	Property investment
Toh Bee Ching	TKH Resources Sdn Bhd	50.00	Property investment

8. Save as disclosed below, there are no contracts or arrangements subsisting at the date of this Prospectus in which a Director of the Company is materially interested and which is significant in relation to the business of the Company and its subsidiary companies

Director Nature of Interest

Tay Kim Huat On 4 September 1998, PH Furniture entered into a tenancy agreement with TKH Resources Sdn Bhd to rent from TKH Resources Sdn Bhd, a factory located at Lot PTD No. 1533, Bukit Pasir Industrial Estate, Muar, Johor Darul Takzim. Mr Tay Kim Huat holds 50% equity interest in TKH Resources Sdn Bhd. The monthly rental payable by PH Furniture is RM62,000, which is based on commercial rates and are at arms-length.

9. Based on the Register of Directors as at 11 February 2000 (being the latest practicable date prior to the printing of this Prospectus), the direct and indirect interests of the substantial shareholders (with more than 2.00% shareholding), in the issued and paid-up share capital of the Company before and after the Public Issue are as follows:-

Name	Before the Public Issue				After the Public Issue			
	Direct		Indirect		Direct		Indirect	
	No of shares	%	No of shares	%	No of shares	%	No of shares	%
Tay Kim Huat	9,859,757	28.17	-	-	9,859,757	21.43	-	-
Ng Ah Poh	6,871,951	19.63	-	-	6,871,951	14.94	-	-
Tay Kim Hau	3,869,384	11.06	-	-	3,869,384	8.41	-	-
Dato' Haji Zakariya bin Mohamed	-	-	^(a) 10,500,000	30.00	-	-	^(a) 10,500,000	22.83
Madzinah binti Mansor	-	-	-	-	-	-	-	-
Boo Chin Liong	-	-	-	-	-	-	-	-

Note :-

- (a) Deemed interest by virtue of his 99.99% equity interest in Sewina Sdn Bhd. The Board of Directors of Sewina Sdn Bhd comprises Dato' Haji Zakariya bin Mohamed and Encik Mohamad Harith bin Zakariya.

10. All the Public Issue Shares are being issued by the Company subject to the terms and conditions of this Prospectus.
11. No option to subscribe for securities of the Company or its subsidiary companies was granted to or exercised by any Director during the last financial year ended 31 October 1999.
12. According to the Register of Substantial Shareholders of the Company as at 11 February 2000 (being the latest practicable date prior to the printing of this Prospectus), the substantial shareholders' direct and indirect interests (with 2% shareholding or more), in the Company before and after the Public Issue are set out below :-

Substantial Shareholder	Before Public Issue				After Public Issue			
	Direct		Indirect		Direct		Indirect	
	No of shares	%	No of shares	%	No of shares	%	No of shares	%
Tay Kim Huat	9,859,757	28.17	-	-	9,859,757	21.43	-	-
Ng Ah Poh	6,871,951	19.63	-	-	6,871,951	14.94	-	-
Tay Kim Hau	3,869,384	11.06	-	-	3,869,384	8.41	-	-
Toh Bee Ching	1,575,000	4.50	-	-	1,575,000	3.42	-	-
Toh Ker Sin	1,161,954	3.32	-	-	1,161,954	2.53	-	-
Loi Hui Kim	1,161,954	3.32	-	-	1,161,954	2.53	-	-
Sewina Sdn Bhd	10,500,000	30.00	-	-	10,500,000	22.83	-	-
Dato' Haji Zakariya bin Mohamed	-	-	^(a) 10,500,000	30.00	-	-	^(a) 10,500,000	22.83

Note :-

- (a) Deemed interest by virtue of his 99.99% equity interest in Sewina Sdn Bhd. The Board of Directors of Sewina Sdn Bhd comprises Dato' Haji Zakariya bin Mohamed and Encik Mohamad Harith bin Zakariya.

15.7 General

1. The nature of the Company's business and the names of all corporations which are deemed to be related to the Company by virtue of Section 6 of the Companies Act, 1965 are disclosed in sections 2.1 and 8.0 of this Prospectus.
2. The time of the opening and closing of the Application Lists of the Public Issue is set out in sections 6.1 and 16.1 of this Prospectus.
3. The amount payable in full on application to the Company is RM1.80 per share
4. As at the date of this Prospectus, the Company and its subsidiaries do not have any outstanding convertible debt securities.
5. Save for certain Public Issue Shares reserved for eligible employees of the Group pursuant to this Prospectus, there are at present no other schemes for or involving the staff in the capital of the Company or its subsidiary companies.
6. Save for paragraphs (a), (b) and (c) below, there is no amount paid within the 2 years immediately preceding the date hereof or is payable by the Company or its subsidiary companies in connection with the issue or sale of any capital of the Company or its subsidiaries as commission, discount, brokerage or other special terms for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company and its subsidiary companies and no Director, promoter or expert is or are entitled to receive such commission :-
 - (a) Underwriting commission is payable by the Company to the Managing Underwriter and the several Underwriters mentioned herein at the rate of 1.50% of the issue price of RM1.80 per share on the total number of shares underwritten as stated in section 6.6 of this Prospectus.

- (b) Brokerage is payable by the Company at the rate of 1.0% of the issue price of RM1.80 per share in respect of successful applications bearing the stamp of MIMB, a member company of the KLSE, a member of the Association of Banks in Malaysia, a member of the Association of Merchant Banks in Malaysia or MIDFCCS.
 - (c) Expenses incidental to the Public Issue and the listing of and quotation for the entire issued and paid-up share capital of the Company on the KLSE amounting to approximately RM1,300,000 shall be borne by the Company.
7. No amount or benefit has been paid or given within the 2 years immediately preceding the date hereof, nor is it intended to be so paid or given, to any promoter.
 8. The name and address of the Auditors of the Company are set out in section 1.0 of this Prospectus.
 9. No property has been acquired or is proposed to be acquired by the Company or its subsidiary companies in contemplation of the Public Issue.
 10. Save for the Public Issue pursuant to this Prospectus, there is no present intention on the part of the Directors of the Company to issue any part of the authorised but unissued share capital of the Company.
 11. Save as disclosed in this Prospectus, the Directors are not aware of any material information including trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Company or its subsidiary companies.
 12. The Group has not established a place of business outside Malaysia.
 13. Save as disclosed in this Prospectus, the financial conditions and operations of the Company and its subsidiary companies are not materially affected by any of the following:-
 - (a) known trends or known demands, commitments, events or uncertainties that will result in or that is reasonably likely to result in the Group's liquidity increasing or decreasing in any material way;
 - (b) unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from the operations of the Group;
 - (c) known trends or uncertainties that have had or that the Group reasonably expects to have a materially favourable or unfavourable impact on the revenue or operating income of the Group; and
 - (d) material commitments for any capital expenditure.
 14. The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set out in section 16.0 of this Prospectus.

15.8 **Material contracts**

There are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by the Company or its subsidiary companies within the 2 years immediately preceding the date of this Prospectus save for the following :-

- (a) 2 Sale and purchase agreements dated 12 May 1999 between PH Furniture and Legitec Sdn Bhd for the disposal by PH Furniture of 2 pieces of freehold land held under EMR 86, Lot 263 & GM265 Lot 262, Mukim SungaiTerap, District of Muar, Johor Darul Takzim for a cash consideration of RM310,000.
- (b) Sale and purchase agreement dated 30 November 1999 between Poh Huat and the shareholders of PH Furniture for the acquisition by Poh Huat of the entire issued and paid-up share capital of PH Furniture comprising 6,150,000 ordinary shares of RM1.00 each for a purchase consideration of RM43,114,231, satisfied by the issuance of 34,999,998 new ordinary shares of RM1.00 each in Poh Huat at an issue price of approximately RM1.23 per share; and
- (c) Underwriting agreement dated 22 December 1999 between Poh Huat, MIMB and the Underwriters mentioned in section 1.0 of this Prospectus for the underwriting of 5,900,000 Public Issue Shares at an underwriting commission of 1.5% of the Public Issue price of RM1.80 per share.

15.9 **Material litigation**

Neither the Company nor its subsidiary companies are engaged in any litigation either as plaintiff or defendant and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company or its subsidiary companies.

15.10 **Contingent liabilities**

Save as disclosed in section 8.8(c) of this Prospectus, the Group has no contingent liabilities.

15.11 **Public take-overs**

During the last financial year and the current financial year up to the date of this Prospectus, there were:-

- (a) no public take-over offers by third parties in respect of the Company's shares; or
- (b) no public take-over offers by the Company in respect of other companies' shares.

15.12 Consents

The written consents of the Adviser and Managing Underwriter, Underwriters, Principal Bankers, Solicitors for the Public Issue, Share Registrar and the Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consents of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and letters relating to the Consolidated Profit Forecast for the financial year ending 31 October 2000 and Proforma Consolidated Balance Sheets as at 31 October 1999 in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The Valuers have given and have not subsequently withdrawn their consent to the inclusion in this Prospectus of their name and the valuation certificate in the form and context in which they are contained in this Prospectus.

15.13 Documents for inspection

Copies of the following documents are available for inspection at the Registered Office of the Company during normal business hours for a period of 6 months from the date of this Prospectus :-

- (a) Memorandum and Articles of Association of the Company and its subsidiary companies.
- (b) The Reporting Accountants' Letters relating to the Consolidated Profit Forecast for the financial year ending 31 October 2000 and the Proforma Consolidated Balance Sheets as at 31 October 1999 as included herein.
- (c) The Accountants' Report as included herein.
- (d) The Directors' Report as included herein.
- (e) Audited accounts of Poh Huat and its subsidiary companies for the past 5 financial years ended 31 October 1999.
- (f) The material contracts referred to in paragraph 15.8 above.
- (g) The letters of consent referred to in paragraph 15.12 above.
- (h) The Valuation Certificate on the landed properties as included herein with the valuation reports referred to therein.

15.14 Responsibility

MIMB acknowledges that, to the best of its knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Public Issue and the Poh Huat Group, and has satisfied itself that the consolidated profit forecast for the year ending 31 October 2000 (for which the Directors are solely responsible) has been stated by the Directors of Poh Huat after due and careful enquiry.

This Prospectus has been seen and approved by the Directors of Poh Huat, and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts the omission of which would make any statement herein misleading.

16.0 PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.1 Opening and closing of Application Lists

The Application Lists for the Public Issue will open at 10.00 a.m. on 8 March 2000 and will remain open until 8.00 p.m. on the same day or such further period or periods as the Directors of Poh Huat in their absolute discretion may decide.

16.2 Application forms

The following relevant Application Forms issued with this Prospectus are deemed to form part hereof :-

- (a) **Pink** Application Forms for application by the eligible employees of the Poh Huat Group and persons who have contributed to the success of the Group; and
- (b) **White** Application Forms for application by Bumiputera investors approved by MITI and Malaysian citizens, companies, co-operatives, societies and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions.

White Application Forms together with copies of this Prospectus may be obtained, subject to availability, from MIMB, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia and MIDFCCS.

16.3 Procedure for application

- (a) **Application by the eligible employees of the Poh Huat Group and persons who have contributed to the success of the Group**

Applications for the 1,800,000 Public Issue Shares reserved for the eligible employees of the Group and persons who have contributed to the success of the Group must be made on the **Pink** Application Forms.

- (b) **Application by the Malaysian public**

Applications for the 5,900,000 Public Issue Shares made available for applications by the Malaysian investing public must be made on the **White** Application Forms.

- (c) **Approved Bumiputera investors approved by MITI**

Applications for the 3,300,000 Public Issue Shares made available for applications by Bumiputera investors approved by MITI must be made on the **White** Application Forms.

Only one (1) Application Form from each applicant will be considered and applications must be for 1,000 ordinary shares or multiples thereof. **MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED.** The amount payable in full on application is RM1.80 per share. Directors and employees of MIDFCCS and their immediate family are strictly prohibited from applying for the Public Issue Shares.

Application for the Public Issue Shares must be made on the Application Forms provided together with this Prospectus and must be completed in accordance with the Notes and Instructions printed on the reverse side of the Application Forms. In accordance with Section 37(1) of the Companies Act, 1965, the Application Forms together with the Notes and Instructions printed thereon shall constitute an integral part of this Prospectus. Applications which do not **strictly** conform to the terms of this Prospectus or Application Forms or Notes and Instructions printed thereon or which are illegible may not be accepted.

16.4 Terms of payment

Each completed Application Form must be accompanied by a remittance in Ringgit Malaysia for the full amount payable by either:

- (a) BANKER'S DRAFT OR CASHIER'S ORDER purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applications); or
- (b) MONEY ORDER OR POSTAL ORDER (for applicants from Sabah and Sarawak only); or
- (c) GUARANTEED GIRO ORDER ("GGO") from Bank Simpanan Nasional (differentiated by a special red band for Bumiputera applicants); OR
- (d) ATM STATEMENTS OBTAINED FROM ANY OF THE FOLLOWING:
 - (i) Arab-Malaysian Bank Berhad (295576-U);
 - (ii) Arab-Malaysian Finance Berhad (5493-X);
 - (iii) Asia Commercial Finance (M) Berhad (6521-U);
 - (iv) Ban Hin Lee Bank Berhad (1147-M);
 - (v) BSN Commercial Bank Berhad (23877-T)
 - (vi) Bank Utama (Malaysia) Berhad (27714-A);
 - (vii) Bumiputera-Commerce Bank Berhad (13491-P);
 - (viii) Credit Corporation Malaysia Berhad (5023-H);
 - (ix) EON Bank Berhad (92351-V);
 - (x) EON Finance Berhad (9692-K);
 - (xi) Hock Hua Bank Berhad (111501-D);
 - (xii) Hong Leong Bank Berhad (97141-X);
 - (xiii) Hong Leong Finance Berhad (7797-V);
 - (xiv) International Bank Malaysia Berhad (22671-U);
 - (xv) Malayan Banking Berhad (3813-K);
 - (xvi) Mayban Finance Berhad (3905-T);
 - (xvii) MBf Finance Berhad (8515-D);
 - (xviii) Multi-Purpose Bank Berhad (88103-W);
 - (xix) Oriental Bank Berhad (845-W)
 - (xx) Phileo Allied Bank (Malaysia) Berhad (306350-K)
 - (xxi) Public Bank Berhad (6463-H);
 - (xxii) Public Finance Berhad (6471-U);
 - (xxiii) RHB Bank Berhad (6171-M);
 - (xxiv) Sabah Bank Berhad (45788-D);
 - (xxv) The Pacific Bank Berhad (5024-T);
 - (xxvi) United Merchant Finance Berhad (3838-T).

MADE OUT IN FAVOUR OF

"MIDF SHARE ISSUE ACCOUNT NO. 498

AND CROSSED "A/C PAYEE ONLY" (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT (AS EXACTLY STATED ON THE APPLICATION FORM).

THE NAME AND ADDRESS OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT IN THE APPLICANT'S IDENTITY CARD (TOGETHER WITH THE CHANGE OF ADDRESS CARD OR "RESIT PENUKARAN KAD PENGENALAN JPN 1/22" WHERE APPLICABLE) OR "RESIT PENGENALAN SEMENTARA JPN 1/9" IN THE CASE OF AN INDIVIDUAL APPLICANT EXCEPT ARMED FORCES/POLICE PERSONNEL WHICH SHOULD BE BASED ON THE ADDRESS OF THEIR RESPECTIVE CAMP/BASE/STATION. IN THE CASE OF CORPORATE/ INSTITUTIONAL APPLICANTS, THE NAME MUST ALSO BE EXACTLY THE SAME AS IN THE CERTIFICATE OF INCORPORATION AND THE ADDRESS MUST BE EXACTLY THE SAME AS THE REGISTERED ADDRESS.

APPLICATIONS ACCOMPANIED BY ANY MODE OF PAYMENT OTHER THAN THOSE STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCE MAY NOT BE ACCEPTED. DETAILS OF THE REMITTANCE MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED ON THE APPLICATION FORM.

Each completed Application Form must be despatched by ORDINARY POST OR DELIVERED BY HAND in the official envelopes provided to the following address :-

MIDF Consultancy & Corporate Services Sendirian Berhad
195A Jalan Tun Razak
P.O. Box 11122
50736 Kuala Lumpur

so as to arrive not later than **8.00 p.m. on 8 March 2000** or delivered by hand to the following Oriental Bank Berhad branches at the following addresses:-

- | | |
|---|---|
| 1. Klang branch
No. 2, Jalan Kapar
41400 Klang | 7. Wangsa Maju branch
No. 10, Jalan 1/27B
Bandar Baru Wangsa Maju
53300 Kuala Lumpur |
| 2. Kepong branch
No. 60, Jalan 2
52100 Kuala Lumpur | 8. Balakong branch
No. S-7, Jalan 1/6
Taman Indah
Batu 11, Jalan Balakong
43200 Cheras
Selangor Darul Ehsan |
| 3. KL Main branch
Bangunan Oriental Bank
No. 1 Jalan Hang Lekiu
50100 Kuala Lumpur | 9. Segambut branch
No. 36-38, Jalan Segambut Utara
51200 Kuala Lumpur |
| 4. Selayang branch
No. 141-143,
Jalan 2/3A
Kompleks Pasar Borong Selayang
68100 Kuala Lumpur | 10. SS2 branch
No. 20, Jalan SS2/6
47300 Petaling Jaya
Selangor Darul Ehsan |
| 5. Taman Sungai Besi branch
No. 38, Jalan 7/108C
Jalan Sungai Besi
68100 Kuala Lumpur | 11. Bandar Park branch
No. 152, Jalan Mega Mendung
Kompleks Bandar
Batu 5, Jalan Klang Lama
58000 Kuala Lumpur |

6. **Bukit Bintang branch**
Ground Floor, Wisma KLIH
126 Jalan Bukit Bintang
55100 Kuala Lumpur

during banking hours (9.30 a.m. to 4.00 p.m. from Monday to Friday and 9.30 a.m. to 12.00 p.m. on Saturday).

No acknowledgement of the receipt of Application Forms or application monies will be made by the Company.

Copies of this Prospectus together with the Application Forms, and the official envelopes may be obtained, subject to availability from :-

Malaysian International Merchant Bankers Berhad
3rd Floor, Bangunan MIDF
195A, Jalan Tun Razak
50400 Kuala Lumpur

or from member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIDFCCS.

16.5 Applications and acceptances

The Directors of Poh Huat reserve the right not to accept any application which does not strictly comply with the instructions or to accept any application in part only without assigning any reason therefor.

THE SUBMISSION OF AN APPLICATION FORM DOES NOT NECESSARILY MEAN THAT THE APPLICATION WILL BE SUCCESSFUL.

In the event of an over-subscription, acceptance of applications by the Malaysian public shall be subject to ballot to be conducted in a manner as approved by the Directors of Poh Huat. Due consideration will be given to the desirability of distributing the Public Issue Shares to a reasonable number of applicants with a view to broadening the shareholding base and establishing an adequate market in the trading of the shares of Poh Huat. The final allocation of shares to any single applicant will be made to ensure that Poh Huat complies with the SC's shareholding spread requirement that at least 25% of the issued and paid-up share capital of the Company is in the hands of public shareholders, with a minimum of 750 shareholders holding not less than 1,000 shares each upon listing. The successful applicants will be selected in a manner to be determined by the Directors of the Company.

In the event of an under-subscription by the Malaysian public, all the Public Issue Shares not applied for will be made available for subscription by the Managing Underwriter and the Underwriters. Any shares not subscribed by eligible employees of the Poh Huat Group and persons who have contributed to the success of the Group will be made available for application by Malaysian investing public and will be underwritten by the Managing Underwriter.

Directors and employees of MIDFCCS and their immediate family are strictly prohibited from applying for the Public Issue Shares.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST TO THE APPLICANT WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS BY ORDINARY POST OR REGISTERED POST, RESPECTIVELY, TO THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.

THE ISSUING HOUSE RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM UNSUCCESSFUL BUMIPUTERA APPLICANTS AND FROM PARTIALLY SUCCESSFUL APPLICANTS. REFUND MONIES IN RESPECT OF UNSUCCESSFUL APPLICANTS WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS BY REGISTERED POST TO THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

16.6 CDS accounts

Pursuant to Section 29 of the Securities Industry (Central Depositories) Act, 1991, all dealings in the shares in Poh Huat including the Public Issue Shares will be by book entries through CDS accounts. No share certificates will be issued to successful applicants.

An applicant should state his CDS account number in the space provided on the Application Form if he presently has such an account. Where an applicant does not presently have a CDS account, he should state in the Application Form his preferred ADA Code. A list of the ADA Codes is set out below. Where an applicant already has a CDS account, he SHOULD NOT complete the preferred ADA Code.

If a successful applicant fails to state either his CDS account number or his preferred ADA Code, the Company may, in the exercise of its absolute discretion, instruct the Issuing House to insert a preferred ADA Code on the Application Form and further instruct MCD to open a CDS account on his behalf at the specified ADA and credit the shares allotted to him into his CDS account.

Failure to comply with these specific instructions or inaccuracy in the CDS account number or the preferred ADA Code may result in the application being rejected. The Directors of the Company reserve the right to reject any incomplete or inaccurate application.

16.7 Notice of allotment

Shares allotted to all successful applicants will be credited to their respective CDS accounts. Notice of successful allotment will be despatched to the successful applicants at their addresses shown in the Application Form at the applicant's own risk within thirty (30) days after the final ballot of the application. This is the only acknowledgement of acceptance of the application.

16.8 Formalising of CDS accounts

Successful applicants whose CDS accounts have been opened by MCD at their preferred ADA are required to formally open their accounts by submitting to the ADA the necessary documents and the account opening fee. No transaction of shares credited to the accounts can be effected until the accounts have been formally opened.

16.9 List of ADA

A list of the ADA (Broker) Codes is as follows:-

Name	Address and telephone number	Broker code
KUALA LUMPUR		
AFFIN-UOB SECURITIES SDN BHD	Level 3, Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel No: 03-2438668	028-001
ARAB-MALAYSIAN SECURITIES SDN BHD	15th Floor Bangunan Arab-Malaysian 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No: 03-2382788	086-001
BBMB SECURITIES SDN BHD	Level 2, 3 & 4 Letter Box No. 2 Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No: 03-2019900	099-001
BIMB SECURITIES SDN BHD	1st & 2nd Floor Podium Block, Bangunan AMDB 1, Jalan Lumut 50350 Kuala Lumpur Tel No: 03-4433533	024-001
FIMA SECURITIES SDN BHD <i>(formerly known as Capitalcorp Securities Sdn Bhd)</i>	No. 45-14, Plaza Level and Level One Plaza Damansara Jalan Medan Setia 1 Damansara Heights 50490 Kuala Lumpur Tel No: 03-2549966	018-001
CIMB SECURITIES SDN BHD	9th Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel No: 03-2532288	065-001
HLG SECURITIES SDN BHD	21st Floor, Wisma HLA Jalan Raja Chulan 50200 Kuala Lumpur Tel No: 03-2452998	066-001

Name	Address and telephone number	Broker code
KUALA LUMPUR (cont'd)		
INTER-PACIFIC SECURITIES SDN BHD	Level 7, Menara Shahzan Insas 30, Jalan Sultan Ismail 50250 Kuala Lumpur Tel No: 03-2441888	054-001
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No: 03-2041888	055-001
K & N KENANGA BERHAD	8th Floor, Pernas International 801, Jalan Sultan Ismail 50250 Kuala Lumpur Tel No: 03-2649080	073-001
KUALA LUMPUR CITY SECURITIES SDN BHD	Lot 3.07, Level 3, Bangunan Angkasaraya Jalan Ampang 50450 Kuala Lumpur Tel No: 03-2449322	076-001
LEONG & COMPANY SDN BHD	Level 18, Wisma Cyclecarri 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No: 03-2928899	061-001
MAYBAN SECURITIES SENDIRIAN BERHAD	30th Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel No: 03-2323822	098-001
MGI SECURITIES SDN BHD	1st & 2nd Floor, Wisma MGIC 38, Jalan Dang Wangi 50100 Kuala Lumpur Tel No: 03-2911889	052-001
MIDF SISMA SECURITIES SDN BHD	17th and 18th Floor, Empire Tower 182, Jalan Tun Razak 50400 Kuala Lumpur Tel No: 03-2668888	026-001
OSK SECURITIES BERHAD	10th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No: 03-2624388	056-001