

=====

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10/A

Post-Effective Amendment No. 2 to
Form 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of the
Securities Exchange Act of 1934

HOOKER FURNITURE CORPORATION
(Exact name of registrant as specified in its charter)

VIRGINIA
(State or other jurisdiction of
incorporation or organization)

54-0251350
(I.R.S. Employer
Identification No.)

440 EAST COMMONWEALTH BLVD.
MARTINSVILLE, VIRGINIA
(Address of principal
executive offices)

24115
(Zip Code)

Registrant's telephone number, including area code (540) 632-2133

Securities to be registered pursuant to Section 12(b) of the Act: None

Title of each class to be so registered	Name of each exchange on which each class is to be registered
--	--

N/A

N/A

Securities to be registered pursuant to Section 12(g) of the Act:

Common Stock, no par value

(Title of class)

ITEM 1. BUSINESS.

General

- - - - -

Incorporated in Virginia in 1924, Hooker Furniture Corporation ("Hooker" or the "Company") has become a leading manufacturer and importer of residential furniture primarily targeted at the upper-medium price range. The Company offers diversified product lines across many style and product categories within this price range. Its product depth and extensive style selections make the Company an important furniture resource for retailers in its price range and allows the Company to respond more quickly to shifting consumer preferences. The Company has established a broad distribution network that includes independent furniture stores, department stores, specialty retailers, catalog merchandisers and national and regional furniture chains. The Company emphasizes continuous improvement in its manufacturing processes to enable it to continue providing competitive advantages to its customers, such as quick delivery, reduced inventory investment, high quality, and value.

Products and Styles

- - - - -

The Company's product lines cover most major design categories. The Company believes that the diversity of its product lines enables it to anticipate and respond quickly to changing consumer preferences and provides retailers an important furniture resource in the upper-medium price range. The Company intends to continue expanding its product styles with particular emphasis on home office, entertainment centers, occasional furniture and bedroom. The Company believes that its products represent good value and that the quality and style of its furniture compare favorably with more premium-priced products.

The Company provides furniture products in a variety of materials, woods, veneers, and finishes. Percentage of revenue provided by major design categories for the last three fiscal years are as follows:

	1998	1997	1996
	-----	-----	-----
Desks/Home Office	22.2%	18.9%	17.5%
Wall Systems/Home Theater	21.5	22.2	26.6
Entertainment Centers	21.1	22.9	24.0
Imported lines	18.1	17.2	13.9
Bedroom	16.2	17.8	16.2
All others	0.9	1.0	1.8
	-----	-----	-----
	100.0%	100.0%	100.0%

These product lines cover most major design categories including European traditional, transitional, American traditional, and country/casual designs.

The Company designs and develops new product styles semi-annually to replace discontinued items or styles and, if desired, expand product lines. The Company's product design process begins with marketing personnel identifying customer needs and conceptualizing product ideas, which generally consist of a group of related furniture pieces. A variety of sketches are produced, usually by independent designers, from which prototype furniture pieces are built. The Company invites key dealers and independent sale representatives to view and critique the prototypes. From this input, changes in design are made and the Company's engineering department prepares a sample for actual full-scale production. The Company introduces its new product styles at the fall and spring international furniture markets.

Distribution

- - - - -

The Company has developed a broad domestic customer base and also sells to a limited international market. The Company sells its furniture through approximately 80 independent sales representatives to independent furniture retailers, catalog merchandisers, and national and regional chain stores. Representative customers include Federated Department Stores, Sears, Neiman Marcus, Dillard's Department Stores, Nebraska Furniture Mart, and Haverty's. The Company believes this broad network reduces its exposure to regional recessions, and allows it to

capitalize on emerging channels of distribution. The Company offers tailored merchandising programs to address each channel of distribution.

The general marketing practice followed in the furniture industry is to exhibit products at international and regional furniture markets. In the spring and fall of each year, a nine-day furniture market is held in High Point, North Carolina, which is attended by most buyers and is regarded by the industry as the international market. The Company utilizes approximately 32,000 square feet of showroom space at the High Point market to introduce new products, increase sales of its existing products, and test ideas for future products.

The Company has sold to over 3,800 customers during the past fiscal year, and approximately 2.3% of the Company's sales in 1998 were to international customers. No single customer accounted for more than six percent of the Company's sales in 1998. No material part of the Company's business is dependent upon a single customer, the loss of which would have a material effect on the business of the Company. The loss of several of the Company's major customers could have a material impact on the business of the Company.

Manufacturing - -----

The Company's manufacturing strategy is to produce products which are on the leading edge of changing consumer demand for the home, such as home theater, home office and computer furniture, as well as traditional bedroom and occasional products. The Company stresses strong customer relationships in developing new products as well as improving existing ones. The Company believes strongly in employee involvement with employee and management teams working and communicating in all areas of manufacturing to improve production and quality related issues, stressing quality improvement not quality control. To meet customer expectations of just-in-time inventory delivery, the Company's strategy has been to strike a balance between minimizing cutting size together with increasing the frequency of cuttings on the one hand, and the efficiencies gained from longer production runs on the other. In recent years, cutting sizes have been reduced, frequencies of cuttings increased, and finished goods inventory levels increased. The Company manufactures products using a flexible plant philosophy structure with all plants capable of making and sharing product lines according to customer demands and plant loads, which allows for quicker delivery of high demand products. The Company is in constant contact with key suppliers in forming partnerships which communicate both quality and delivery issues which are imperative for both the Company and supplier to adjust to ever changing customer requirements

The Company operates manufacturing facilities in North Carolina and Virginia consisting of an aggregate of approximately 1.8 million square feet. The Company considers its present equipment to be generally modern, adequate and well maintained.

The Company schedules production of its various styles based upon actual and anticipated orders. Management does not consider order backlogs to be an accurate indicator of expected business. With the emphasis in recent years on inventory-on-demand, dealers no longer find it necessary to place orders as far in advance as was once the case. However, the Company's backlog of unshipped orders was \$32.8 million at November 30, 1998 and \$24.7 million at November 30, 1997. It is the Company's policy and industry practice to allow order cancellation up to time of shipment, therefore customer orders are not firm until shipped. Historically, however, 92% of all orders booked are ultimately shipped. Backlogs are normally shipped within twelve months.

Imported Lines - -----

The Company imports finished furniture in a variety of styles and materials, and markets the product under the Company name through its normal distribution channels. Product lines include occasional tables, consoles, casual dining, and accent pieces. The Company imports product from the Philippines, China, Honduras, Mexico, Egypt and Indonesia from approximately 20 suppliers. All transactions are in US dollars. Because of the large number and diverse nature of foreign factories, the Company has flexibility in the placement of product in any particular country and factory. The Company does not have a concentration of product in any one country or factory. No one particular supplier would adversely affect the production of imports should it fail to meet a production schedule and thus production disruptions resulting from political or economic instability in any one country are minimized.

Raw Materials

The principal materials used by the Company in manufacturing its products include lumber, veneers, plywood, particleboard, hardware, glue, finishing materials, glass products, and fasteners. The Company uses a variety of species of lumber, including cherry, oak, ash, poplar, pine, and maple. The Company's five largest suppliers accounted for approximately 14.9% of its purchases in 1998.

The Company believes that its sources of supply for these materials are adequate and that it is not dependent on any one supplier.

Competition

The Company is the seventeenth largest furniture manufacturer in North America based on 1997 sales, according to Furniture/Today, a trade publication. The furniture industry is highly competitive and includes a large number of foreign and domestic manufacturers, none of which dominates the market. The markets in which the Company competes include a large number of relatively small manufacturers; however, certain competitors of the Company have substantially greater sales volumes and financial resources than the Company. Competitive factors in the upper-medium price range include style, price, quality, delivery, design, service, and durability. The Company believes that its long-standing customer relationships, customer responsiveness, consistent support of existing diverse product lines that are high quality and good value, and experienced management are competitive advantages.

Employees

At November 30, 1998, the Company had approximately 2,000 employees. None of the Company's employees are represented by a labor union. The Company considers its relations with its employees to be good.

The Corporation sponsors the Hooker Furniture Corporation Employee Stock Ownership Plan (the "ESOP") to provide retirement benefits for eligible employees. The ESOP covers substantially all the Company employees. The ESOP enables employees to share in the growth of the Company and to accumulate a beneficial ownership interest in the Company's Common Stock.

Patents and Trademarks

The trade name of the Company represents many years of continued business, and the Company believes such name is well recognized and associated with quality in the furniture industry. The Company owns a number of patents, trademarks, and licenses, none of which is considered to be material to the Company.

Governmental Regulations

The Company is subject to federal, state, and local laws and regulations in the areas of safety, health, and environmental pollution controls. Compliance with these laws and regulations has not in the past had any material effect on the Company's earnings, capital expenditures, or competitive position; however, the effect of such compliance in the future cannot be predicted. Management believes that the Company is in material compliance with applicable federal, state, and local environmental regulations.

Regulations issued in December 1995 under the Clean Air Act Amendments of 1990 as part of the National Emission Standards for Hazardous Air Pollutants program and negotiated into the Furniture Maximum Achievable Control Technology Standard, requires the Company to reformulate certain furniture finishes and institute process and administrative changes to reduce emissions of hazardous air pollutants. The Company believes it is in compliance with these regulations by its use of compliant coatings and by training its associates in work practice standards. The Company cannot at this time estimate the future impact of these standards on the Company's operations and capital expenditure requirements. See "Item 8--Legal Proceedings."

Forward-Looking Statements

Certain statements made in this registration statement are not based on historical facts, but are forward-looking statements. These statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. These statements reflect the Company's reasonable judgment with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such risks and uncertainties include the cyclical nature of the furniture industry, fluctuations in the price for lumber which is the most significant raw material used by the Company, competition in the furniture industry, capital costs and general economic conditions.

ITEM 2. FINANCIAL INFORMATION.

SELECTED FINANCIAL DATA

The following selected financial data for each of the last five fiscal years ended November 30, 1998 have been derived from the Company's audited financial statements. The selected financial data should be read in conjunction with the Financial Statements, including the Notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere herein.

	Year Ended November 30,				
	1998	1997	1996	1995	1994
	(in thousands, except per share data)				
Income Statement Data:					
Net sales	\$205,308	\$175,385	\$161,202	\$144,689	\$138,158
Cost of goods sold	158,752	135,085	120,687	110,777	108,399
Selling and administrative expenses	29,643	24,692	23,160	20,522	19,090
Income from operations	16,913	15,608	17,355	13,390	10,669
Other income	607	600	577	874	382
Interest expense	(561)	(630)	(227)	(124)	(523)
Income (loss) in investee company	68	(1)	(202)	(32)	3
Income before income taxes	17,027	15,577	17,503	14,108	10,531
Income taxes	6,241	5,530	6,715	4,939	3,907
Net income	10,786	10,047	10,788	9,169	6,624
Earnings Per Share Data:					
Basic and diluted earnings per share (1)	2.80	2.60	2.78	2.37	1.71
Weighted number of shares outstanding (in thousands)	3,846	3,867	3,875	3,877	3,873
Balance Sheet Data:					
Cash	3,625	827	1,997	2,543	3,078
Inventories	35,812	33,475	26,013	19,818	20,022
Working capital	51,793	47,153	37,555	33,840	35,098
Total assets	111,233	98,290	87,370	71,144	70,366
Long-term debt (including current maturities)	12,062	9,985	7,228	1,000	8,500
Common stock--held by ESOP	10,213	10,044	9,230	6,740	5,051
Stockholders' equity	73,900	66,210	59,326	52,760	46,760
Cash dividends per share (1)	0.56	0.52	0.44	0.36	0.30

(1) In 1994 the Company recorded a two-for-one stock split. All per share data have been retroactively adjusted to effect the split.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Selected Financial Data above and the Financial Statements and Notes thereto contained elsewhere in this document.

Results of Operations

The following table sets forth the percentage relationship to net sales of certain items included in the Statements of Income:

	For the Year Ended November 30,		
	1998	1997	1996
Net sales	100.0%	100.0%	100.0%
Cost of sales	77.3	77.0	74.9
Gross profit	22.7	23.0	25.1
Selling & administrative expenses	14.5	14.1	14.3
Operating income	8.2	8.9	10.8
Other income -net	0.4	0.4	0.2
Interest expense	0.3	0.4	0.1
Income before income taxes	8.3	8.9	10.9
Income taxes	3.0	3.2	4.2
Net income	5.3%	5.7%	6.7%

General

Historically, American furniture companies, including Hooker, relied on relatively short product lines and large, infrequent cuttings of suites of furniture with similar design and finish characteristics. This sometimes lead to out-of-stock inventory situations between cuttings and ultimately consumer dissatisfaction. Recent years have seen a trend in the industry for more varied product offerings and shorter production cycles, coupled with larger finished goods inventories, working toward inventory-on-demand for Hooker's dealers. It has been Hooker's policy in recent years that as demand for its product increased and backlogs grew, additional manufacturing capacity was added by purchasing existing furniture manufacturing plants and converting the production to Hooker product.

During the latter part of 1995, the Company found itself in the position that, due to increased demand for its products, delivery times to dealers were lengthening. As a result, additional capacity was needed. In April of 1996, a furniture manufacturing plant was purchased to provide this needed capacity. This facility was producing lower-end tables inconsistent with Hooker's offerings, but for which there was an existing market. Hooker continued to produce and sell the existing product in 1996 and at the same time began retooling the facility, retraining the workforce, and in the later part of 1996 began producing Hooker's product.

In 1997 the industry experienced a weak market for retail furniture sales. Consumer discretionary purchases emphasized electronics and investing in a rapidly expanding economy, and furniture sales suffered. Finding itself with new additional capacity and a less than favorable sales environment, Hooker implemented a smaller than normal price increase for its product in 1997 in an attempt to gain market share and keep all manufacturing plants operating. The Company believes that this modest price increase coupled with Hooker's pleasing design increased the value of the Company's line compared to its competition. This increase in value plus additional discounting in marketing programs resulted in a \$14 million, or 8.8% increase in net sales in 1997 compared to 1996.

The Company believes that the styling of its imported furniture together with strong consumer demand for home computers and audio/video entertainment systems has contributed to the growth of Hooker's product offerings in recent years.

1998 Compared to 1997

Net sales increased \$30 million or 17.1% in 1998 compared to 1997. The increase was due principally to higher unit volume, particularly in three major product lines: imported occasional furniture, home entertainment systems, and home office furniture, and to a minor extent higher average selling prices.

Gross profit margin for 1998 decreased to 22.7% compared to 23.0% for 1997. The decline was due primarily to the Company's decision to implement smaller price increases to dealers in December of 1997 than had been implemented in previous years.

Selling and administrative expenses rose from 14.1% of net sales in 1997 to 14.5% in 1998. The increase was primarily due to the Company's planned investment upgrades in year-2000 compliant hardware, software, and network technology.

As a result of the above, operating income dropped from 8.9% of net sales in 1997 to 8.2% of net sales in 1998.

Interest expense dropped from 0.4% of net sales in 1997 to 0.3% in 1998. During 1998 amounts outstanding under the Company's revolving line of credit were reduced due to increased cash flows from operations. In the fourth quarter of 1998, the Company purchased additional warehouse facilities to be used as a central distribution center, increasing the revolving line of credit by \$4 million. Also, in the fourth quarter, the Company renegotiated its Industrial Development Revenue Bonds issued in 1996, securing a more favorable amortization schedule and rate of interest.

The Company's effective tax rate was 35.5% of income before taxes in 1997 and 36.6% in 1998.

1997 Compared to 1996

Net sales increased \$14 million or 8.8% in 1997 compared to 1996. The increase was due primarily to higher unit volume, particularly in imported occasional furniture, home entertainment systems, and home office furniture, and to a lesser extent higher average selling prices.

Gross profit percentages decreased from 25.1% in 1996 to 23.0% in 1997. Many of the costs of retooling and retraining the workforce for the plant purchased in 1996 were not incurred and expensed until late 1996 and 1997. The soft retail environment also caused finished furniture inventory to grow by \$6.5 million and total inventories by \$7.5 million. In an effort to expand market share and sell furniture produced by the additional capacity, many dealer programs were offered to encourage volume buying. Many of these programs involved price concessions and further contributed to the deterioration of the gross profit margin in 1997. Also, new product introductions in 1997 were priced with lower than normal margins.

Selling and administrative expenses as a percentage of net sales were 14.1% for 1997 and 14.3% for 1996. These expenses were lower in 1997 due primarily to lower selling expenses resulting, in part, from lower commission rates paid to independent sales representatives, which were phased in over a two-year period and were fully realized in 1997.

As the result of the above, operating income decreased from 10.8% in 1996 to 8.9% of net sales in 1997.

Other income (net) increased from 0.2% in 1996 to 0.4% in 1997, primarily due to lower losses on the Company's investment in a joint venture in 1997. Interest expense increased from 0.1% of net sales in 1996 to 0.4% of net sales in 1997. The increase was due to increased borrowings for the plant purchased in April of 1996, together with funding the growth in finished goods inventory during 1997.

The Company's effective income tax rate was 38.4% in 1996 and 35.5% in 1997. The decrease was primarily the result of a charitable donation of land to a local municipality.

Financial Condition, Liquidity and Capital Resources

As of November 30, 1998, assets totaled \$111.2 million, up from \$98.3 million in 1997 and \$87.4 in 1996. Stockholders' equity at November 30, 1998, was \$73.9 million, rising from \$66.2 million in 1997 and \$59.3 million in 1996. Cash generated from operating activities rose to \$15.1 million during 1998 compared to \$4.6 million in 1997 and \$8.1 million in 1996. Cash flow from operating activities increased from 1997 to 1998 primarily due to a reduction of \$7.3 million in the increase in accounts receivable and inventory.

Investing activities consumed \$11.5 million in cash during 1998 compared to \$6.2 million during 1997 and \$13.1 million in 1996. Cash absorbed by investing activities in all three years was due to capital expenditures as the Company continued to invest in property, plant, and equipment for furniture manufacturing capacity and distribution. The Company had committed approximately \$1.8 million for the purchase of property, plant, and equipment as of November 30, 1998. During the fourth quarter of 1998, the Company purchased a 400,000 square foot distribution warehouse for consolidation and shipment of its finished furniture. In the first half of 1999, the Company will be consolidating finished inventory presently kept in three separate warehouses into the new central distribution center. One of the existing warehouses is under lease, which expires in April of 1999, one facility is presently offered for sale or lease, and the final facility will be converted to additional manufacturing needs. Management anticipates that the consolidation will provide improved inventory control, less handling, and improved efficiency for the distribution of its product. The Company used \$0.8 million for financing activities in 1998 compared with providing cash from financing activities in the amount of \$0.4 million in 1997 and \$4.5 million in 1996. The major financing applications of cash in 1996 were for additional manufacturing plant acquisition and the acquisition of additional finished goods warehousing, totaling \$8.5 million.

In 1996, the Company incurred \$7.2 million of additional debt comprised of Industrial Development Revenue Bonds for the purchase, expansion, and retooling of an additional furniture manufacturing facility. During 1997, the Company incurred additional debt through its revolving line of credit for working capital needs primarily as a result of a \$7.5 million increase in inventories. During 1998, total long-term debt increased \$2.1 million, primarily to fund the purchase of additional warehouse capacity during the fourth quarter.

At November 30, 1998, the Company had \$3 million available under its reducing revolving line of credit and additional lines of credit of \$15 million to fund working capital needs as necessary. The Company believes it has the financial resources needed to meet business requirements in the foreseeable future, including capital expenditures for the expansion of manufacturing capacity, working capital requirements, and the Company's dividend program (see "Item 9--Market Price and Dividends on the Registrant's Common Equity and Related Stockholder Matters").

Recent Accounting Pronouncements

Statement of Financial Accounting Standards No. 130 ("SFAS 130"), "Reporting Comprehensive Income", effective for periods beginning after December 15, 1997, establishes standards for reporting and display of comprehensive income, its components and accumulated balances. Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements.

Statements of Financial Accounting Standards No. 132 ("SFAS 132"), "Employers' Disclosures about Pensions and Other Postretirement Benefits", effective for periods beginning after December 15, 1997, revises employers' disclosures about pension and other postretirement benefit plans. It does not change the measurement or recognition of those plans.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments," ("SFAS 133"), effective for fiscal years beginning after June 15, 1999. SFAS 133 requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair market value. Under certain circumstances, a portion of the derivative's gain or loss is initially reported as a component of other comprehensive income and subsequently reclassified into income

when the transaction affects earnings. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change. The Company anticipates that the adoption of SFAS 133 will not have an effect on the Company's financial position or results of operations.

Year 2000 Issue

The Company recognizes that the arrival of Year 2000 presents many challenges for information systems, as well as other time-sensitive machinery and equipment and other systems relied on for day-to-day operation of the business. In 1996 the Company embarked on a plan to identify, assess, and to modify or replace equipment and systems that may be impaired following December 31, 1999. A taskforce was created under the leadership of a corporate officer and comprised of representatives from administration, information services, and manufacturing to begin the identification and assessment phase of the project. Early assessments determined that the Company would be required to modify or replace significant portions of its Information Systems software so that computer systems would continue to function properly in Year 2000 and beyond. The Company decided to transition its operating systems from a non-compliant legacy mainframe to a compliant client-server network environment. During 1997 and 1998 predominately all of the required hardware was installed, tested, and Company employees trained on its use and operation. Efforts have been underway since 1996 to create new, or to transition existing operations software, to be Year 2000 compliant. As of November 30, 1998, certain critical operating systems had been transitioned to this new environment and are fully integrated into the day-to-day operation of the business. All other systems will be moved to the new environment by the end of third quarter 1999.

The taskforce has communicated in writing with all suppliers of goods and services to determine the extent to which the Company might be vulnerable to third parties' failure to remediate their own Year 2000 issue. If no response is received, a second request will be sent. By August 1, 1999, negative responses as to the suppliers readiness or non-response will cause the supplier to be reviewed. The Company anticipates that noncompliant or unresponsive suppliers that provide critical product or services will be terminated and other year 2000 compliant suppliers will be used. Additionally, manufacturing personnel at each plant location have physically inventoried machinery, equipment, building systems, and other software for Year 2000 compliance. Manufacturers of equipment and software have been formally asked to respond to their products Year 2000 readiness. Equipment found lacking compliance will be modified or replaced prior to December 31, 1999. Additionally, certain critical equipment to the manufacture of product has been or will be tested by manufacturing personnel.

The principal cost associated with the Year 2000 compliance has been the purchase of computer hardware together with software costs. As of November 30, 1998, approximately \$2 million has been expended. It is management's estimate that additional cost for compliance will not exceed \$1 million. Funding for the Year 2000 compliance project has been provided by cash generated from operations. Project expenditures are being capitalized or expensed as appropriate and are not expected to have a material effect on the results of operations.

The Company cannot fully assess the risks of the Year 2000 problems due to numerous uncertainties surrounding the issue. However, the Company has five separate manufacturing locations, in two states and five separate communities each able to produce most products in the Company's line. Additionally, for most processes each plant has multiple machines from many manufacturers purchased over a long period of time. This flexibility also offers redundancy of operations within and between manufacturing locations so that in the event of a shutdown, product could be moved to other functional plant locations. The Company is also not dependent on any single supplier for raw materials or imported furniture. The Company has not developed a contingency plan in the event that the changes in its operating systems are not ready by December 31, 1999, but expects to have such a plan by August 1, 1999.

The failure to correct a material Year 2000 problem could result in the interruption or a failure of certain normal business activities or operations, which could materially and adversely affect the Company's results of operations, liquidity, and financial condition. Due to the general uncertainty inherent in the Year 2000 problem, resulting in part from the uncertainty of the Year 2000 readiness of third-party suppliers and customers, the Company is unable to determine at this time whether the consequences of Year 2000 problems will have a material impact on the Company's results of operations, liquidity, or financial condition.

ITEM 3. PROPERTIES.

Set forth below is certain information with respect to the Company's principal properties. The Company believes that all these properties are well maintained and in good condition. The Company believes its manufacturing facilities are being efficiently utilized. The Company estimates that its facilities are currently being operated at approximately 95% capacity, on a one-shift basis. Each manufacturing facility is flexible in regard to product lines manufactured, allowing the Company to shift products between plants according to customer sales and delivery demands. All Company plants are equipped with automatic sprinkler systems and modern fire and spark detection systems, which the Company believes are adequate. All facilities set forth below are active and operational.

Location -----	Primary Use -----	Approximate Facility Size (Square Feet) -----	Owned or Leased -----
Martinsville, VA	Corporate Headquarters	32,000	Owned
Martinsville, VA	Manufacturing	760,000	Owned
Martinsville, VA	Distribution	400,000	Owned
Martinsville, VA	Distribution	189,200	Owned
Martinsville, VA	Import Division	125,000	Leased (1)
Martinsville, VA	Plywood Production	146,000	Owned
Kernersville, NC	Manufacturing	115,000	Owned
Roanoke, VA	Manufacturing	265,000	Owned
Pleasant Garden, NC	Manufacturing	300,000	Owned
Maiden, NC	Manufacturing	200,000	Owned
High Point, NC	Showroom	32,000	Leased (2)

(1) Lease expires April 30, 1999.

(2) Lease expires April 30, 2000.

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth certain information with respect to the beneficial ownership of the Company's Common Stock as of January 29, 1999, by each stockholder known by the Company to be the beneficial owner of more than 5% of its outstanding Common Stock, by each director and director nominee, by each of the Named Executive Officers (as defined in Item 6, "Executive Compensation") and by all directors and executive officers as a group:

Name ----	Amount and Nature of Beneficial Ownership -----	Percent Of Class -----
J. Clyde Hooker, Jr. (1).....	761,166 (2) (3)	19.9%
Paul B. Toms, Jr. (1).....	588,676 (4) (5)	15.4%
Mabel H. Toms (1).....	564,024 (3) (5) (6)	14.7%
Hooker Furniture Corporation Employee Stock Ownership Plan (7).....	282,185 (8)	7.4%
A. Frank Hooker, Jr. (1).....	201,721 (9)	5.3%
W. Christopher Beeler, Jr. (1).....	41,200 (10)	1.1%
Irving M. Groves, Jr. (1).....	11,564 (11)	*
L. Dudley Walker (1).....	5,000	*
E. Larry Ryder (1).....	4,000 (12)	*
Douglas C. Williams (1).....	2,788	*
Henry P. Long, Jr. (1).....	2,000 (13)	*
Judge John D. Hooker (1).....	892	*
John L. Gregory, III (1).....	400	*
All directors and executive officers as a group (12 persons).....	1,267,407 (14)	33.1%

* Less than one percent.

- (1) The business address for such persons is c/o Hooker Furniture Corporation, 440 East Commonwealth Blvd., Martinsville, Virginia 24115.
- (2) Mr. J. Clyde Hooker, Jr. has sole voting and disposition power with respect to 309,686 shares and shared voting and disposition power with respect to 451,480 shares. Shares beneficially owned by Mr. Hooker do not include 131,456 shares beneficially owned by members of his family; Mr. Hooker disclaims beneficial ownership of such shares. Mr. Hooker also shares voting and disposition power with respect to 282,185 shares held by the Hooker Furniture Corporation Employee Stock Ownership Plan (the "ESOP") (see footnote (8) below).
- (3) Mr. J. Clyde Hooker, Jr. and Mrs. Mabel H. Toms share voting and disposition power with respect to 352,000 shares held by family trusts. Such shares are included in the shares beneficially owned by Mr. Hooker and Mrs. Toms.
- (4) Mr. Toms has sole voting and disposition power with respect to 23,701 shares and shared voting and disposition power with respect to 564,975 shares. Shares beneficially owned by Mr. Toms do not include 1,468 shares beneficially owned by his wife; Mr. Toms disclaims beneficial ownership of such shares.
- (5) Mrs. Mabel H. Toms and her adult children, one of whom is Mr. Toms, share voting and disposition power with respect to 99,480 shares held by a family trust (the "Toms Family Trust"). In addition, pursuant to a revocable power of attorney, Mr. Toms has shared voting and disposition power with respect to all 564,024 shares (which include the 99,480 shares held by the Toms Family Trust) beneficially owned by Mrs. Toms.
- (6) Mrs. Toms has sole voting and disposition power with respect to 112,544 shares and shared voting and disposition power with respect to 451,480 shares.
- (7) BB&T Corp. serves as trustee (the "ESOP Trustee") of the ESOP. The business address for the ESOP Trustee is BB&T Corp., Trust Investment Department, P.O. Box 29542, Raleigh, North Carolina 27626-0542.
- (8) The ESOP Trustee has sole voting and disposition power with respect to shares owned by the ESOP. The Trustee may dispose of and, except with respect to certain fundamental corporate transactions, vote ESOP shares only at the direction of a committee appointed by the Company. During fiscal 1998 such committee

consisted of the following officers of the Company: J. Clyde Hooker, Jr., E. Larry Ryder and Jack R. Palmer (Vice President - Human Resources).

- (9) Mr. A. Frank Hooker, Jr. has sole voting and disposition power with respect to 151,000 shares and shared voting and disposition power with respect to 52,721 shares.
- (10) Mr. Beeler has sole voting and disposition power with respect to 1,200 shares and shared voting and disposition power with respect to 40,000 shares.
- (11) Mr. Groves has sole voting and disposition power with respect to 8,864 shares and shared voting and disposition power with respect to 2,700 shares. Shares beneficially owned by Mr. Groves do not include 5,700 shares beneficially owned by his wife; Mr. Groves disclaims beneficial ownership of such shares.
- (12) Mr. Ryder also shares voting and disposition power with respect to 282,185 shares held by the ESOP (see footnote (8) above).
- (13) Mr. Long has sole voting and disposition power with respect to 1,400 shares and shared voting and disposition power with respect to 600 shares.
- (14) Messrs. J. Clyde Hooker, Jr. and E. Larry Ryder, each of whom is an executive officer and a director, also share voting and disposition power with respect to 282,185 shares held by the ESOP (see footnote (8) above).

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS.

The Company's executive officers and directors, their ages as of January 31, 1999 and the year each joined the Company or its Board are as follows:

Name ----	Age ---	Position -----	Year Joined Company -----
J. Clyde Hooker, Jr.	78	Chairman and Chief Executive Officer, and Director*	1946
A. Frank Hooker, Jr.	69	President and Chief Operating Officer, and Director*	1956
Paul B. Toms, Jr.	44	Executive Vice President - Marketing, and Director*	1983
Henry P. Long, Jr.	47	Senior Vice President - Merchandising and Design, and Director*	1983
E. Larry Ryder	51	Senior Vice President - Finance and Administration, Assistant Secretary, and Director*	1977
Douglas C. Williams	51	Senior Vice President - Manufacturing, and Director*	1971
W. Christopher Beeler, Jr.	47	Director*	1994
John L. Gregory, III	51	Director*	1988
Irving M. Groves, Jr.	69	Director*	1964
Judge John D. Hooker	89	Director*	1982
Mabel H. Toms	73	Director*	1977
L. Dudley Walker	68	Director*	1995

* All of the Company's directors serve one-year terms.

J. Clyde Hooker, Jr. has been Chairman of the Board since 1987 and Chief Executive Officer since 1966. He was President from 1960 to 1987. Prior to 1960, Mr. Hooker held various positions in sales and marketing. Mr. Hooker joined the Company in 1946 and has been a Director since 1947. He is the first cousin of A. Frank Hooker, Jr., the uncle of Paul B. Toms, Jr. and the brother of Mabel H. Toms.

A. Frank Hooker, Jr. has been Chief Operating Officer and President since 1987. He was Executive Vice President from 1968 to 1987 and Vice President from 1959 to 1968. Mr. Hooker joined the Company in 1956 and has been a Director since 1958. Mr. Hooker is the first cousin of J. Clyde Hooker, Jr., the first cousin once removed of Paul B. Toms, Jr. and the first cousin of Mabel H. Toms.

Paul B. Toms, Jr. has been Executive Vice President - Marketing since 1994. Mr. Toms was Senior Vice President - Sales & Marketing from 1993 to 1994 and Vice President - Sales from 1987 to 1993. Mr. Toms joined the Company in 1983 and has been a Director since 1993. Mr. Toms serves on the Board of Directors of Piedmont Trust Bank (a subsidiary of MainStreet Financial Corporation). Mr. Toms is the nephew of J. Clyde Hooker, Jr., the first cousin once removed of A. Frank Hooker, Jr. and the son of Mabel H. Toms.

Henry P. Long, Jr. has been Senior Vice President - Merchandising and Design since 1994. He was Vice President - Sales from 1987 to 1994. Mr. Long joined the Company in 1983 and has been a Director since 1993.

E. Larry Ryder has been Senior Vice President - Finance and Administration since 1987 and Assistant Secretary since 1990. He was Treasurer from 1989 to 1998 and Vice President - Finance and Administration from 1983 to 1987. Prior to 1983, Mr. Ryder served in various financial capacities. Mr. Ryder joined the Company in 1977 and has been a Director since 1987.

Douglas C. Williams was elected Senior Vice President - Manufacturing in 1987. He was Vice President - Manufacturing from 1986 to 1987. Prior to 1986, he held various positions in production. Mr. Williams joined the Company in 1971 and has been a Director since 1987.

W. Christopher Beeler, Jr. has been a Director since 1994. He is the President and Chief Executive Officer of Virginia Mirror Company and Virginia Glass Products Corporation, both of which manufacture and fabricate glass products. Mr. Beeler is a director of MainStreet Financial Corporation.

John L. Gregory, III has been a Director since 1988. He is a partner in, and is a director of, the law firm of Young, Haskins, Mann, Gregory & Smith, P.C.

Irving M. Groves, Jr. has been a Director since 1964. He is the retired Chief Executive Officer, President and Chairman of Piedmont BankGroup (a predecessor to MainStreet Financial Corporation).

Judge John D. Hooker has been a Director since 1982. He is a retired Virginia state circuit court judge. Judge Hooker is the second cousin of A. Frank Hooker, Jr. and J. Clyde Hooker, Jr.

Mabel H. Toms has been a Director since 1977. She is a private investor. Mrs. Toms is the sister of J. Clyde Hooker, Jr., the first cousin of A. Frank Hooker, Jr. and the mother of Paul B. Toms, Jr.

L. Dudley Walker has been a Director since 1995. He is Chairman of the Board of VF Knitwear, Inc. (formerly Bassett-Walker, Inc.) a wholly-owned subsidiary of VF Corporation. Mr. Walker is the retired President and Chief Executive Officer of Bassett-Walker, Inc., a manufacturer of knitted fleecewear. He is a director of VF Corporation and Crestar Financial Corporation (a wholly-owned subsidiary of SunTrust Banks, Inc.).

ITEM 6. EXECUTIVE COMPENSATION.

Summary Compensation Table

The following table sets forth, for the years ended November 30, 1998, 1997 and 1996, the compensation for services in all capacities to the Company of those persons who at November 30, 1998 were the Company's Chief Executive Officer and the next four most highly compensated executive officers of the Company for the year ended November 30, 1998 (collectively, the "Named Executive Officers").

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation		
		Salary (\$) (1)	Bonus (\$)	All Other Compensation (\$) (2)
J. Clyde Hooker, Jr. Chairman and Chief Executive Officer	1998	\$154,000	\$ 73,497	\$27,393
	1997	112,000	133,305	31,710
	1996	112,000	139,479	26,937
A. Frank Hooker, Jr. President and Chief Operating Officer	1998	\$185,200	\$110,246	\$ 6,700
	1997	130,000	177,740	6,204
	1996	130,750	232,465	6,244
Paul B. Toms, Jr. Executive Vice President-Marketing	1998	\$145,600	\$102,896	\$32,749
	1997	106,000	124,418	36,066
	1996	100,750	111,583	32,293
E. Larry Ryder Senior Vice President-Finance & Administration	1998	\$131,200	\$ 73,497	\$22,062
	1997	102,400	88,870	24,799
	1996	98,350	92,986	21,606
Douglas C. Williams Senior Vice President-Manufacturing	1998	\$163,600	\$102,896	\$17,443
	1997	124,000	124,418	19,240
	1996	118,750	130,180	15,493

(1) Includes for each Named Executive Officer compensation for services as a director in the amount of \$4,000 in both 1998 and 1997. Also includes director compensation of \$4,000 for Mr. J. Clyde Hooker, Jr. and \$4,750 for each of Messrs. A. Frank Hooker, Jr., Toms, Ryder and Williams in 1996. See "-Compensation of Directors."

(2) All Other Compensation listed for the Named Executive Officers (excluding Mr. A. Frank Hooker, Jr.) includes the present value of the benefit to the executive officer of the Company's contribution toward premiums for split-dollar life insurance under a program offered to all officers and plant managers. The Company is entitled to recover the premiums from any amounts paid to the insurer on such split-dollar life policies and has retained a collateral interest in each policy to the extent of the premiums paid with respect to such policy. All Other Compensation also includes for all the Named Executive Officers employer contributions to the Company's 401(k) Plan and ESOP.

All Other Compensation For Fiscal Year 1998

Name	Split-Dollar Life Insurance (\$)	Matching 401(k) Contribution (\$)	ESOP Contribution (\$)
J. Clyde Hooker, Jr.	\$20,693	\$5,000	\$1,700
A. Frank Hooker, Jr.	-	5,000	1,700
Paul B. Toms, Jr.	26,049	5,000	1,700
E. Larry Ryder	15,362	5,000	1,700
Douglas C. Williams	10,743	5,000	1,700

Deferred Compensation

Messrs. A. Frank Hooker, Jr., Toms, Ryder, Williams and Long have each entered into a deferred compensation agreement with the Company. Pursuant to these agreements each such executive officer, or his beneficiary, will be entitled to receive additional compensation in the form of ten annual payments of \$40,000 upon his retirement, death, or disability. The full retirement benefit vests at age 60 and a reduced retirement benefit vests after age 55. The death and disability benefits vest immediately, however, the disability benefit would not be paid until the executive officer reached the age of 60.

Compensation of Directors

Directors receive an annual retainer fee of \$1,000 and \$750 for each meeting attended, including committee participation or special assignments. In 1998, Messrs. Beeler, Gregory and Walker each received \$5,500 for services as directors of the Company. Each of the other directors received \$4,000 for services in 1998.

Board Interlocks and Insider Participation

Messrs. J. Clyde Hooker, Jr., A. Frank Hooker, Jr., Toms, Long, Ryder and Williams are each an officer and a director of the Company and each participates in the deliberations of the Company's Board of Directors concerning executive officer compensation.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The Board of Directors, at a meeting held December 30, 1997, approved the purchase by the Company of 20,000 shares of the Company's Common Stock from Mr. A. Frank Hooker, Jr., the Company's President and Chief Operating Officer. The shares were purchased at \$25 per share for an aggregate purchase price of \$500,000. The sale was consummated January 2, 1998. This purchase was made in accordance with the Board's policy to purchase the Company's Common Stock from time to time at prices attractive to the Company. The price per share paid by the Company was proposed by Mr. A. Frank Hooker, Jr. and was approved by the Company's Board of Directors based upon information available to the Company regarding recent private transactions in the Company's Common Stock as well as an annual valuation appraisal prepared by an independent appraisal firm for purposes of the Company's ESOP. The price per share paid by the Company represented an approximately 30% discount off the appraised value of the Common Stock for purposes of the ESOP as of November 30, 1997.

ITEM 8. LEGAL PROCEEDINGS.

In 1998 a manufacturing joint venture between the Company and Bassett Furniture Industries, in which the Company owns a 50% interest, was cited by the Environmental Protection Agency ("EPA") for violations of certain regulations under the Clean Air Act Amendments of 1990. The members of the joint venture determined that the costs to bring the plant into compliance, together with costs for other needed capital improvements, would be prohibitive. Thus, the joint venture ceased operations in November 1998. No final action has been taken by the EPA in this matter, including the assessment of any fines against the joint venture. The joint venture intends to sell the property. Company management anticipates that any shortfall between the remaining carrying value of the joint venture investment (\$2.4 million at November 30, 1998), including any fines that might be levied by the EPA, and proceeds from the sale of the joint venture facility and equipment will not have a material adverse effect on the Company's financial condition or annual results of operations but it could have a material adverse effect on the Company's results of operations for any particular fiscal quarter.

ITEM 9. MARKET PRICE AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

There is no established public trading market for the Company's Common Stock. As of January 29, 1999 there were approximately 700 beneficial stockholders. As of the same date approximately 2,277,057 shares of the Company's Common Stock could be sold pursuant to Rule 144. The Company currently has no plan to list the Common Stock on an exchange, quotation system or other public trading market.

The Company pays quarterly dividends on its Common Stock on or about the last day of February, May, August and November, when declared by the Board of Directors, to stockholders of record approximately two weeks earlier. Although the Company presently intends to declare cash dividends at historical levels on a quarterly basis for the foreseeable future, the determination as to the payment and the amount of any future dividends will be made by the Board of Directors from time to time and will depend on the Company's then current financial condition, capital requirements, results of operations and any other factors then deemed relevant by the Board of Directors. The following table sets forth the dividends per share paid by the Company with respect to its Common Stock during the Company's two most recent fiscal years:

1998 -----	Dividends Per Share -----
First Quarter.....	\$0.14
Second Quarter.....	0.14
Third Quarter.....	0.14
Fourth Quarter.....	0.14
1997 -----	
First Quarter.....	\$0.13
Second Quarter.....	0.13
Third Quarter.....	0.13
Fourth Quarter.....	0.13

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES.

None.

ITEM 11. DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED.

The authorized capital stock of the Company consists of 10,000,000 shares of Common Stock, no par value. As of January 29, 1999, there were 3,826,649 shares of Common Stock issued and outstanding.

The following is a discussion of the material terms of the Company's Common Stock. For additional information regarding the terms of the Company's Common Stock you may refer to the provisions of the Company's Amended and Restated Articles of Incorporation, as amended (the "Articles"), and Bylaws, copies of which have been filed as exhibits to the registration statement.

Holders of Common Stock are entitled to one vote per share on all matters to be voted upon by the stockholders. Holders of Common Stock do not have cumulative voting rights, and therefore holders of a majority of the shares voting for the election of directors can elect all of the directors. In such event, the holders of the remaining shares will not be able to elect any directors.

Holders of Common Stock are entitled to receive such dividends as may be declared from time to time by the Board of Directors out of funds legally available therefor. In the event of the liquidation, dissolution or winding up of the Company, the holders of Common Stock are entitled to share ratably in all assets remaining after payment of liabilities.

The Common Stock has no preemptive or conversion rights and is not subject to further call for assessments by the Company. The Common Stock currently outstanding is validly issued, fully paid and nonassessable.

The Company's Articles require, in addition to any vote required by law or the Articles, subject to certain exceptions, that certain fundamental corporate transactions ("business combinations") between the Company (including any subsidiary of the Company) and any beneficial holder of more than 10% of the Company's outstanding voting stock (an "interested stockholder") or an affiliate or associate of such interested stockholder be approved by the holders of at least 75% of the then outstanding shares of the voting stock of the Company. "Business combinations" include (i) mergers and consolidations, (ii) statutory share exchanges, (iii) dispositions of all or a substantial part of corporate assets, (iv) any issuance or transfer by the Company of any securities of the Company having a fair market value equal to or greater than 10% of the aggregate fair market value of the outstanding voting stock of the Company, (v) any liquidation or dissolution of the Company, or (vi) any reclassification, (including reverse stock splits), recapitalization or merger or consolidation of the Company with any of its subsidiaries, that increases by more than 5% the percentage of any securities of the Company beneficially owned by an interested stockholder.

The exceptions to the 75% stockholder approval requirement require either that (i) the business combination be approved by a majority of the Company's "continuing directors" or (ii) the business combination satisfy certain fair-price and procedural requirements. In general, the fair-price requirements provide that in a two-step acquisition transaction, the interested stockholder must pay the stockholders of the Company in the second step either the same amount of cash or the same amount and type of consideration paid to acquire the Company's shares in the first step. A "continuing director" includes any director who (a) was a member of the Board before December 28, 1987 (the date the Company's Amended and Restated Articles of Incorporation were adopted), (b) is unaffiliated with the interested stockholder and was a director prior to the time the interested stockholder became an interested stockholder, or (c) any successor of a continuing director who is unaffiliated with the interested stockholder and is recommended to succeed a continuing director by a majority of continuing directors then on the Board.

These provisions are designed to deter certain types of takeovers of the Company. The Company's Articles require the affirmative vote of 75% of the voting shares of the Company to amend or repeal these interested stockholder provisions.

The transfer agent and registrar for the Common Stock is First Union National Bank of North Carolina.

The Virginia Stock Corporation Act contains provisions governing "Affiliated Transactions." These provisions, with several exceptions discussed below, generally require approval of certain material transactions between a Virginia corporation and any beneficial holder of more than 10% of any class of its outstanding voting shares (an "Interested Shareholder") by a majority of disinterested directors and by the holders of at least two-thirds of the remaining voting shares. Affiliated Transactions subject to this approval requirement include mergers, share exchanges, material dispositions of corporate assets not in the ordinary course of business, any dissolution of the corporation proposed by or on behalf of an Interested Shareholder, or any reclassification, including reverse stock splits, recapitalization or merger of the corporation with its subsidiaries, which increases the percentage of voting shares owned beneficially by an Interested Shareholder by more than 5%.

For three years following the time that an Interested Shareholder becomes an owner of 10% of the outstanding voting shares, a Virginia corporation cannot engage in an Affiliated Transaction with such Interested Shareholder without the approval of two-thirds of the voting shares other than those shares beneficially owned by the Interested Shareholder, and the approval of a majority of the Disinterested Directors. "Disinterested Director" means, with respect to a particular Interested Shareholder, a member of the Company's Board of Directors who was

- . a member on the date on which an Interested Shareholder became an Interested Shareholder or
- . recommended for election by, or was elected to fill a vacancy and received the affirmative vote of, a majority of the Disinterested Directors then on the Board.

After the expiration of the three-year period, the statute requires approval of Affiliated Transactions by two-thirds of the voting shares other than those beneficially owned by the Interested Shareholder.

The principal exceptions to the special voting requirements apply to transactions proposed after the three-year period has expired and require either that the transaction be approved by a majority of the Company's Disinterested Directors or that the transaction satisfy the fair-price requirements of the statute. In general, the fair-price requirement provides that in a two-step acquisition transaction, the Interested Shareholder must pay the shareholders in the second step either the same amount of cash or the same amount and type of consideration paid to acquire the Company's shares in the first step.

None of the foregoing limitations and special voting requirements applies to an Interested Shareholder whose acquisition of shares making such person an Interested Shareholder was approved by a majority of the Company's Disinterested Directors.

These provisions are designed to deter certain types of takeovers of Virginia corporations. The statute provides that, by affirmative vote of a majority of the voting shares other than shares owned by any Interested Shareholder, a corporation can adopt an amendment to its articles of incorporation or by-laws providing that the Affiliated Transactions provisions shall not apply to the corporation. The Company has not "opted out" of the Affiliated Transactions provisions.

Virginia law also generally provides that shares of a Virginia corporation acquired in a transaction that would cause the acquiring person's voting strength to meet or exceed any of three thresholds (20%, 33-1/3% or 50%) have no voting rights with respect to such shares unless granted by a majority vote of shares not owned by the acquiring person or any officer or employee-director of the corporation. This provision empowers an acquiring person to require the Virginia corporation to hold a special meeting of shareholders to consider the matter within 50 days of its request. The Board of Directors of a Virginia corporation can opt out of this provision at any time before four days after receipt of a control share acquisition notice.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Article 10 of the Virginia Stock Corporation Act (the "VSCA") allows, in general, for indemnification, in certain circumstances, by a corporation of any person threatened with or made a party to any action, suit or proceeding by reason of the fact that he or she is, or was, a director, officer, employee or agent of such corporation. Indemnification is also authorized with respect to a criminal action or proceeding where the person had no reasonable cause to believe that his or her conduct was unlawful. Article 9 of the VSCA provides limitations on damages payable by officers and directors, except in cases of willful misconduct or knowing violation of criminal law or any federal or state securities law.

Article IV of the Company's Amended and Restated Articles of Incorporation provides for mandatory indemnification of any individual who is, was or is threatened to be made a party to any proceeding (including any proceeding by or on behalf of the Company) because such individual is or was a director or officer of the Company or because such individual was serving the Company or any other legal entity in any capacity at the request of the Company while a director or officer of the Company, against all liabilities and reasonable expenses incurred in the proceeding, except such liabilities and expenses as are incurred because of such director's or officer's willful misconduct or knowing violation of the criminal law.

Article IV of the Company's Amended and Restated Articles of Incorporation also provide that in every instance permitted under the VSCA in effect from time to time, the liability of a director or officer of the Company

to the Company or its stockholders arising out of a single transaction, occurrence or course of conduct shall be limited to one dollar.

The Company maintains a standard policy of officers' and directors' liability insurance.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

For the information required by this Item, refer to the Index to Financial Statements appearing on page F-1 of the registration statement.

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS.

FINANCIAL STATEMENTS

For the information required by this Item, refer to the Index to Financial Statements appearing on page F-1 of the registration statement.

EXHIBITS

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of the Company*
3.2	Articles of Amendment to Amended and Restated Articles of Incorporation of the Company*
3.3	Amended and Restated Bylaws of the Company*
4.1	Amended and Restated Articles of Incorporation of the Company (See Exhibit 3.1)
4.2	Articles of Amendment to Amended and Restated Articles of Incorporation of the Company (See Exhibit 3.2)
4.3	Bylaws of the Company (See Exhibit 3.3)

Pursuant to Regulation S-K, Item 601(b)(4)(iii), instruments evidencing long term debt less than 10% of the Company's total assets have been omitted and will be furnished to the Securities and Exchange Commission upon request.

10.1	Lease, dated March 14, 1994, between Fred B. Caffey, as lessor, and the Company, as lessee*
10.2	Lease, dated November 1, 1994, between Southern Furniture Exposition Building, Inc. and the Company*
10.3	Form of Salary Continuation Agreement*
10.4	Form of Split Dollar Agreement*
27.1	Financial Data Schedule*

* Previously filed.

HOOKER FURNITURE CORPORATION
INDEX TO FINANCIAL STATEMENTS

Financial Statements

Report of Independent Certified Public Accountants.....	F-2
Balance Sheets as of November 30, 1998 and 1997.....	F-3
Statements of Income for the fiscal years ended November 30, 1998, 1997 and 1996.....	F-4
Statements of Cash Flows for the fiscal years ended November 30, 1998, 1997 and 1996.....	F-5
Statements of Stockholders' Equity for the fiscal years ended November 30, 1998, 1997 and 1996....	F-6
Summary of Significant Accounting Policies.....	F-7
Notes to Financial Statements.....	F-8 to F-12

Financial Statement Schedule

Schedule II-Valuation and Qualifying Accounts for the fiscal years ended November 30, 1998, 1997 and 1996.....	S-1
--	-----

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Stockholders of
Hooker Furniture Corporation
Martinsville, Virginia

We have audited the accompanying balance sheets of Hooker Furniture Corporation as of November 30, 1998 and 1997 and the related statements of income, stockholders' equity, and cash flows for each of the three years in the period ended November 30, 1998. We have also audited the schedule listed in the accompanying index. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and schedule are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and schedule. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hooker Furniture Corporation at November 30, 1998 and 1997, and the results of its operations and its cash flows for each of the three years in the period ended November 30, 1998 in conformity with generally accepted accounting principles.

Also, in our opinion, the schedule presents fairly, in all material respects, the information set forth therein.

BDO Seidman, LLP

Richmond, Virginia
December 15, 1998

November 30,	1998	1997
Assets		
Current Assets		
Cash, primarily interest-bearing deposits.....	\$ 3,624,920	\$ 826,543
Trade receivables, less allowance of \$500,000.....	23,345,761	22,976,701
Inventories (Note 1).....	35,812,460	33,474,733
Prepaid expenses and other.....	1,637,196	1,328,078
Total Current Assets.....	64,420,337	58,606,055
Property, plant and equipment, net (Note 2).....	41,500,124	34,913,861
Other Assets		
Investment in and advances to investee company (Note 7)..	2,371,409	2,303,828
Miscellaneous.....	2,941,474	2,465,925
	\$111,233,344	\$ 98,289,669
	=====	=====
Liabilities and Stockholders' Equity		
Current Liabilities		
Trade accounts payable.....	\$ 4,757,043	\$ 4,175,171
Accrued salaries, wages, and benefits.....	4,464,435	4,098,620
Other accrued expenses (Note 4).....	3,405,769	1,579,263
Current maturities of long-term debt (Note 3).....	-	1,600,000
Total Current Liabilities.....	12,627,247	11,453,054
Long-term debt, less current maturities (Note 3).....	12,061,592	8,384,620
Deferred compensation (Note 4).....	1,865,865	1,602,035
Deferred income taxes (Note 6).....	565,607	595,907
Total Liabilities.....	27,120,311	22,035,616
Commitments (Note 4)		
Common Stock - held by ESOP (Note 5).....	10,213,287	10,044,006
Stockholders' Equity		
Common stock - no par value		
Authorized 10,000,000 shares; issued		
3,835,729 shares (3,865,080 in 1997).....	2,434,983	2,453,632
Retained earnings.....	71,464,763	63,756,415
Total Stockholders' Equity.....	73,899,746	66,210,047
	\$111,233,344	\$ 98,289,669
	=====	=====

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements

Statement of Income

Hooker Furniture Corporation

Year ended November 30,	1998	1997	1996
NET SALES.....	\$205,307,641	\$175,385,497	\$161,201,507
COSTS AND EXPENSES			
Cost of goods sold.....	158,751,682	135,084,924	120,686,628
Selling expenses.....	16,626,677	13,052,392	13,075,741
Administrative expenses.....	13,016,684	11,640,329	10,084,276
	-----	-----	-----
	188,395,043	159,777,645	143,846,645
	-----	-----	-----
INCOME FROM OPERATIONS.....	16,912,598	15,607,852	17,354,862
	-----	-----	-----
OTHER INCOME AND EXPENSES			
Other income.....	607,510	599,504	577,153
Interest expense.....	(560,563)	(630,107)	(227,301)
Proportionate share of income (loss) in investee company...	67,581	(647)	(201,538)
	-----	-----	-----
	114,528	(31,250)	148,314
	-----	-----	-----
INCOME BEFORE INCOME TAXES.....	17,027,126	15,576,602	17,503,176
	-----	-----	-----
INCOME TAXES (Note 6)			
Federal.....	5,483,000	5,009,000	5,744,000
State.....	758,000	521,000	971,000
	-----	-----	-----
	6,241,000	5,530,000	6,715,000
	-----	-----	-----
NET INCOME.....	\$ 10,786,126	\$ 10,046,602	\$ 10,788,176
	=====	=====	=====
EARNINGS PER SHARE DATA			
Basic and diluted earnings per share.....	\$2.80	\$2.60	\$2.78
	=====	=====	=====
Weighted average number of shares outstanding.....	3,846,011	3,866,850	3,875,220
	=====	=====	=====

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements

Statements of Cash Flows

Hooker Furniture Corporation

Year ended November 30,	1998	1997	1996
Cash flows from operating activities			
Cash received from customers.....	\$ 205,376,331	\$ 173,397,676	\$ 160,627,239
Cash paid to suppliers and employees.....	(183,744,913)	(162,882,466)	(145,822,728)
Income taxes paid.....	(6,038,139)	(5,310,122)	(6,605,631)
Interest paid.....	(560,453)	(630,107)	(221,859)
Interest and dividends received.....	101,534	57,803	88,908
Net cash provided by operating activities.....	15,134,360	4,632,784	8,065,929
Cash flows from investing activities			
Purchase of property and equipment.....	(11,485,808)	(6,211,526)	(13,107,957)
Net cash absorbed by investing activities.....	(11,485,808)	(6,211,526)	(13,107,957)
Cash flows from financing activities			
Proceeds from long-term debt.....	6,876,972	6,756,855	18,227,765
Payments on long-term debt.....	(4,800,000)	(4,000,000)	(12,000,000)
Cash dividends paid.....	(2,152,265)	(2,010,791)	(1,705,079)
Purchase and retirement of common stock.....	(774,882)	(337,616)	(27,200)
Net cash provided (absorbed) by financing activities.....	(850,175)	408,448	4,495,486
NET INCREASE (DECREASE) IN CASH.....	2,798,377	(1,170,294)	(546,542)
CASH AT BEGINNING OF YEAR.....	826,543	1,996,837	2,543,379
CASH AT END OF YEAR.....	\$ 3,624,920	\$ 826,543	\$ 1,996,837
Reconciliation of net income to net cash provided by operating activities			
Net income.....	\$ 10,786,126	\$ 10,046,602	\$ 10,788,176
Depreciation and amortization.....	4,899,545	4,769,938	3,782,774
Increase in trade receivables.....	(369,059)	(2,536,337)	(1,062,513)
Increase in inventories.....	(2,337,728)	(7,462,195)	(6,194,981)
Increase in prepaid expenses and other assets.....	(852,249)	(660,129)	(189,767)
Increase (decrease) in trade accounts payable.....	581,872	(330,382)	854,179
Increase (decrease) in other accrued expenses.....	2,192,323	(104,613)	424,481
Increase in deferred compensation.....	263,830	303,313	89,635
Increase (decrease) in deferred income taxes.....	(30,300)	606,587	(426,055)
Net cash provided by operating activities.....	\$ 15,134,360	\$ 4,632,784	\$ 8,065,929

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements

	Common Stock		Retained
	Shares	Amount	Earnings
Balance at November 30, 1995	3,875,380	\$ 2,460,224	\$ 50,299,274
Net income			10,788,176
Cash dividends on common stock (\$0.44 per share)			(1,705,079)
Increase in fair value of shares held by ESOP			(2,489,569)
Purchase and retirement of common stock	(800)	(512)	(26,688)
Balance at November 30, 1996	3,874,580	2,459,712	56,866,114
Net income			10,046,602
Cash dividends on common stock (\$0.52 per share)			(2,010,791)
Increase in fair value of shares held by ESOP			(813,973)
Purchase and retirement of common stock	(9,500)	(6,080)	(331,537)
Balance at November 30, 1997	3,865,080	2,453,632	63,756,415
Net income			10,786,126
Cash dividends on common stock (\$0.56 per share)			(2,152,265)
Increase in fair value of shares held by ESOP			(169,281)
Purchase and retirement of common stock	(29,351)	(18,649)	(756,232)
Balance at November 30, 1998	3,835,729	\$ 2,434,983	\$ 71,464,763

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

The Corporation manufactures and imports household and office furniture for sale to wholesale and retail merchandisers located primarily throughout North America.

The Corporation operates predominantly in one business segment. Substantially all revenues result from the sale of residential furniture products. Substantially all of the Corporation's trade accounts receivable are due from retailers in this market, which consists of a large number of entities with a broad geographical dispersion.

INVENTORIES

Inventories are stated at the lower of cost, using the last-in, first-out (LIFO) method, or market.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost, less allowances for depreciation. Provision for depreciation has been computed (generally by the declining balance method) at annual rates that will amortize the cost of the depreciable assets over their estimated useful lives as follows: buildings (15 to 40 years), machinery and equipment (8 to 20 years), furniture and fixtures (5 to 10 years), and other (3 to 30 years).

INVESTMENT IN INVESTEE COMPANY

The Corporation accounts for its investment in its investee company under the equity method of accounting.

INCOME TAXES

Deferred income taxes reflect the future tax consequences of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Corporation's financial instruments' (consisting of cash, accounts receivable, accounts payable, and accrued salaries) carrying values approximate fair value because of the short-term nature of those instruments.

The fair value of the Corporation's industrial development revenue bonds and reducing revolving line of credit is estimated based on the quoted market rates for similar debt with remaining maturity. At November 30, 1998, the carrying value of the industrial revenue bonds and reducing revolving line of credit approximated fair value.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

REVENUE RECOGNITION

Sales are recognized when products are shipped to customers. Substantially all of the Corporation's trade accounts receivable are from customers in the retail furniture industry. Management periodically performs credit evaluations of its customers and generally does not require collateral. The Corporation uses credit insurance to minimize the risk on certain accounts.

LONG LIVED ASSETS

Long-lived assets, such as property and equipment, are evaluated for impairment when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable through the estimated undiscounted future cash flows from the use of those assets. When any such impairment exists, the related assets will be written down to fair value. No impairment losses have been necessary through November 30, 1998.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

EARNINGS PER SHARE

For the year ended November 30, 1998, the Corporation adopted Statement of Financial Accounting Standards No. 128 (SFAS 128), "Earnings Per Share." SFAS 128 is effective for financial statements issued after December 15, 1997. SFAS 128 provides for the calculation of basic and diluted earnings per share. Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilutive effect of securities that could share in earnings of an entity. At November 30, 1998, there were no securities which had a dilutive effect. Earnings per share has been computed based upon the weighted average number of common shares outstanding during the year (3,846,011 shares -1998, 3,866,850 shares - 1997, and 3,875,220 shares - 1996). Allocated shares in the ESOP are included in the calculation of basic and diluted earnings per share.

ADVERTISING COSTS

Advertising costs are expensed when incurred. The Corporation charged \$4,083,850, \$3,381,830 and \$2,532,511 to advertising expense during the years ended November 30, 1998, 1997 and 1996, respectively.

RECENT ACCOUNTING PRONOUNCEMENTS

Statement of Financial Accounting Standards No. 130 (SFAS 130), "Reporting Comprehensive Income", effective for periods beginning after December 15, 1997, establishes standards for reporting and display of comprehensive income, its components and accumulated balances. Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements.

Statements of Financial Accounting Standards No. 132 (SFAS 132), "Employers' Disclosures about Pensions and Other Postretirement Benefits", effective for periods beginning after December 15, 1997, revises employers' disclosures about pension and other postretirement benefit plans. It does not change the measurement or recognition of those plans.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments," ("SFAS 133"), effective for fiscal years beginning after June 15, 1999. SFAS 133 requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair market value. Under certain circumstances, a portion of the derivative's gain or loss is initially reported as a component of other comprehensive income and subsequently reclassified into income when the transaction affects earnings. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change. The Company anticipates that the adoption of SFAS 133 will not have an effect on the Company's financial position or results of operations.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - INVENTORIES

The components of inventories are summarized as follows:

	November 30	
	1998	1997
Finished furniture.....	\$29,786,567	\$26,715,151
Furniture in process.....	1,663,518	2,314,137
Materials and supplies.....	13,628,203	12,826,714
	-----	-----
	45,078,288	41,856,002
Reduction to LIFO basis.....	9,265,828	8,381,269
	-----	-----
	\$35,812,460	\$33,474,733
	=====	=====

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 - INVENTORIES (continued)

If the first-in, first-out (FIFO) method had been used in valuing all inventories, net income would have been \$11,356,666, \$10,756,602, and \$10,782,647 for the years ended November 30, 1998, 1997, and 1996, respectively.

NOTE 2 - PROPERTY, PLANT AND EQUIPMENT

Major classes of property, plant and equipment are summarized as follows:

	November 30	
	1998	1997
Buildings.....	\$ 32,621,398	\$ 29,800,626
Machinery and equipment.....	37,006,631	35,052,887
Furniture and fixtures.....	6,082,256	5,116,142
Other.....	9,198,863	4,014,362
	84,909,148	73,984,017
Accumulated depreciation.....	(44,590,267)	(39,965,352)
	40,318,881	34,018,665
Land.....	1,181,243	895,196
	\$ 41,500,124	\$ 34,913,861

NOTE 3 - LONG TERM DEBT

Long-term debt is comprised of the following:

	November 30	
	1998	1997
Industrial development revenue bonds issued in 1996, secured by a letter of credit of \$10,240,000 from NationsBank N.A., maturing annually from 2004 through 2006 with a variable interest rate (3.3% at November 30, 1998).....	\$ 7,061,592	\$6,984,620
Reducing revolving line of credit to bank, with a maximum of \$8,000,000 at November 30, 1998, variable rate (5.9% at November 30, 1998) unsecured, interest payable monthly.....	5,000,000	3,000,000
	12,061,592	9,984,620
Less current maturities.....	-	1,600,000
	\$ 12,061,592	\$8,384,620

During fiscal 1998, the Corporation entered into an interest rate swap agreement with NationsBank N.A., which effectively provides a fixed interest rate of 4.71% on the industrial development revenue bonds through 2006.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 - LONG TERM DEBT (continued)

Maturities of long-term debt during the next five years are \$2,440,000 in 2001 and \$2,560,000 in 2002.

The debt instruments contain, among other things, certain restrictions as to minimum tangible net worth, net equity ratio, current ratio, and debt coverage ratio. The Corporation was in compliance with these restrictions as of November 30, 1998.

The Corporation has available additional lines of credit of \$15 million to fund its working capital needs as necessary, all of which was unused at November 30, 1998.

NOTE 4 - EMPLOYEE BENEFIT PLANS

Deferred Compensation Agreements

The Corporation maintains several individual deferred compensation agreements for certain employees. These are unfunded agreements with all benefits paid out of the general assets of the Corporation when the employee retires. The amount of benefits to be paid is specified in each individual agreement.

The following table sets forth the financial status and amounts recognized for the deferred compensation plan:

	November 30	
	1998	1997
Projected benefit obligation, including vested benefits of \$725,000 at November 30, 1998.....	\$2,082,830	\$1,791,501
Unrecognized net loss from past experience.....	(573,626)	(386,259)
Unrecognized prior service cost.....	(72,478)	(93,138)
Unrecognized net obligation.....	(19,702)	(23,768)
Additional liability.....	529,049	403,907
Accrued liability included in balance sheet.....	\$1,946,073	\$1,692,243

Pursuant to SFAS 87, Employer's Accounting for Pensions, the Corporation recorded an additional liability in the amount of \$529,049 at November 30, 1998 (1997-\$403,907). In addition, the Corporation has an intangible asset in the amount of \$137,473 at November 30, 1998, which is being amortized on a straight-line basis over 15 years. The current obligation of \$80,208 (1997-\$90,208) has been included in other accrued expenses in the balance sheet.

The net periodic cost included the following components:

	Year Ended November 30		
	1998	1997	1996
Service cost - benefits earned during the period....	\$ 35,150	\$ 25,782	\$ 41,608
Interest cost on projected benefit obligations.....	138,762	128,630	105,151
Net amortization and deferral.....	44,984	33,873	24,726
Net periodic cost included in statements of income...	\$218,896	\$188,285	\$171,485

The weighted average discount rate and rate of compensation increase used in determining the actuarial present value of the projected benefit obligation was 7.0 percent (7.5 percent in 1997), and 5.0 percent respectively.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 4 - EMPLOYEE BENEFIT PLANS (continued)

Employee Savings Plan

The Corporation sponsors the Employee's Savings Plan (the Plan). The Plan is a qualified savings plan (a 401(k) plan) that is designed to permit employees of the Corporation to meet their savings goals and share in the Corporation's profits as a way of providing them with funds for retirement. The Plan covers substantially all employees. A participant in the Plan may contribute an amount not less than 1%, nor more than 16% of their compensation. The Corporation will contribute 50% of the amount contributed by the participant, up to 6% of their compensation, as a matching contribution. Contributions to the Plan by the Corporation amounted to \$571,000 in 1998, \$549,000 in 1997, and \$515,000 in 1996.

NOTE 5 - COMMON STOCK - HELD BY ESOP

Employee Stock Ownership Plan

The Corporation sponsors an Employee Stock Ownership Plan (ESOP) which is designed to provide retirement benefits for eligible employees by allowing them to share on a noncontributory basis in the growth of the Corporation, and allow them to accumulate a beneficial ownership interest in the common stock of the Corporation. The ESOP covers substantially all employees. Shares contributed to the ESOP are valued at fair market value as determined by an independent appraisal. Dividends paid on shares held by the ESOP are charged to retained earnings. ESOP participants may elect to receive distributions of vested account balances in cash or shares of common stock. During specified time periods, a participant can elect to have the Corporation repurchase distributed shares of common stock at their appraised market value. The estimated fair value of the shares held in the ESOP, representing the maximum potential repurchase obligation, is classified outside of stockholders' equity. At November 30, 1998, 282,135 shares were allocated to participants. Contributions to the ESOP are at the discretion of the Board of Directors and amounted to \$725,000 in 1998, \$359,000 in 1997, and \$353,000 in 1996.

NOTE 6 - INCOME TAXES

Deferred income tax assets (liabilities) are as follows:

	November 30	
	1998	1997

Assets		
Deferred compensation.....	\$ 740,000	\$ 643,000
Inventory.....	94,000	127,000
Advertising allowance.....	-	175,000
Investment in investee.....	134,000	160,000
	-----	-----
	968,000	1,105,000
	-----	-----
Liabilities		
Property.....	(1,302,000)	(1,346,000)
Allowance for bad debts.....	(162,000)	(256,000)
Other.....	(70,000)	(99,000)
	-----	-----
	(1,534,000)	(1,701,000)
	-----	-----
Net deferred tax asset (liability)..	\$ (566,000)	\$ (596,000)
	=====	=====

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 6 - INCOME TAXES (continued)

The effective tax rate on income before taxes differed from the federal statutory tax rate. The following summary reconciles taxes at the federal statutory rate with the effective rate:

	Year Ended November 30					
	1998		1997		1996	
	Amount	Percent	Amount	Percent	Amount	Percent
Income taxes at statutory rate	\$5,789,000	34.0%	\$5,296,000	34.0%	\$5,951,000	34.0%
Increase in taxes resulting from:						
State taxes, net of federal income tax benefit	426,000	2.5	390,000	2.5	600,000	3.5
Charitable contribution of land	-	-	(252,000)	(1.6)	-	-
Other	26,000	.1	96,000	.6	164,000	.9
	\$6,241,000	36.6%	\$5,530,000	35.5%	\$6,715,000	38.4%

NOTE 7 - INVESTMENT IN AND ADVANCES TO INVESTEE COMPANY

The Company owns a 50% interest in a joint venture that produces particleboard for manufacturing. During 1998, the joint venture was cited by the Environmental Protection Agency ("EPA") for a violation of certain regulations under the Clean Air Act Amendments of 1990. The joint venture members determined that the cost of modification to the plant to come into compliance, together with other needed capital improvements, would be prohibitive and the joint venture elected to cease operations in November 1998. Company management is currently in negotiation for sale of the property and anticipates that any shortfall between the remaining carrying value of the joint venture investment, including any fines levied by the EPA, and the sale of the facility and the equipment will not be significant.

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

Year	Description	Balance at Beginning of Period	Additions		Deductions (1)	Balance at End of Period
			Charged to Costs and Expenses	Charged to Other Accounts		
1998	Allowance for Doubtful Accounts	\$500	\$287	-	\$287	\$500
1997	Allowance for Doubtful Accounts	500	353	-	353	500
1996	Allowance for Doubtful Accounts	500	404	-	404	500

(1) Net bad debts

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this post-effective amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

HOOKER FURNITURE CORPORATION

Date: August 4, 1999

/s/ E. Larry Ryder

E. Larry Ryder
Senior Vice President - Finance and Administration

SP-1

EXHIBIT INDEX

Exhibit No. -----	Description -----
3.1	Amended and Restated Articles of Incorporation of the Company*
3.2	Articles of Amendment to Amended and Restated Articles of Incorporation of the Company*
3.3	Amended and Restated Bylaws of the Company*
4.1	Amended and Restated Articles of Incorporation of the Company (See Exhibit 3.1)
4.2	Articles of Amendment to Amended and Restated Articles of Incorporation of the Company (See Exhibit 3.2)
4.3	Bylaws of the Company (See Exhibit 3.3)
10.1	Lease, dated March 14, 1994, between Fred B. Caffey, as lessor, and the Company, as lessee*
10.2	Lease, dated November 1, 1994, between Southern Furniture Exposition Building, Inc. and the Company*
10.3	Form of Salary Continuation Agreement*
10.4	Form of Split Dollar Agreement*
27.1	Financial Data Schedule*

* Previously filed.