

Giving Our Best...



GBH

[1713-A]

ANNUAL REPORT
2005



(1713-A)

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...And Now Our Customers Can Too.

Cover Rationale

It's been a very good year for giving: to our customers, our partners and our shareholders. In that same spirit, we are pleased to highlight a new milestone in the GBH story: our first retail outlet for fine tableware – rather, the first GBH Crown Lynn boutique store – has opened at Bangsar Shopping Centre, the first of what we hope will be many. Which means customers can now buy GBH products directly – for themselves, or even as gifts to friends and loved ones.



Our first boutique. Making GBH products available to ever more Malaysians.



On behalf of your Company I am pleased to present the Annual Report and Financial Accounts of the Goh Ban Huat Group for Financial Year ended 31 December 2005.

REVIEW OF GROUP OPERATIONS

Financial Year 2005 represented the most challenging year on record for the operations of the Group over the course of the last 20 years or so, as domestic demand for building material products was at its lowest. Against this lackluster market demand scenario, the GBH Group suffered a decline in Group Sales of 15.4% from RM49.5 million achieved in financial year 2004 to RM41.9 million in the current year. Substantially, the entire decline in the Group's turnover was attributed to the decline in sales of vitrified clay pipes brought about by a slowdown in large land based housing activities. Other operating divisions on the Group, generally, enjoyed slight improvements or maintained their respective sales levels, but these improvements were not strong enough to offset the decline in sales of vitrified clay pipes.

The Group took measures to substantially reduce its cost structures, and in particular, Group Administration and Sales & Distribution expenses were cut by 10.25% to meet the lower gross profit generated. Overall, the Group suffered a consolidated loss before tax of RM0.611 million and with adjustments made to the Tax accounts of the Group, the Group ended the year with a Net Profit for the year of RM0.351 million.

CURRENT OPERATION DEVELOPMENTS

The Group is making efforts to enhance the competitive edge of its products and these efforts maybe stated as follows:

1 In the Sanitary Ware Division, substantial progress has been made to restructure the Group's product lines to change the previous commodity nature of the products to more value-added product lines aimed at meeting the

direct requirements of the end-user. The Group has made substantial innovations in the use of automation technology and, in particular, has introduced a complete modular Automatic Street Toilet into the market. This represents the first time in this country that such a product has been made and we are pleased to say that tangible marketing progress had been achieved as at the time of writing. In addition, the Group has entered into an arrangement with an Italian designer to further enhance the branding image of the Group's sanitary ware products.

2 In the Tableware Division, the Group continues to embark on a high-end marketing strategy. In an effort to deepen this market segment, the Group has opened up a retail shop using the brand name of "House of Crown Lynn" in the Bangsar Shopping Complex in Kuala Lumpur to showcase its very high-end tableware product lines. Initial progress is encouraging.

3 In the Vitrified Clay Pipes Division, innovations have been made to improve upon the pipe joints of the Group's clay pipes. We have done away with the previous Rubber Ring joint and had adopted the more easy-to-fit "Ezy-Joint". Generally, this has been welcomed by the market. In addition, the Group has installed new machinery to make larger diameter pipes and is now capable of manufacturing clay pipes up to 800mm in diameter to meet export market requirements.

CORPORATE MATTERS

On April 28, 2005, the Board appointed a new Director, Mr. Yap Koon to the Board. Mr. Yap is a member of the MIA and has

substantial accounting experience both domestically and abroad and now chairs the Group's Audit Committee.

On 21 November, 2005, the Group decided to revoke the Intra-Group Sale and Purchase of its landed assets where, the Company together with GBH Clay Pipes Sdn Bhd (100% owned subsidiary) had previously contracted to sell all their respective landed assets to GBH Ceramics Sdn Bhd (100% owned subsidiary).

As a result of an unintended error contained in the release of the Group's Unaudited Quarterly Report to the Bursa Malaysia for the 4th Quarter ended 31 December 2004, the Company and two of its Executive Directors suffered Public Reprimands and fines imposed by the Bursa Malaysia and the Suruhanjaya Sekuriti during the year. The Board has taken steps to ensure such errors will not be repeated in the future.

FUTURE PROSPECTS

In the face of intense competition from a globalized world, your Directors are fully aware that we must take significant steps to change the traditional product lines manufactured by the Group. In this regard, substantial progress is being made. I am pleased to observe that tangible marketing progress has been achieved in some of the new product lines innovated upon and I have no doubt that the determined efforts made by the Group's Management will result in the successful carving out of a brighter future for your Company's Operations for the immediate future.

Alex Goh Tai Seng
Chairman of the Board of Directors

04 Notice of Fifty-Ninth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifty-Ninth Annual General Meeting of the Company will be held at Ballroom A, Pan Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Wednesday, 28 June 2006 at 4.00 p.m. for the following purposes:

- 1 To receive the Audited Financial Statements for the year ended 31 December 2005 together with the Directors' and Auditors' Reports thereon.

Resolution 1

- 2 To approve the payment of Directors' fees for the year ended 31 December 2005.

Resolution 2

- 3 To re-elect the following Directors who are retiring in accordance with Article 80 of the Company's Articles of Association:

a Mr. Goh Tai He **Resolution 3**

b Tan Ah Cheun **Resolution 4**

- 4 To re-appoint Messrs Ernst & Young, the retiring Auditors, and to authorise the Board of Directors to fix their remuneration.

Resolution 5

5 SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following Ordinary Resolution:

Authority For Directors To Allot And Issue Shares

"THAT subject always to the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued capital of the Company at the time of issue and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Resolution 6

- 6 To transact any other ordinary business of the Company of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By Order of the Board

GOH BAN HUAT BERHAD

Ng Yim Kong (LS0008343)
Company Secretary
Kuala Lumpur

6 June 2006



Notes:

A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy or Proxies to attend and vote on his[her] behalf. A Proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

Where a member appoints two (2) or more Proxies, the appointment shall be invalid unless he[she] specifies the proportions of his[her] holdings to be represented by each Proxy.

The Form of Proxy shall be signed by the appointor or his[her] attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or, by its duly authorised attorney or officer.

The instrument appointing a Proxy must be deposited at the Registered Office of the Company at 238, Jalan Segambut, 51200 Kuala Lumpur, not less than 48 hours before the time set for the Meeting or any adjournment thereof.

EXPLANATORY NOTE ON SPECIAL BUSINESS

Resolution Pursuant To Authority For Directors To Allot And Issue Shares

The proposed Resolution 6 under item 5 above, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, authority to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued capital of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

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Statement Accompanying Notice of
Fifty-Ninth Annual General Meeting

1 Directors who are standing for re-election at the Fifty-Ninth Annual General Meeting of the Company.

In accordance with Article 80 of the Company's Articles of Association

- i Mr. Goh Tai He (Resolution 3)
- ii Mr. Tan Ah Cheun (Resolution 4)

2 Details of attendance of Directors at the Board of Directors' Meetings.

There were eight (8) Board of Directors' Meetings held during the financial year ended 31 December 2005 as follows:

Date of Board of Directors' Meeting

- 28 February 2005
- 7 March 2005
- 28 April 2005
- 29 April 2005
- 5 May 2005
- 31 May 2005
- 24 Aug 2005
- 28 Nov 2005

Attendance for each Director in the Board of Directors' Meetings held during the financial year ended 31 December 2005 is shown below :

Name of Directors	Attendance
Mr. Goh Tai Seng	7/8
Mr. Goh Tai He	8/8
Dato' Haji Mohd Sarit Bin Hj Yusoh	4/8
Mr. Tan Ah Cheun	8/8
Haji Mohamed Amin	
Bin Haji Mohamed	7/8
Encik W Shalihudin Bin W Ibrahim	7/8
Brig. Jen (Rtd) Dato' Mior Azam	
Bin Mior Safi	8/8
Mr. Yap Koon	6/6
(Appointed as Director w.e.f 28 April 2005)	
Dato' Haji Mohd Yusof	
Bin Haji Mohamed	Nil
(Alternate Director to Haji Mohamed Amin Bin Haji Mohamed)	

3 Place, date and time of the Fifty-Ninth Annual General Meeting.

Date of Meeting	28 June 2006
Time	4.00 p.m.
Place	Ballroom A Pan Pacific Hotel Kuala Lumpur Jalan Putra, 50746 Kuala Lumpur

4 Details of Directors standing for re-election as in Resolutions 3 and 4 of the Fifty-Ninth Annual General Meeting of the Company are as follows:

Goh Tai He

59, a Malaysian, is a Non-Independent Executive Director and is the Group Managing Director of Goh Ban Huat Berhad (GBH). He holds a Bachelor of Science (Chemistry) degree from La Trobe University, Victoria, Australia and joined GBH in 1972. Since, he was actively involved in the management of GBH and was instrumental in setting up the highly mechanised ceramic pipe plant. He was appointed Group Managing Director on 1 September 1987. He is a member of the Audit Committee. He is also a director of GBH's subsidiaries and several other private companies. He is related to Mr. Goh Tai Seng, the Chairman of GBH and related to Directors of Ceramtec Sdn Bhd, a substantial shareholder of GBH. He has no personal interest in any business arrangement involving the company. He attended eight (8) of eight (8) Board Meetings held in the financial year ended 31 December 2005. He had no convictions for any offences within the past 10 years.

Tan Ah Cheun

59, a Malaysian, is a Non-Independent Executive Director and the Group General Manager of Goh Ban Huat Berhad (GBH). He holds a Bachelor of Commerce (Honours) degree from University of Melbourne, Australia and joined GBH in 1988. He was appointed as an Executive Director of GBH on 9 December 1988. He is also a Director of all GBH's subsidiaries. He is a member of the SIRIM sponsored Technical Committee on Sanitary Ware as well as the Technical Committee on Public Toilets. Prior to joining GBH, he was engaged in the banking and finance industry for some 16 years. He does not have any family relationship with any Director and / or major shareholder of GBH, nor personal interest in any business arrangement involving the Company. He attended eight (8) of eight (8) Board Meetings held in the financial year ended 31 December 2005. He has no convictions for any offences within the past 10 years.

5 Other information on Directors who are standing for re-election:

Please refer to Directors' Profile on page 14.



World-class standards
in design, quality
and aesthetics.

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Audit Committee Report

The Audit Committee is pleased to present the Audit Committee Report for the financial year ended 31 December 2005.

COMPOSITION OF AUDIT COMMITTEE

Mr. Yap Koon
(Chairman of Audit Committee)
Independent Non-Executive Director
(Appointed as Chairman of Audit Committee w.e.f. 18 May 2006)

Haji Mohamed Amin Bin Haji Mohamed
Independent Non-Executive Director

Dato' Haji Mohd Sarit Bin Hj Yusoh
Independent Non-Executive Director

Goh Tai He
Non-Independent Executive Director

TERMS OF REFERENCE

The board hereby resolves to establish a Committee of the board to be known as the Audit Committee.

MEMBERSHIP

The Committee shall be appointed by the board from amongst the directors of the Company and shall consist of not less than 3 members of which the majority shall not be executive directors of the Company or of a related company. A quorum shall be 2 members.

The Chairman of the Committee shall be appointed by the Board.

ATTENDANCE AT MEETINGS

The finance directors, the head of internal audit, and a representative of the external auditors shall normally attend meetings. However at least once a year the Committee shall meet with the external auditors without any executive board member present.

The company secretary shall be the secretary of the Committee.

Frequency of Meetings shall be held not less than three times a year. The external auditors may request a meeting if they consider that one is necessary.

AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

DUTIES

The duties of the Committee shall be:

- To consider the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal
- To discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved

- To review the quarterly and annual financial statements before submission to the board, focusing particularly on:
 - any changes in accounting policies and practices
 - major judgmental areas
 - significant adjustments resulting from the audit
 - compliance with accounting standards
 - compliance with stock exchange and legal requirements
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary)
- To review the internal audit programme, consider the major findings of internal audit investigations and management's response, and ensure co-ordination between the internal and external auditors
- To keep under review the effectiveness of internal control systems, and in particular review the external auditor's management letter and management's response
- To consider other topics, as defined

REPORTING PROCEDURES

The secretary shall circulate the minutes of meetings of the Committee to all members of the board.

MEETINGS AND ATTENDANCE IN FINANCIAL YEAR 2005

During the financial year ended 31 December 2005, the committee held a total of eight (8) meetings, respectively on 28 February 2005, 7 March 2005, 28 April 2005, 29 April 2005, 5 May 2005, 31 May 2005, 24 August 2005, and 28 November 2005.

Name	Attendance	%
Yap Koon	6/6	100
Dato' Haji Mohd Sarit Bin Haji Yusoh	4/8	50
Haji Mohamed Amin Bin Haji Mohamed	7/8	88
Goh Tai He	8/8	100

ACTIVITIES OF THE COMMITTEE DURING THE YEAR

The principal activities of the Audit Committee, in line with the terms of reference of the committee, for the financial year are as follows:

- review the quarterly and year end financial statements
- review reports of the external auditors
- review the audit scope and plan of the external auditors

- The Securities Commission ("SC") via its letter dated 16 August 2000 had approved an Employees' Share Option Scheme ("ESOS") for a maximum number of 6,191,000 shares of par value RM1 each in the Company. The Terms and Conditions, including the By-laws for the ESOS were approved by the shareholders of the Company at the Extraordinary General Meeting held on 19 October 2000. All terms and conditions pursuant to the SC's approval were met on 15 December 2000.

- The ESOS had expired on 15 December 2005 and non of the allocated ESOS were exercised.

The above meetings are attended by the Company Secretary and the Executive Directors and the committee have been provided with information and explanation to discharge their duties as detailed in the above terms of reference.

AUDIT AND CONTROL FUNCTIONS

An Internal Audit Department which is independent of the activities or operations of its auditees was set up on 1 November 2005 to support the Audit Committee in the discharge of its duties. The main role of the Internal Audit Function is to review the effectiveness of the systems of internal controls within the Group and to recommend any necessary improvements.

The Internal Audit Department has carried out a review of the following areas for the financial year since its set up:

- 1 Review of the completeness and effective functioning of the overall internal controls within the Human Resource and Administrative Division of the Group
- 2 Review the compliance of the current practice to the recruitment process of the group operation procedures

The committee welcomes the Malaysian Code on Corporate Governance and the recommended "Best Practice in Corporate Governance", which was adopted by the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements. It raise the need to review this function to strengthen the structure and framework of the existing internal controls, to serve the needs of the Group and to comply with the Bursa Malaysia Listing Requirements.

BOARD OF DIRECTORS

Mr. Goh Tai Seng
Chairman and Executive Director

Mr. Goh Tai He
Managing Director

Mr. Tan Ah Cheun
Executive Director

Dato' Haji Mohd Sarit Bin Hj Yusoh
Independent & Non-Executive Director

Haji Mohamed Amin Bin Haji Mohamed
Independent & Non-Executive Director

Encik W Shalihudin Bin W Ibrahim
Non-Independent & Non-Executive Director

Brig Jen (Rtd) Dato' Mior Azam Bin Mior Safi
Non-Independent & Non-Executive Director

Mr. Yap Koon
Independent & Non-Executive Director

Dato' Haji Mohd Yusof Bin Haji Mohamed
Alternate Director

AUDIT COMMITTEE

Chairman
Mr. Yap Koon

Members
Mr. Goh Tai He
Haji Mohamed Amin Bin Haji Mohamed
Dato' Haji Mohd Sarit Bin Hj Yusoh

SECRETARY

Ng Yim Kong (LS 0008343)

REGISTERED OFFICE AND BUSINESS ADDRESS

238, Jalan Segambut
51200 Kuala Lumpur
T 603 6258 1055
F 603 6256 2816
E enquiry@gbhgroup.com.my
W www.gbhgroup.com.my

AUDITORS

Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara,
50490 Kuala Lumpur

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur

Malayan Banking Berhad
2nd Floor
Sentul Raya Trade Finance Centre
No 12-14, Jalan 14/48A
50100 Kuala Lumpur

OCBC Bank (Malaysia) Berhad
Wisma Lee Rubber
Jalan Melaka
50100 Kuala Lumpur

SHARE REGISTRARS

Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
T 03-2721 2222
F 03-2721 2530 / 03-2721 2531

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Board



New Lady Loo Female Urinal



Automatic Street Toilet (AST)

12 Board of Directors



From left to right

Mr. Goh Tai He

Mr. Goh Tai Seng

Haji Mohamed Amin Bin Haji Mohamed

Mr. Tan Ah Cheun

Managing Director

Chairman

Independent & Non-Executive Director

Executive Director



From left to right

Dato' Haji Mohd Sarit Bin Hj Yusoh

Mr. Yap Koon

Brig Jen (Rtd) Dato' Mior Azam Bin Mior Safi

Dato' Haji Mohd Yusof Bin Haji Mohamed

Encik W Shalihudin Bin W Ibrahim

Independent & Non-Executive Director

Independent & Non-Executive Director

Non-Independent & Non-Executive Director

Alternate Director

Non-Independent & Non-Executive Director

14 Directors' Information

Mr Goh Tai He

59, a Malaysian, is a Non-Independent Executive Director and is the Group Managing Director of Goh Ban Huat Berhad (GBH). He holds a Bachelor of Science (Chemistry) degree from La Trobe University, Victoria, Australia and joined GBH in 1972. Since, he was actively involved in the management of GBH and was instrumental in setting up the highly mechanised ceramic pipe plant. He was appointed Group Managing Director on 1 September 1987. He is a member of the Audit Committee. He is also a director of GBH's subsidiaries and several other private companies. He is related to Mr. Goh Tai Seng, the Chairman of GBH and related to Directors of Ceramtec Sdn Bhd, a substantial shareholder of GBH. He has no personal interest in any business arrangement involving the company. He attended eight (8) of eight (8) Board Meetings held in the financial year ended 31 December 2005. He had no convictions for any offences within the past 10 years.

Goh Tai Seng

62, a Malaysian, is a Non-Independent Executive Director and is the Chairman of Goh Ban Huat Berhad (GBH). He joined GBH in 1968 and have gained over 33 years of all round experience in ceramic manufacturing and management of GBH's affairs. He was appointed Chairman of GBH on 1 September 1987. He is also a director of GBH's subsidiaries and several other private companies including Ceramtec Sdn Bhd, a substantial shareholder of GBH. He is related to Mr. Goh Tai He, the Group Managing Director. He has no personal interest in any business arrangement involving the company, except, that he is

deemed to derive to a benefit from supply of raw materials to subsidiary companies in GBH. He attended seven (7) of eight (8) Board Meetings held in the financial year ended 31 December 2005. He had no convictions for any offences within the past 10 years.

Haji Mohamed Amin Bin Haji Mohamed

67, a Malaysian, is an Independent Non-Executive Director. He has more than 28 years of working experience with a leading finance and public share issuing house in Malaysia. He was appointed Director on 9 December 1988. He is also a director of two subsidiaries of GBH. He is related to Dato' Haji Mohd Yusof Bin Haji Mohamed (Alternate Director), notwithstanding that, he does not have any family relationship with any other Director and/or major shareholder of GBH, nor personal interest in any business arrangement involving the company. He attended seven (7) of eight (8) Board Meetings held in the financial year ended 31 December 2005. He had no convictions for any offences within the past 10 years.

Mr Tan Ah Cheun

59, a Malaysian, is a Non-Independent Executive Director and the Group General Manager of Goh Ban Huat Berhad (GBH). He holds a Bachelor of Commerce (Honours) degree from University of Melbourne, Australia and joined GBH in 1988. He was appointed as an Executive Director of GBH on 9 December 1988. He is also a Director of all GBH's subsidiaries. He is a member of the SIRIM sponsored Technical Committee on Sanitary Ware as well as the Technical Committee on Public

Toilets. Prior to joining GBH, he was engaged in the banking and finance industry for some 16 years. He does not have any family relationship with any Director and / or major shareholder of GBH, nor personal interest in any business arrangement involving the Company. He attended eight (8) of eight (8) Board Meetings held in the financial year ended 31 December 2005. He has no convictions for any offences within the past 10 years.

Dato' Haji Mohd Sarit Bin Hj Yusoh

55, a Malaysian, is an Independent Non-Executive Director. He graduated from University of Malaya in 1975, with a Bachelor of Economics (Honours) degree and completed his Masters of Arts (Economics) from University of Philippines in 1977. He was with Petroliam Nasional Berhad (Petronas) from 1977 to 1981 and joined Perbadanan Nasional Berhad (Pernas) in 1981. He was appointed Director on 28 February 1994. In addition he is also a Director of other public companies, namely, Kurnia Setia Berhad, Khee San Berhad and Kwantas Corporation Berhad and several other private companies. He does not have any family relationship with any Director and/or major shareholder of GBH, nor personal interest in any business arrangement involving the company. He attended four (4) of eight (8) Board Meetings held in the financial year ended 31 December 2005. He had no convictions for any offences within the past 10 years.

Mr. Yap Koon

54, a Malaysian, is an Independent Non-Executive Director. He was invited to join the Board on 28 April, 2005 and was also appointed to be a member of the Audit Committee. On 18 May 2006, he was appointed as Chairman of the Audit Committee. He is a Certified Public Accountant and is a member of the Malaysian Institute of Accountants since January 29, 1988. He started his working experience in 1975 and since then has worked for two substantial Malaysian conglomerates, firstly involved in the automobile assembly and distribution industry, and secondly, involved in the diversified activities of a conglomerate. He was employed as Financial Control Manager in the first job and as Chief Accountant in the second job where he was later promoted as General Manager – Finance. In the second job he was redesignated to be General Manager – Operations in the employer's China operations. Currently, he works as a freelance Financial Consultant. He does not have any family relationship with any Director and / or major shareholder of GBH, nor any personal interest in any business arrangement involving the Company. He had no convictions for any offences within the last 10 years.

Brig Jen (Rtd) Dato' Mior Azam Bin Mior Safi

61, a Malaysian, is a Non-Independent Non-Executive Director. He holds a Diploma in Management Science and held the position of Director of Defence Logistics Planning with Malaysian Armed Forces Headquarters, with a rank of Colonel, from 1996 to 1999. He retired in 2000, with the

rank of Brig. Gen. as Assistant Chief of Staff, Defence Logistics at Malaysian Armed Forces Headquarters. He was appointed Director on 24 September 2001. He is also a director of Metal Reclamation Bhd as well as several other private companies. He does not have any family relationship with any Director and/or major shareholder of GBH, nor personal interest in any business arrangement involving the company. He attended eight (8) of eight (8) Board Meetings held in the financial year ended 31 December 2005. He had no convictions for any offences within the past 10 years.

Dato' Haji Mohd Yusof Bin Haji Mohamed

(Alternate Director to Haji Mohamed Amin Bin Haji Mohamed) 64, a Malaysian, is an Independent Non Executive Director. He graduated from University of Malaya in 1966, with a Bachelor of Arts (Economics and Islamic Studies) and completed his Masters of Science (Economics) from University of Kentucky in 1978. He was in Government service, holding various positions from 1966 until his retirement in 1977. Thereafter, he held the post of Controller of the Selangor Royal Household on contractual basis till 1999. He was appointed Director on 24 November 1999. He is also a director in several other private companies. He is related to Haji Mohamed Amin Bin Haji Mohamed, notwithstanding that, he does not have any family relationship with any other Director and/or major shareholder of GBH, nor personal interest in any business arrangement involving the company. He attended none (0) of eight (8) Board Meetings held in the financial year ended 31 December 2005. He had no convictions for any offences within the past 10 years.

Encik W Shalihudin Bin W Ibrahim

44, a Malaysian, is a Non-Independent Non-Executive Director. He has fifteen (15) years experience in automotive industries. He was involved in National Economic Action Committee (NEAC) forum in 1998 and his proposal on "Revitalisation of Automotive Industry" was accepted and implemented into policies by the Government. He was appointed Director on 28 November 2000. He is also a director in several other private companies. He is a substantial shareholder of the company, holding 4,161,800 shares or 6.72% of the existing paid up capital of the company. Notwithstanding, he does not have any family relationship with any Director of GBH, nor personal interest in any business arrangement involving the company. He attended seven (7) of eight (8) Board Meetings held in the financial year ended 31 December 2005. He had no convictions for any offences within the past 10 years.

16 Statement on Corporate Governance

The Malaysian Code on Corporate Governance ("the Code"), issued by the Finance Committee on Corporate Governance in March 2000, sets out the principles and best practices for public listed companies for adoption to ensure that the fundamental discharge of the Board of Directors' responsibilities in protecting and enhancing shareholders' and stakeholders' interest and the financial performance of the companies. It is also mandatory under the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements for companies to include a Statement on Corporate Governance in its Annual Report.

The Board of Directors of Goh Ban Huat Berhad is committed in ensuring these standards are practiced throughout the Group in its discharge of responsibilities and ensuring compliance with the Bursa Malaysia Listing Requirements.

BOARD OF DIRECTORS

The Board has eight (8) members plus one (1) alternate director representing a diverse range of experience and industry comprising of a Executive Chairman, two (2) Executive Directors, five (5) Non Executive Directors and an Alternate Director. The profiles of Directors are set out in Directors' Information, pages 14 and 15 in this Annual Report.

A total of eight (8) Board Meetings were held during the financial year ended 31 December 2005, details of which are as follows:

Date of Meeting	Place
28 February 2005	Kuala Lumpur
7 March 2005	Kuala Lumpur
28 April 2005	Kuala Lumpur
29 April 2005	Kuala Lumpur
5 May 2005	Kuala Lumpur
31 May 2005	Kuala Lumpur
24 August 2005	Kuala Lumpur
28 November 2005	Kuala Lumpur

The attendance of the Board of Directors in these meetings is tabulated in the Statement Accompanying Notice of Annual General Meeting in page 6.

SUPPLY OF INFORMATION

Board meetings are structured around a preset agenda; all members are supplied with a set of board papers. The Board is briefed by the Executive Directors on the activities and performance of the group, facilitating informed decision making.

The Board also has access to the advice and services of the Company Secretary, and, where necessary, external consultants such as merchant bankers, valuers and financial advisers are engaged to advise the Board.

All Directors have attended and completed the Mandatory Accreditation Programme (MAP) conducted by Research Institute of Investment Analysis Malaysia (RIIAM), an approved institute to conduct such training.

During the course of the 2005 financial year, all the Directors had further attended the Continuing Education Programme ("CEP") conducted by an external consultant.

APPOINTMENTS TO THE BOARD

The Board of Directors deliberates new appointments to the Board, ensuring the mix of qualifications and industry experience will enhance the effectiveness of the Board in formulating policies and decision-making.

RE-ELECTION

The company's Articles of Association ("Articles") provides for re-election of new appointed Directors by the shareholders at the first Annual General Meeting after their appointments.

In accordance to the Articles, one-third of the existing Directors is required to retire by rotation at each Annual General Meeting and all Directors should retire from office at least once in three years but shall be eligible for re-election.

The Directors standing for re-election are shown in the Notice of Annual General Meeting page 4 (Ordinary Resolutions 3 and 4).

DIRECTOR'S REMUNERATION

In accordance to the recommendation by the Malaysian Code on Corporate Governance, a Nomination Committee and Remuneration Committee were set up on 28 November 2005.

Nomination Committee

The Nomination Committee comprises the following members:

- 1 Encik W Shalihudin Bin W Ibrahim (Chairman)
- 2 Mr Goh Tai Seng
- 3 Mr Yap Koon

The Nomination Committee shall be responsible for the followings:

- 1 To determine the criteria for Board Membership, including qualities, experience, skills, education and other factors that will contribute to the Board
- 2 To review and recommend to the Board the structure and composition of the Board and Committees to function effectively and efficiently
- 3 To consider, evaluate and propose to the Board any new appointments, whether executive or non-executive positions and the level of commitments and contributions to the existing Board

4 To recommend to the Board whether Directors who are retiring by rotation should be put forward for re-election and the termination of directors in accordance with policies and other appropriate reasons.

5 To review and consider any other matters as referred by the Board

Remuneration Committee

The Remuneration Committee comprises the following members:

- 1 Brig Jen (Rtd) Dato' Mior Azam Bin Mior Safi (Chairman)
- 2 Encik W Shalihudin Bin W Ibrahim
- 3 Goh Tai He
- 4 Haji Mohamed Amin Bin Haji Mohamed

The duties of the Remuneration Committee includes reviewing and recommending to the Board the framework for the remuneration of the executive directors. It shall remain the Board responsibility to adopt and approve the recommendations proposed by the Remuneration Committee.

The Board will decide on the remuneration of the non-executive directors with the respective director abstaining from decision on their own remuneration.

The company pays its Non-Executive Directors annual fees approved annually by the shareholders of the company at its Annual General Meeting.

The total remuneration, paid or payable, by the company during the financial year is as follows:

a Aggregate remuneration of Directors of the Company, categorised into components.

In RM'000	Fees	Salaries	Bonus	Other	Total
				Emoluments	
Executive Directors	-	579	48	49	676
Non Executive Directors	19	-	-	-	19

b Number of Directors of the Company whose remuneration falls in each successive bands of RM50,000.

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM200,001 to RM250,000	3	-
RM150,001 to RM200,000	-	-
Below RM50,000	-	6

SHAREHOLDERS

The Board of Directors endeavours full Board of Directors attendance at all Annual General Meetings with the presence of Auditors. Open communication between members of the Board and Ordinary shareholders is provided for during Annual General Meetings.

In addition, the Company makes various announcements, through the Bursa Malaysia and the timely release of quarterly results, two months from the close of a particular quarter. These are available at the Bursa Malaysia website accessible to members of the public.

FINANCIAL REPORTING

The Audit Committee reviews information to be disclosed to ensure its accuracy and adequacy and recommend to the Board, which takes the responsibility for presenting a reasonable review of the Group's operations and prospects each time it releases its quarterly and annual financial statements to the shareholders.

INTERNAL CONTROLS

The Directors recognises the need to constantly review the effectiveness of the internal controls that are in place in order to safeguard the Group's assets and the shareholders' interest in the company. This system, by its nature, can only provide reasonable but not absolute assurance against misstatement, fraud or loss.

The Board is in the view that the current system provides reasonable assurance and is sufficient to safeguard the Group's interest.

The Board and management are currently undertaking a formal approach towards risk assessment and are working in complying with the guidance as provided by the Code.

RELATIONSHIP WITH THE AUDITORS

The role of the Audit Committee in relation to the external auditors is enumerated in pages 8 and 9.

COMPLIANCE WITH THE CODE

The Board of Directors has in all material aspect complied with the Principles and Best Practices of Corporate Governance.

SANCTIONS AND / OR PENALTIES

In the course of the year in 2005, the Company was found to be in breach of Paragraph 9.16(1)(a) of the Bursa Malaysia Listing Requirements in respect of its announcement pursuant to the release of its unaudited fourth quarter of 2004 results on 28 February 2005 and suffered a Public Reprimand together with a fine of RM100,000 imposed by the Bursa Malaysia on 19 April 2005.

Further, the Company was also found to be in breach of sub-regulation 4(1) of the Securities Industry (Compliance with approved Accounting Standards) Regulations 1999 by the Suruhanjaya Sekuriti on 17 May 2005 pursuant to the release of its unaudited fourth quarter of 2004 results on 28 February 2005 and as a result suffered a Public Reprimand and two of the Executive Directors of the Company were fined for an amount of RM50,000 each.

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Statement on Director’s Responsibilities



The Directors are required by the Companies Act, 1965 (“the Act”) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the Group at the end of the financial year and the profit or loss of the company and the Group for the financial year. As required by the Act and the Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in

accordance with the applicable approved accounting standards in Malaysia and the provisions of the Act.

The Directors consider that in preparing the financial statements for the year ended 31 December 2005 set out on pages 22 to 55, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates. The Directors have responsibility

for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the company and the Group which enable them to ensure that the financial statements comply with the Act. The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



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22 Directors' Report

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The principal activity of the Company is rental of properties and investment holding.

The principal activities of the subsidiaries are manufacturing and sale of ceramic wares, ceramic formers, pipes and general trading.

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

RESULTS

In RM	GROUP	COMPANY
Profit/(Loss) for the year	350,918	(128,907,341)

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature to the financial statements, except for the reversal of an intercompany transaction referred to in Notes 5 and 11.

DIVIDEND

The directors do not recommend the payment of a dividend in respect of the financial year under review.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

- Goh Tai Seng
- Goh Tai Hee @ Goh Tai He
- Tan Ah Cheun
- Haji Mohamed Amin Bin Haji Mohamed
- Dato' Haji Mohd Sarit Bin Haji Yusoh
- W Shalihudin Bin W Ibrahim
- Brig Jen (Rtd) Dato' Mior Azam Bin Mior Safi
- Dato Haji Mohd Yusof Bin Haji Mohamed
- (Alternate Director to Haji Mohamed Amin Bin Haji Mohamed)
- Yap Koon (appointed on 28 April 2005)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Options Scheme ("ESOS").

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 7 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 26 to the financial statements.

DIRECTORS' INTERESTS

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

The Company	Number of Ordinary Shares of RM1 Each			31 December 2005
	1 January 2005	Acquired	Sold	
Direct Interest				
Goh Tai Seng	315,322	–	–	315,322
Goh Tai Hee @ Goh Tai He	280,896	–	–	280,896
Tan Ah Cheun	1,176,125	–	–	1,176,125
Haji Mohamed Amin Bin Haji Mohamed	7,000	–	–	7,000
W Shalihudin Bin W Ibrahim	4,597,000	–	–	4,597,000
Deemed Interest				
Goh Tai Seng	21,293,068	–	–	21,293,068
Goh Tai Hee @ Goh Tai He	21,293,068	–	–	21,293,068

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

Pursuant to the Scheme, which commenced on 15 December 2000, options to subscribe for 6,191,000 ordinary shares of RM1.00 each in the Company were granted to eligible executive employees and full-time Executive Directors of the Group.

The ESOS had expired on 15 December 2005 and none of the allocated ESOS options were exercised.

OTHER STATUTORY INFORMATION

- a Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
 - i to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts;
 - ii to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- b At the date of this report, the directors are not aware of any circumstances which would render:
 - i the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - ii the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- c At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

24 Directors' Report

OTHER STATUTORY INFORMATION (CONTD.)

- d At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- e As at the date of this report, there does not exist:
- i any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - ii any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- f In the opinion of the directors:
- i no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - ii no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

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

GOH TAI HEE @ GOH TAI HE
Kuala Lumpur, Malaysia

TAN AH CHEUN

28 April 2006

Statement by Directors

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

25

We, GOH TAI HEE & GOH TAI HE and TAN AH CHEUN, being two of the directors of GOH BAN HUAT BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 10 to 49 are drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2005 and of the results and the cash flows of the Group and of the Company for the year then ended.

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

GOH TAI HEE & GOH TAI HE

Kuala Lumpur, Malaysia

TAN AH CHEUN

28 April 2006

Statutory Declaration

Pursuant to Section 169(16) of The Companies Act, 1965

I, STEVEN KOH, being the Officer primarily responsible for the financial management of GOH BAN HUAT BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 49 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed **STEVEN KOH** at

Kuala Lumpur in the Federal Territory on 28 April 2006

STEVEN KOH

Before me,

We have audited the accompanying financial statements set out on pages 27 to 55. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

In our opinion:

- a the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - i the financial position of the Group and of the Company as at 31 December 2005 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - ii the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- b the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 13 in the financial statement, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

ERNST & YOUNG

AF : 0039

Chartered Accountants

Kuala Lumpur, Malaysia

28 April 2006

YEO ENG SENG

No. 1212/12/06 (J)

Partner

Income Statements

for the year ended 31 December 2005

27

In RM	Note	GROUP		COMPANY	
		2005	2004	2005	2004
Revenue	3	41,947,843	49,480,309	2,926,254	2,525,310
Cost of sales	4	(28,604,192)	(36,186,511)	–	–
Gross profit		13,343,651	13,293,798	2,926,254	2,525,310
Other operating income		2,720,537	329,463	(124,314,582)	136,087,699
Distribution expenses		(3,654,316)	(4,180,969)	–	–
Administrative expenses		(6,128,749)	(6,719,426)	(1,696,660)	(1,313,849)
Other operating expenses		(1,826,832)	(25,922,275)	(531,640)	(1,161,906)
Profit/(Loss) from operations	5	4,454,291	(23,199,409)	(123,616,628)	136,137,254
Finance costs, net	8	(5,065,393)	(5,732,386)	(5,065,393)	(5,710,043)
(Loss)/Profit before taxation		(611,102)	(28,931,795)	(128,682,021)	130,427,211
Taxation	9	962,020	(857,230)	(225,320)	(463,271)
Profit/(Loss) for the year		350,918	(29,789,025)	(128,907,341)	129,963,940
Profit/(Loss) per share (sen):					
Basic	10	0.57	(48)		

28 Balance Sheets

as at 31 December 2005

		GROUP		COMPANY	
In RM	Note	2005	2004	2005	2004
NON-CURRENT ASSETS					
Property, plant and equipment	11	238,367,129	241,759,281	163,025,931	4,645,155
Investments	12	1,991,408	2,068,328	1,205,213	1,205,213
Interest in subsidiaries	13	–	–	126,433,006	289,115,205
Goodwill on consolidation		305,620	305,620	–	–
Expenditure carried forward	14	–	20,999	–	–
		240,664,157	244,154,228	290,664,150	294,965,573
CURRENT ASSETS					
Inventories	15	20,033,029	20,174,868	–	–
Trade receivables	16	11,589,323	15,444,631	72,565	99,732
Other receivables	17	914,033	1,919,424	348,739	707,238
Cash and bank balances	18	84,502	986,265	39,916	6,423
		32,620,887	38,525,188	461,220	813,393
CURRENT LIABILITIES					
Short term borrowings	19	41,653,763	51,017,653	41,653,763	51,017,653
Trade payables	20	15,460,688	18,679,295	77,767	330,924
Other payables	21	10,133,607	7,807,353	2,833,112	1,810,586
Tax payable		3,413,546	3,315,100	1,837,388	1,834,875
		70,661,604	80,819,401	46,402,030	54,994,038
NET CURRENT LIABILITIES					
		(38,040,717)	(42,294,213)	(45,940,810)	(54,180,645)
		202,623,440	201,860,015	244,723,340	240,784,928
FINANCED BY:					
Share capital	23	61,919,011	61,919,011	61,919,011	61,919,011
Reserves		108,184,533	115,171,204	151,263,200	156,482,617
Shareholders' equity		170,103,544	177,090,215	213,182,211	218,401,628
Long term borrowings	19	23,404,667	20,932,749	23,404,667	20,932,749
Deferred taxation	24	9,115,229	3,837,051	8,136,462	1,450,551
		202,623,440	201,860,015	244,723,340	240,784,928

Consolidated Statement of Changes In Equity

for the year ended 31 December 2005

29

In RM	Note	Share Capital	Share Premium	Revaluation Reserves	Capital Reserves	Accumulated Losses	Total
At 1 January 2004		61,919,011	16,966,462	195,931	1,118,356	(12,904,655)	67,295,105
Revaluation surplus		–	–	139,584,135	–	–	139,584,135
Net loss for the year		–	–	–	–	(29,789,025)	(29,789,025)
At 31 December 2004		61,919,011	16,966,462	139,780,066	1,118,356	(42,693,680)	177,090,215
At 1 January 2005		61,919,011	16,966,462	139,780,066	1,118,356	(42,693,680)	177,090,215
Revaluation adjustment (for deferred tax)		–	–	(7,337,589)	–	–	(7,337,589)
Net profit for the year		–	–	–	–	350,918	350,918
At 31 December 2005		61,919,011	16,966,462	132,442,477	1,118,356	(42,342,762)	170,103,544

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Company Statement of Changes In Equity

for the year ended 31 December 2005

In RM	Note	Share Capital	Share Premium	Revaluation Reserves	Capital Reserves	Retained Profit (Notes 5)	Total
At 1 January 2004		61,919,011	16,966,462	195,931	2,257,088	7,099,196	88,437,688
Net profit for the year		–	–	–	–	129,963,940	129,963,940
At 31 December 2004		61,919,011	16,966,462	195,931	2,257,088	137,063,136	218,401,628
At 1 January 2005		61,919,011	16,966,462	195,931	2,257,088	137,063,136	218,401,628
Net revaluation surplus after deferred tax		–	–	123,687,924	–	–	123,687,924
Net loss for the year		–	–	–	–	(128,907,341)	(128,907,341)
At 31 December 2005		61,919,011	16,966,462	123,883,855	2,257,088	8,155,795	213,182,211

Cash Flow Statements

for the year ended 31 December 2005

31

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Cash Flows From Operating Activities				
(Loss)/profit before taxation	(611,102)	(28,931,795)	(128,682,021)	130,427,211
Adjustment for:				
Amortisation of expenditure carried forward	20,999	20,000	–	–
Bad debts written off	814,302	234,353	230,298	–
Depreciation and impairment	4,729,637	8,785,834	532,224	662,468
Interest expense	5,065,393	5,732,386	5,065,393	5,710,043
Net provision for doubtful debts	(1,362,615)	3,784,137	173,948	691,102
Provision for slow moving stocks	–	693,577	–	–
Inventory write downs/offs	–	15,918,912	–	–
Impairment of investments	76,920	–	–	–
Property, plant & equipment written off	145,490	–	–	–
Gain on disposal of property, plant and equipment	(12,486)	(123,491)	–	(130,575,062)
Reversal of gain on disposal of property, plant and equipment	–	–	130,575,062	
Operating profit before working capital changes	8,866,538	6,113,913	7,894,904	6,915,762
Inventories	141,839	1,778,734	–	–
Receivables	5,224,887	1,024,840	(83,828)	637,335
Payables	(892,353)	3,567,293	769,369	15,203
Cash generated from operating activities	13,340,911	12,484,780	8,580,445	7,568,300
Income tax paid	(814,820)	(96,250)	(358,786)	(20,000)
Interest paid	(5,065,393)	(5,732,386)	(5,065,393)	(5,710,043)
Net cash generated from operating activities	7,460,698	6,656,144	3,156,266	1,838,257

Cash Flow Statements

for the year ended 31 December 2005 (contd)

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Cash Flows From Investing Activities (contd)				
Proceeds from disposal of property, plant and equipment	15,900	123,500	–	158,913,000
Net change in intercompany balances	–	–	32,107,137	(157,739,685)
Purchase of property, plant and equipment	(1,486,389)	(3,220,390)	(28,337,938)	–
Net cash (used in)/generated from investing activities	(1,470,489)	(3,096,890)	3,769,199	1,173,315
Cash Flows From Financing Activities				
Repayment of revolving credits	(373,728)	(2,415,992)	(373,728)	(2,415,992)
Drawdown/repayment of term loans	3,822,032	(2,683,510)	3,822,032	(2,683,510)
Repayment of trade line	(265,555)	–	(265,555)	–
Drawdown of banker's acceptance	36,282	1,602,943	36,282	1,602,943
Repayment of hire purchase	(26,340)	(21,660)	(26,340)	(21,660)
Net cash generated from/(used in) financing activities	3,192,691	(3,518,219)	3,192,691	(3,518,219)
Net increase/(decrease) in cash and cash equivalents	9,182,900	41,035	10,118,156	(506,647)
Cash and cash equivalents at beginning of year	(35,265,073)	(35,306,108)	(36,244,915)	(35,738,268)
Cash and cash equivalents at end of year (Note 18)	(26,082,173)	(35,265,073)	(26,126,759)	(36,244,915)

1 CORPORATE INFORMATION

The principal activity of the Company is rental of properties. The principal activities of the subsidiaries are manufacturing and sale of ceramic wares, ceramic formers, pipes and general trading. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 238, Jalan Segambut, 51200 Kuala Lumpur.

The numbers of employees in the Group and in the Company at the end of the financial year were 442 (2004: 447) and Nil (2004: Nil) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 April 2006.

2 SIGNIFICANT ACCOUNTING POLICIES

a Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless stated otherwise in the significant accounting policies below. The financial statements comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia.

b Basis of Consolidation

i Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

Intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences.

c Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill is stated at cost. The policy on the recognition and measurement of impairment losses is in accordance with Note 2(m). Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet. Goodwill is not amortised unless in the opinion of the directors that there is no continuing value, in which case the goodwill is written off to the consolidated income statement to the extent of the diminution in value.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTD)

d Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m).

Freehold and leasehold land is stated at valuation less impairment losses. Revaluations are made at least once in every five years based on a valuation by an independent valuer on an open market value basis. Any revaluation increase is credited to equity as a revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is recognised in the income statement to the extent of the decrease previously recognised. A revaluation decrease is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised as an expense. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

Freehold land and capital work-in-progress are not depreciated. Leasehold land is depreciated over the remaining periods of the respective leases which range from 29 years to 73 years. Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Freehold buildings	2% – 5%
Plant and machinery	5% – 10%
Factory equipment and fittings	10%
Furniture, fittings and equipment	10% – 20%
Motor vehicles	10% – 20%

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

e Investments in Subsidiaries

The Company's investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

f Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by using the standard costing method.

Cost is determined using the first in, first out method. The cost of raw material and work-in-progress is determined on specific identification per unit and includes the cost of materials and incidentals in bringing the raw material into store.

The costs of finished products include direct cost materials, direct labour, fixed and variable factory overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTD)**g Foreign Currencies****i Foreign currency transactions**

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement.

ii Foreign entities

Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are recognised in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Company and translated at the exchange rate ruling at the date of the transaction.

The principal exchange rates used for each respective unit of foreign currency ruling at the balance sheet date are as follows:

In RM	2005	2004
Japanese Yen	0.03	–
Australian Dollar	2.96	2.96
Great Britain Pound	6.59	7.32
New Zealand Dollar	2.73	2.73
Singapore Dollar	2.33	2.33
United States Dollar	3.83	3.83

h Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTD)**i Expenditure Carried Forward**

Expenditure carried forward are written off to the income statements as and when incurred except that development expenditure relating to specific projects with commercial viability and for which there is a clear indication of the marketability of the products being developed, is carried forward. Such expenditure is amortised over the period in which the benefits are expected to be derived commencing in the period in which the related sales are first made.

j Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

k Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

i Finance leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(d).

ii Operating leases

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the term of the relevant lease.

l Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

i Sale of goods

Revenue is recognised upon delivery of goods, net of discounts, allowances and applicable indirect taxes.

ii Rental income

Revenue from rental of properties are recognised on an accrual basis.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTD)

m Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

The Directors have considered the carrying value as at 31 December 2005 of the assets of the Group and are satisfied that no further impairment loss in value are required to be made.

n Employee Benefits

i Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

iii Equity compensation benefits

The Goh Ban Huat Berhad Employee Share Options Scheme ("ESOS") allows the Group's employees to acquire ordinary shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

o Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual agreement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

i Other Non-Current Investments

Investment properties are those properties which are held on a long term basis for their investment potential and are stated at cost.

Non-current investments other than investments in subsidiaries are stated at cost. Impairment loss for the investment properties and non-current investments is recognised when the Directors are of the opinion that there is a permanent impairment in the value of the investments. The policy for the recognition and measurement of impairment loss is in accordance with Note 2(m).

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTD)

o Financial Instruments (contd)

ii Trade Receivables

Trade receivables are carried at anticipated realisable value. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

iii Trade Payables

Trade payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

iv Interest-Bearing Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs. All borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

v Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3 REVENUE

Revenue of the Company comprise income from rental of properties.

Revenue of the Group includes the invoiced value of goods sold after allowing for sales discounts and returns. For consolidated financial statements, revenue excludes intra-group transactions.

Revenue of the Group and of the Company consists of the following:

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Rental income	2,926,254	2,202,750	2,926,254	2,525,310
Sale of goods	39,021,589	47,277,559	-	-
	41,947,843	49,480,309	2,926,254	2,525,310

4 COST OF SALES

Cost of sales of goods represents cost of inventories manufactured and sold.

5 PROFIT/(LOSS) FROM OPERATIONS

Profit/(Loss) from operations is stated:

After charging:

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Staff costs (Note 6)	10,467,681	12,131,799	-	-
Executive directors' remuneration (Note 7)	973,787	808,503	-	-
Non-executive directors' remuneration (Note 7)	19,000	23,000	19,000	23,000
Auditors' remuneration	72,400	72,000	15,000	15,000
Amortisation of expenditure carried forward (Note 14)	20,999	20,000	-	-
Depreciation (Note 11)	4,729,637	8,785,834	532,224	662,468
Bad debts written off	814,302	234,353	230,298	-
Provision for doubtful debts	969,765	3,784,137	173,948	691,102
Property, Plant and Equipment written off	145,490	-	-	-
Impairment of investment	76,920	-	-	-
Inventory write downs/offs	-	15,918,912	-	-
Provision for slow moving stocks	-	693,577	-	-
Rental of equipment and machinery	54,348	80,254	-	-
Rental of forklifts	474,929	473,624	-	-
Rental of premises	187,852	249,360	-	-
Reversal of gain on disposal of property to subsidiary (Note 11a)	-	-	130,575,062	-
After (crediting):				
Gain on disposal of motor vehicle	(12,486)	(123,491)	-	-
Net gain on foreign exchange	(35,382)	(9,574)	-	-
Provision for doubtful debts written back	(2,332,380)	-	-	-
Gain on disposal of property to subsidiary	-	-	-	(130,575,062)

6 STAFF COSTS

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Wages and salaries	6,874,878	7,345,268	-	-
Social security costs	105,805	113,928	-	-
Short term accumulating compensated balances	23,704	(9,175)	-	-
Pension costs-defined contribution plans	800,893	867,623	-	-
Other staff related expenses	2,662,401	3,814,155	-	-
	10,467,681	12,131,799	-	-

The details of directors' remuneration of the Group and of the Company are disclosed in Note 7.

7 DIRECTORS' REMUNERATION

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Directors of the Company				
Executive:				
Salaries and other emoluments	578,760	578,760	-	-
Bonus	48,230	24,116	-	-
Pension costs-defined contribution plans	48,516	41,228	-	-
	675,506	644,104	-	-
Non-executive:				
Fees	19,000	23,000	19,000	23,000
Total	694,506	667,104	19,000	23,000
Other Directors:				
Executive:				
Salaries and other emoluments	251,736	157,824	-	-
Bonus	14,403	6,575	-	-
Pension costs-defined contribution plans	32,142	-	-	-
	298,281	164,399	-	-
Total	992,787	831,503	19,000	23,000
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind	973,787	808,503	-	-
Total non-executive directors' remuneration	19,000	23,000	19,000	23,000
Total directors' remuneration excluding benefits-in-kind	992,787	831,503	19,000	23,000

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors	
	2005	2004
Executive Directors:		
RM150,000 – RM200,000	-	1
RM200,001 – RM250,000	3	2
Non-Executive Directors:		
Below RM50,000	6	5

8 FINANCE COSTS, NET

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Interest expense on:				
– bankers' acceptances	297,241	471,206	297,241	471,206
– bank overdrafts	2,460,279	2,690,707	2,460,279	2,690,707
– term loans	2,271,275	2,544,050	2,271,275	2,544,050
– hire purchase interest	4,080	4,080	4,080	4,080
– trust receipts	9,374	22,343	9,374	–
– letter of credit	23,144	–	23,144	–
	5,065,393	5,732,386	5,065,393	5,710,043

9 TAXATION

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Income tax:				
Current Year	695,079	646,330	405,653	347,000
Underprovided in prior years:				
Malaysian income tax	402,312	250,901	20,892	116,271
	1,097,391	897,231	426,545	463,271
Deferred tax: (Note 24)				
Relating to origination and reversal of temporary difference	(2,099,412)	–	(201,225)	–
Adjustment for prior years	40,001	(40,001)	–	–
	(2,059,411)	(40,001)	(201,225)	–
	(962,020)	857,230	225,320	463,271

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2004: 28%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

9 TAXATION (CONTD)

In RM	2005	2004
GROUP		
Loss before taxation	(611,102)	(28,931,795)
Taxation at Malaysian statutory rate of 28% (2004: 28%)	(171,109)	(8,100,903)
Income not subject to tax	(320,969)	–
Effect of expenses not deductible for tax purposes	681,320	707,631
Effect of utilisation of previously unrecognised unabsorbed capital allowances and unutilised business losses	(2,284,425)	–
Under/(over) provision of deferred tax in prior years	40,001	(40,001)
Underprovision of income tax expense in prior years	402,312	250,901
Deferred tax assets not recognised during the year	690,850	8,039,602
Tax expense for the year	(962,020)	857,230
COMPANY		
(Loss)/Profit before taxation	(128,682,021)	130,427,211
Taxation at Malaysian statutory rate of 28% (2004: 28%)	(36,030,966)	36,519,619
Effect of income not subject to tax	(320,969)	(36,561,017)
Effect of expenses not deductible for tax purposes	36,556,363	388,398
Underprovision of income tax expense in prior years	20,892	116,271
Tax expense for the year	225,320	463,271

Deferred tax assets have not been recognised in respect of the following items:

	GROUP	
	2005	2004
Unabsorbed tax losses	34,934,525	40,327,808
Unutilised capital allowances	11,767,839	12,166,527
Unutilised reinvestment allowances	23,255,928	23,255,928

No deferred tax assets have been recognised in respect of the above items due to the unpredictability of future profit streams.

10 PROFIT/(LOSS) PER SHARE**a Basic**

Basic profit/(loss) per share is calculated by dividing the net profit/(loss) for the year by the weighted average number of ordinary shares in issue during the financial year.

10 PROFIT/(LOSS) PER SHARE (CONTD)

	GROUP	
	2005	2004
Net profit/(loss) for the year (RM)	350,918	(29,789,025)
Weighted average number of ordinary shares in issue	61,919,011	61,919,011
Basic profit/(loss) per share (sen)	0.57	(48)

b Diluted

The share option scheme expired in 2005 and diluted earnings per share for the current year is not applicable.

In the previous year, the assumed conversion of options is anti-dilutive and hence diluted earnings per share is not applicable.

11 PROPERTY, PLANT AND EQUIPMENT

In RM	Freehold land	Long term leasehold land	Short term leasehold land	Buildings	Plant and machinery	Equipment & motor vehicles	Capital work in progress	Total
GROUP								
Cost/Valuation								
At 1 January 2005	179,267,380	235,920	1,996,700	34,917,903	86,204,902	12,762,038	3,219,000	318,603,843
Additions	-	-	-	-	-	228,345	1,258,044	1,486,389
Disposals/written off	-	-	-	-	(145,490)	(109,672)	-	(255,162)
Transfer	-	-	-	-	3,219,000	-	(3,219,000)	-
At 31 December 2005	179,267,380	235,920	1,996,700	34,917,903	89,278,412	12,880,711	1,258,044	319,835,070
Representing:								
At cost	-	-	-	17,590,490	89,278,412	12,880,711	1,258,044	121,007,657
At valuation – 2004	179,267,380	235,920	1,996,700	-	-	-	-	181,500,000
At valuation – 1989	-	-	-	17,327,413	-	-	-	17,327,413
	179,267,380	235,920	1,996,700	34,917,903	89,278,412	12,880,711	1,258,044	319,835,070
Accumulated Depreciation								
At 1 January 2005	-	-	-	17,187,092	48,584,615	11,072,855	-	76,844,562
Charge for the year (Note 5)	-	3,277	71,310	746,455	3,513,863	394,732	-	4,729,637
Disposals	-	-	-	-	-	(106,258)	-	(106,258)
At 31 December 2005	-	3,277	71,310	17,933,547	52,098,478	11,361,329	-	81,467,941
Net Book Value								
At 31 December 2005	179,267,380	232,643	1,925,390	16,984,356	37,179,934	1,519,382	1,258,044	238,367,129
At 31 December 2004	179,267,380	235,920	1,996,700	17,730,811	37,620,287	1,689,183	3,219,000	241,759,281
Depreciation charge for 2004 (Note 5)	-	1,643	22,058	927,580	7,409,025	425,528	-	8,785,834

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11 PROPERTY, PLANT AND EQUIPMENT (CONTD)

In RM	Freehold land	Long term leasehold land	Short term leasehold land	Buildings	Motor vehicles	Total
COMPANY						
Cost / Valuation						
At 1 January 2005	–	–	–	18,941,546	153,545	19,095,091
Additions (Note a)	27,663,505	56,662	617,771	–	–	28,337,938
Revaluation surplus (Note a)	129,016,875	179,258	1,378,929	–	–	130,575,062
At 31 December 2005	156,680,380	235,920	1,996,700	18,941,546	153,545	178,008,091
Representing:						
At cost	–	–	–	1,614,133	153,545	1,767,678
At valuation – 2004	156,680,380	235,920	1,996,700	–	–	158,913,000
At valuation – 1989	–	–	–	17,327,413	–	17,327,413
	156,680,380	235,920	1,996,700	18,941,546	153,545	178,008,091
Accumulated Depreciation						
At 1 January 2005	–	–	–	14,419,226	30,710	14,449,936
Charge for the year (Note 5)	–	3,277	71,310	426,928	30,709	532,224
At 31 December 2005	–	3,277	71,310	14,846,154	61,419	14,982,160
Net Book Value						
At 31 December 2005	156,680,380	232,643	1,925,390	4,095,392	92,126	163,025,931
At 31 December 2004	–	–	–	4,522,320	122,835	4,645,155
Depreciation charge for 2004 (Note 5)	–	1,643	22,060	608,055	30,710	662,468

- a In May 2004, the Company, Goh Ban Huat Berhad, together with its wholly owned subsidiary, GBH Clay Pipes Sdn. Bhd., effected an intra-group disposal of all freehold and leasehold lands in favour of GBH Ceramics Sdn. Bhd., another wholly owned subsidiary of Goh Ban Huat Berhad, for an aggregated consideration of RM181.5 million.

On 19 November 2005, Deeds of Revocation were executed by the respective parties rescinding the sale and purchase agreements dated 28 May 2004 on the intra-group disposal. Following this, the surplus on sale to GBH Ceramics by the Company has been reversed as disclosed in Note 5.

On December 2004, the Group revalued all the freehold and leasehold lands based on the valuation conducted in 2003 by Mr. Nagalingam T., a Registered Valuer (V461) with City Valuers & Consultants Sdn. Bhd. The valuation was made on the basis of open market values on existing use bases. Resulting from the revocation, Goh Ban Huat Berhad and GBH Clay Pipes Sdn. Bhd. adopted this valuation at entity levels in the current year.

The buildings where stated at valuation, remains at their previous valuation in 1989.

11 PROPERTY, PLANT AND EQUIPMENT (CONTD)

- b The Group and the Company are unable to disclose the carrying amounts of the revalued buildings had they been carried at cost, due to the absence of historical records.
- c Included in property, plant and equipment of the Group and of the Company are motor vehicles with a net book value of RM92,127 (2004: RM122,835) which is acquired under hire purchase instalment plan.
- d All assets of the Group and of the Company have been pledged to financial institutions for bank facilities granted to the Company.

12 INVESTMENTS

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
At cost:				
Transferable club membership	202,995	202,995	170,000	170,000
Investment properties	1,804,413	1,804,413	1,032,993	1,032,993
Unquoted shares in Malaysia	55,000	55,000	–	–
Quoted shares in Malaysia	5,920	5,920	2,220	2,220
	2,068,328	2,068,328	1,205,213	1,205,213
Less: Accumulated impairment losses	(76,920)	–	–	–
	1,991,408	2,068,328	1,205,213	1,205,213
Market value of quoted shares in Malaysia	1,600	2,210	700	1,140

13 INTEREST IN SUBSIDIARIES

In RM	COMPANY	
	2005	2004
Unquoted shares at cost	30,848,117	30,848,115
Amount due from subsidiaries	100,527,374	263,453,901
Amount due to subsidiaries	(4,942,485)	(5,186,811)
	126,433,006	289,115,205

The amounts due from/(to) subsidiaries are unsecured, interest free and have no fixed term of repayment.

13 INTEREST IN SUBSIDIARIES (CONTD)

Details of the subsidiaries are as follows:

Name of the Subsidiaries	Country of Incorporation	Equity Interest Held (%)		Principal Activities
		2005	2004	
GBH Ceramics Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of vitrified clay pipes
GBH Trading Sdn. Bhd.	Malaysia	100	100	General trading of ceramic wares, tap wares, pipes and general bathroom wares
GBH Bathroom Products Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of ceramic wares
GBH Porcelain Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of formers
GBH Crown Lynn Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of ceramic tablewares
GBH Clay Pipes Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of vitrified clay pipes
Kenangan Dimensi Sdn. Bhd.	Malaysia	100	–	Dormant
GBH Australia Pty. Ltd.	Australia	100	100	Dormant

All the subsidiaries of the Group are audited by Ernst & Young except for Kenangan Dimensi Sdn. Bhd. and GBH Australia Pty. Ltd.

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14 EXPENDITURE CARRIED FORWARD

In RM	GROUP	
	2005	2004
At cost:		
Development expenditure	20,999	121,000
Less: Accumulated amortisation	(20,999)	(100,001)
	-	20,999

15 INVENTORIES

In RM	GROUP	
	2005	2004
Cost:		
Raw materials	450,775	2,789,339
Work-in-progress	1,178,568	1,678,648
Finished goods	18,480,513	16,052,263
Maintenance inventories	-	150,296
Consumables	616,750	197,899
	20,726,606	20,868,445
Provision for slow moving stocks	(693,577)	(693,577)
	20,033,029	20,174,868

The Group's normal trade credit term given to its customers ranges from 2 to 3 months.

The Group has no significant concentration of credit risks that may arise from exposures to a single debtor or to group of debtors.

16 TRADE RECEIVABLES

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Trade receivables	27,702,210	32,920,133	937,615	790,834
Less: Provision for doubtful debts	(16,112,887)	(17,475,502)	(865,050)	(691,102)
	11,589,323	15,444,631	72,565	99,732

17 OTHER RECEIVABLES

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Deposits	536,868	608,335	261,662	254,662
Prepayments	168,203	613,196	67,941	452,576
Sundry receivables	207,912	697,893	18,086	-
Amount due from related party	1,050	-	1,050	-
	914,033	1,919,424	348,739	707,238

Amount due from a related party is from GBH Rekabahan Sdn. Bhd. in which there are certain common directors with the Company.

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18 CASH AND CASH EQUIVALENTS

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Cash and bank balances	84,502	986,265	39,916	6,423
Less: Bank overdrafts (Note 19)	(26,166,675)	(36,251,338)	(26,166,675)	(36,251,338)
Cash and cash equivalents	(26,082,173)	(35,265,073)	(26,126,759)	(36,244,915)

19 BORROWINGS

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Short Term Borrowings				
Secured:				
Bank overdrafts	26,166,675	36,251,338	26,166,675	36,251,338
Bankers' acceptances	8,672,000	8,635,718	8,672,000	8,635,718
Term loans	6,549,058	5,222,944	6,549,058	5,222,944
Trade line	244,030	509,585	244,030	509,585
Hire purchase payables (Note 22)	22,000	24,340	22,000	24,340
	41,653,763	50,643,925	41,653,763	50,643,925
Unsecured				
Revolving credits	–	373,728	–	373,728
	–	373,728	–	373,728
	41,653,763	51,017,653	41,653,763	51,017,653
Long Term Borrowings				
Secured:				
Hire purchase payables (Note 22)	48,000	72,000	48,000	72,000
Term loans	23,356,667	20,860,749	23,356,667	20,860,749
	23,404,667	20,932,749	23,404,667	20,932,749
Total Borrowings				
Bank overdrafts (Note 18)	26,166,675	36,251,338	26,166,675	36,251,338
Bankers' acceptances	8,672,000	8,635,718	8,672,000	8,635,718
Revolving credits	–	373,728	–	373,728
Term loans	29,905,725	26,083,693	29,905,725	26,083,693
Trade line	244,030	509,585	244,030	509,585
Hire purchase payables (Note 22)	70,000	96,340	70,000	96,340
	65,058,430	71,950,402	65,058,430	71,950,402

19 BORROWINGS (CONTD)

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Maturity of borrowings (excluding hire purchase):				
Within one year	41,631,763	50,993,313	41,631,763	50,993,313
More than 1 year and less than 2 years	14,774,515	9,959,512	14,774,515	9,959,512
More than 2 years and less than 5 years	8,582,152	10,901,237	8,582,152	10,901,237
5 years or more	–	–	–	–
	64,988,430	71,854,062	64,988,430	71,854,062

The average effective interest rates during the financial year for borrowings were as follows:

	GROUP		COMPANY	
	2005	2004	2005	2004
	%	%	%	%
Bank overdrafts	7.70	7.70	7.70	7.70
Revolving credits	–	5.20	–	5.20
Bankers' acceptances	5.20	6.25	5.20	6.25
Term loans	8.00	7.50	8.00	7.50

The secured bank borrowings are secured by the following:

- a by way of fixed and floating charge over the assets, both present and future of the Group; and
- b by corporate guarantees amounting to RM9.14 million from two subsidiaries, GBH Bathroom Products Sdn. Bhd. and GBH Porcelain Sdn. Bhd.

20 TRADE PAYABLES

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Trade payables	15,460,688	18,679,295	77,767	330,924

The normal trade credit terms granted to the Group ranges from 1 to 3 months.

50 Notes to The Financial Statements

31 December 2005

21 OTHER PAYABLES

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Due to directors	465,523	499,371	178,250	10,000
Deposits	829,516	531,936	829,516	531,936
Amount due to a related party	40,500	–	40,500	–
Accruals	1,166,879	3,019,202	24,755	904,119
Sundry payables	7,631,189	3,756,844	1,760,091	364,531
	10,133,607	7,807,353	2,833,112	1,810,586

Included in sundry payables are amounts of RM40,500 and RM268,800 due to related parties, Alpha Dynamics Sdn Bhd and Goh Nam Huat Realty Sdn Bhd respectively where there are common directors.

22 HIRE PURCHASE PAYABLES

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
Minimum payments:				
– not later than 1 year	28,080	28,080	28,080	28,080
– later than one year and not later than 2 years	28,080	28,080	28,080	28,080
– later than 2 years and not later than 5 years	25,680	56,160	25,680	56,160
	81,840	112,320	81,840	112,320
Less: Future finance charges	(11,840)	(15,980)	(11,840)	(15,980)
Present value	70,000	96,340	70,000	96,340
Analysed as:				
– Due within 12 months (Note 19)	22,000	24,340	22,000	24,340
– Due after 12 months (Note 19)	48,000	72,000	48,000	72,000
	70,000	96,340	70,000	96,340

23 SHARE CAPITAL

In RM	Number of Ordinary Shares of RM1 Each		Number of Ordinary Shares of RM1 Each	
	2005	2004	2005	2004
Authorised:				
At 31 December	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid:				
At 31 December	61,919,011	61,919,011	61,919,011	61,919,011

The main features of the ESOS and the details of the options granted are disclosed in the Directors' Report. The ESOS had expired on 15 December 2005.

24 DEFERRED TAXATION

In RM	GROUP		COMPANY	
	2005	2004	2005	2004
At 1 January	3,837,051	3,877,052	1,450,551	1,450,551
Recognised in the income statement (Note 9)	(2,059,411)	(40,001)	(201,225)	–
Recognised in equity	7,337,589	–	6,887,136	–
At 31 December	9,115,229	3,837,051	8,136,462	1,450,551
Presented after appropriate offsettings as follows:				
Deferred tax assets	(9,666,792)	(1,088,640)	(505,567)	(498,293)
Deferred tax liabilities	18,782,021	4,925,691	8,642,029	1,948,844
	9,115,229	3,837,051	8,136,462	1,450,551

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

Deferred Tax Liabilities of the Group:

In RM	Revaluation of Land	Accelerated	Revaluation of Buildings	Total
		Capital Allowances		
At 1 January 2005	–	2,982,448	1,943,243	4,925,691
Recognised in the income statement	–	6,577,631	(98,890)	6,478,741
Recognised in the equity	7,377,589	–	–	7,377,589
At 31 December 2005	7,377,589	9,560,079	1,844,353	18,782,021
At 1 January 2004	–	2,982,448	1,983,244	4,965,692
Recognised in the income statement	–	–	(40,001)	(40,001)
At 31 December 2004	–	2,982,448	1,943,243	4,925,691

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31 December 2005

24 DEFERRED TAXATION (CONTD)

Deferred Tax Assets of the Group:

In RM	Accelerated Depreciation	Tax Losses & Unabsorbed Capital Allowances	Other Payables	Total
At 1 January 2005	(498,293)	–	(590,347)	(1,088,640)
Recognised in the income statement	(7,274)	(8,570,878)	–	(8,578,152)
At 31 December 2005	(505,567)	(8,570,878)	(590,347)	(9,666,792)
At 1 January 2004	(498,293)	–	(590,347)	(1,088,640)
Recognised in the income statement	–	–	–	–
At 31 December 2004	(498,293)	–	(590,347)	(1,088,640)

Deferred Tax Liabilities of the Company:

In RM	Revaluation of Land	Accelerated Capital Allowances	Revaluation of Buildings	Total
At 1 January 2005	–	5,600	1,943,244	1,948,844
Recognised in the income statement	–	–	(193,951)	(193,951)
Recognised in equity	6,887,136	–	–	6,887,136
At 31 December 2005	6,887,136	5,600	1,749,293	8,642,029
At 1 January 2004	–	5,600	1,943,244	1,948,844
Recognised in the income statement	–	–	–	–
At 31 December 2004	–	5,600	1,943,244	1,948,844

Deferred Tax Assets of the Company:

In RM	Accelerated Depreciation
At 1 January 2005	(498,293)
Recognised in the income statement	(7,274)
At 31 December 2005	(505,567)
At 1 January 2004	(498,293)
Recognised in the income statement	–
At 31 December 2004	(498,293)

25 RETAINED PROFITS

Subject to the agreement of the Inland Revenue Board, the Company has sufficient tax credit to distribute all its retained profits by way of dividends without incurring additional tax liability. The Company can distribute tax exempt dividend from its estimated tax exempt account up to approximately RM3,500,000 (2004: RM3,500,000).

26 SIGNIFICANT RELATED PARTY TRANSACTIONS

In RM	2005	2004
a GROUP		
Purchase of raw materials from Ceramtec Sdn. Bhd., a corporate shareholder of the Company, in which certain Directors of the Company have substantial interest	624,128	395,848
Purchase of property, plant and equipment from Ceramtec Sdn. Bhd., a corporate shareholder of the Company, in which certain Directors of the Company have substantial interest	773,130	950,000
Rental of premises paid to Goh Nam Huat Realty Sdn. Bhd., a company in which there are certain common Directors	286,800	249,360
b COMPANY		
Sale of properties to subsidiary	–	158,913,000
Revocation on intra-group sale of properties (Note 11a)	(158,913,000)	
Interest income receivable from subsidiaries	4,704,790	5,332,918
Rental income receivable from subsidiaries	–	322,560

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

27 FINANCIAL INSTRUMENTS**a Financial Risk Management Objectives and Policies**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within guidelines that are approved by the Board and the Group's policy is to not engage in speculative transactions.

b Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The information on effective interest rates of financial liabilities are disclosed in Note 19.

c Foreign Exchange Risk

The Group is exposed to various currencies, mainly Great Britain Pound, Japanese Yen, New Zealand Dollar, Singapore Dollar and United States Dollar. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

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31 December 2005

27 FINANCIAL INSTRUMENTS (CONTD)

c Foreign Exchange Risk

Foreign exchange exposures are not hedged as the Group does not have foreign exchange contract facilities with the financial institutions. However, the Group maintains a natural hedge by having both receivables and payables for Singapore Dollar and United States Dollar.

d Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term fundings so as to achieve overall cost effectiveness.

e Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

f Fair Values

The carrying amounts of the financial assets and financial liabilities as reflected in the balance sheet approximate their respective net fair values except for amounts due from subsidiaries of RM100,527,374 (2004: RM263,453,901) due to lack of fixed repayment terms.

28 CONTINGENT LIABILITIES – UNSECURED

- a Contingent liability arises from late payment charges and capital contribution of RM1,941,792 (2004: RM1,382,776) claimed by a trade creditor against the Company and its subsidiary company, GBH Clay Pipes Sdn. Bhd. for which the directors of the Company have deemed the amount to have been agreed and waived. Accordingly, no provision has been made in the financial statements of the Group.
- b A claim of RM1,289,126 has been filed against a subsidiary company, GBH Trading Sdn. Bhd. in the High Court in prior year by a trade creditor for goods delivered. The court fixed 27 April 2006 for hearing and the legal counsel for both parties agreed to postpone the date of hearing to 17 October 2006.

Similarly, a subsidiary company, GBH Bathroom Products Sdn. Bhd. has also filed a legal suit against the same trade creditor to claim damages in aggregate of RM1,100,495 together with interest and costs. The subsidiary company has obtained judgment in default against the said trade creditor on 25 May 2005. GBH Bathroom Sdn. Bhd. has also filed a legal suit against an affiliated company of the said trade creditor for the sum of RM325,696 being goods sold and delivered. The case was heard on 27 April 2006 and was adjourned to a later date.

In view of the claims against the trade creditor and its affiliated company, no provision has been made in the financial statements of the Group on the legal claims made against GBH Trading Sdn. Bhd.

29 SEGMENT INFORMATION**a Business Segments:**

The Group operates predominantly in two business segments:

- i Manufacturing - manufacturing and trading of ceramic wares, ceramic formers and pipes; and
- ii Properties - rental of properties.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

In RM	Manufacturing		Properties		Eliminations		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004
REVENUE AND EXPENSES								
Revenue								
External sales	39,021,589	47,277,559	2,926,254	2,202,750	-	-	41,947,843	49,480,309
Inter-segment sales	-	-	-	322,560	-	(322,560)	-	-
Total revenue	39,021,589	47,277,559	2,926,254	2,525,310	-	(322,560)	41,947,843	49,480,309
Results								
Profit/(loss) from operations	2,200,795	(23,329,821)	2,253,496	229,274	-	(98,862)	4,454,291	(23,199,409)
Finance cost	(4,704,938)	(5,355,261)	(360,455)	(377,125)	-	-	(5,065,393)	(5,732,386)
Taxation	1,187,340	(393,959)	(225,320)	(463,271)	-	-	962,020	(857,230)
Profit/(loss) after taxation	(1,316,803)	(29,079,041)	1,667,721	(611,122)	-	(98,862)	350,918	(29,789,025)
ASSETS AND LIABILITIES								
Segment assets	269,333,744	276,829,148	3,951,300	5,850,268	-	-	273,285,044	282,679,416
Segment liabilities	90,296,771	100,162,265	12,884,729	5,426,936	-	-	103,181,500	105,589,201
OTHER INFORMATION								
Depreciation and impairment	4,197,413	8,123,366	532,224	662,468	-	-	4,729,637	8,785,834
Amortisation of expenditure carried forward	20,999	20,000	-	-	-	-	20,999	20,000
Non-cash expenses other than depreciation and amortisation	(742,635)	19,836,386	(928,778)	691,102	-	-	(1,671,413)	20,527,488

b Geographical Segments:

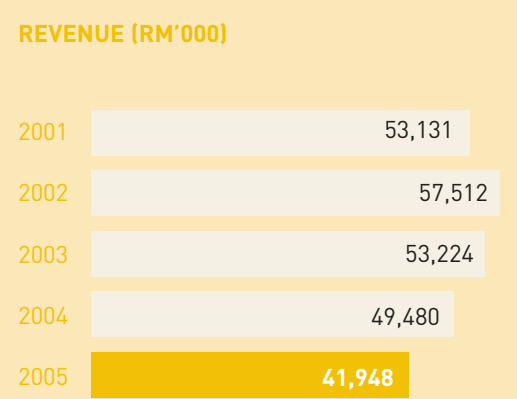
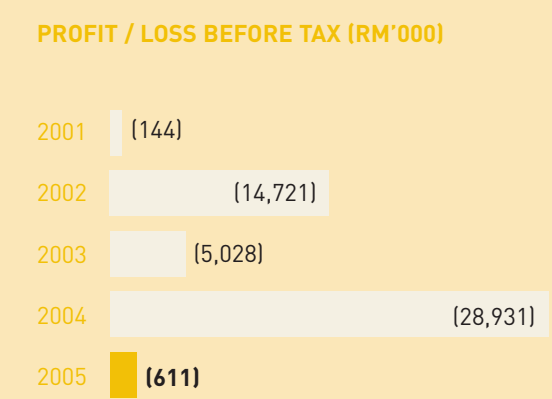
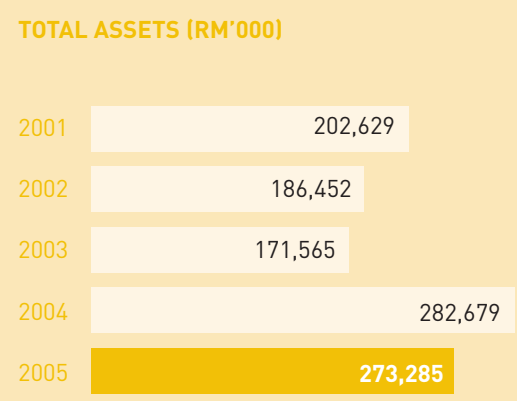
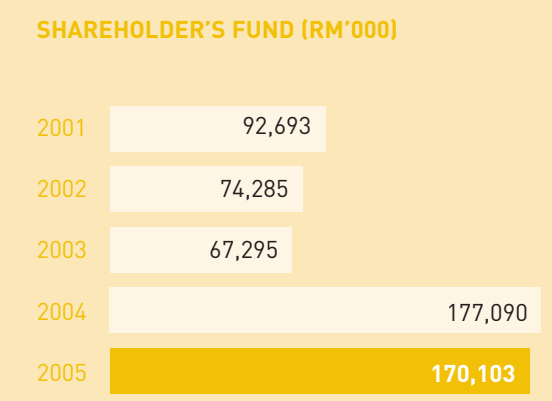
Information on the Group's operations by geographical segments is not presented as the Group predominantly operates in Malaysia.

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Five Years Financial Highlight

for the year ended 31 December 2001 to 31 December 2005

In RM	2001	2002	2003	2004	2005
Group Turnover	53,131	57,512	53,224	49,480	41,948
Group Profit/(Loss) Before Tax	(144)	(14,721)	(5,028)	(28,931)	(611)
Taxation	(736)	(1,648)	(1,961)	(857)	962
Profit/(Loss) After Tax	(880)	(16,369)	(6,989)	(29,789)	351
Minority Interest	-	-	-	-	-
Profit/(Loss) Attributable to Shareholder	(880)	(16,369)	(6,989)	(29,789)	351
Net Dividend	-	-	-	-	-
Net Earning/(Loss) Per Share (Sen)	(1.42)	(26.44)	(11)	(48)	0.57
Gross Dividend Rate Per Share (%)	-	-	-	-	-



Summarise Balance Sheets

for the year ended 31 December 2001 to 31 December 2005

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In RM	2001	2002	2003	2004	2005
Property, Plant and Equipment	112,780	110,494	107,741	241,759	238,367
Other Investments	2,085	2,068	2,068	2,068	1,991
Goodwill On Consolidation	265	305	305	305	305
Net Current Assets/(Liabilities)	9,464	(6,725)	(14,791)	(42,294)	(38,041)
	124,594	106,142	95,364	201,860	202,623
Financed By:					
Share Capital	61,919	61,919	61,919	61,919	61,919
Share Premium	16,966	16,966	16,966	16,966	16,966
Reserves	13,808	(4,601)	(11,590)	98,205	91,218
	92,693	74,284	67,295	177,090	170,103
Deferred And Long Term Liabilities	31,901	31,858	28,069	24,770	32,520
	124,594	106,142	95,364	201,860	202,623
Share Capital	61,919	61,919	61,919	61,919	61,919
Shareholders' Fund	92,693	74,285	67,295	177,090	170,103
Net Tangible Assets Per Share (RM)	1.49	1.19	1.08	2.86	2.75

58 Analysis of Shareholdings

Authorised Share Capital	: RM100,000,000.00 (100,000,000 Ordinary Shares of RM1.00 each)
Issued and fully paid-up Share Capital	: RM61,919,011.00 (61,919,011 Ordinary Shares of RM1.00 each)
Class of Shares	: Ordinary Shares of RM1.00 each
Voting Rights	: One Vote per Ordinary Share held

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 28 APRIL 2005

Category	No. of Shareholders		%	No. of Share		%
1 - 99	64		2.79	2,063		0.00
100 - 1,000	926		40.38	812,498		1.31
1,001 - 10,000	1,093		47.67	4,187,802		6.76
10,001 – 100,000	174		7.59	5,195,569		8.40
100,001 to less than 5% of issued shares*	32		1.4	15,006,211		24.24
5% and above of issued shares**	4		0.17	36,714,868		59.29
Total	2,293		100.00	61,919,011		100.00

Notes : * Less than 5% of the issued and paid-up share capital ** 5% and above of the issued and paid-up share capital

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 28 APRIL 2006

No Shareholders' Name		No. Shareholders RM1.00 each	%
1	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Ceramtec Sdn Bhd)	11,420,286	18.44
2	Lembaga Tabung Angkatan Tentera	11,260,000	18.19
3	Ceramtec Sdn Bhd	9,872,782	15.94
4	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For W Shalihudin Bin W Ibrahim)	4,161,800	6.72
5	Mayban Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Ong Huey Peng)	1,530,000	2.47
6	Lim Siew Sooi	1,493,200	2.41
7	Goh Soon Eng	1,244,254	2.01
8	Tan Ah Cheun	1,176,125	1.90
9	Tan Guat Poh	1,078,000	1.74
10	Chew Boon Seng	990,700	1.60
11	Lau Siew Kian	800,000	1.29
12	Wong Hok Yim	563,000	0.91
13	Tan Lai Ming	500,000	0.81
14	Chan Wan Moi	482,500	0.78
15	Tan Han Chuan	440,000	0.71
16	Goh Tye Nam	419,629	0.68
17	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Nicholas Lee Mun Hei)	399,000	0.65
18	Goh Tai Seng	315,322	0.51
19	Cartaban Nominees (Asing) Sdn Bhd (Credit Agricole (Suisse) SA For Suckchai Nganthavee)	286,000	0.46
20	Goh Leong Chuan	280,000	0.45
21	Alpha Dynamics Sdn Bhd	261,250	0.42
22	Ong Huey Peng	251,000	0.41

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 28 APRIL 2006 (CONTD)

No	Shareholders' Name	No. Shareholders	
		RM1.00 each	%
23	The Taos Investments Ltd	243,900	0.39
24	Chua Shiok Hoon	235,000	0.38
25	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Sow Gek Pong)	230,000	0.38
26	Chen Seong Fook	218,500	0.35
27	Goh Tye Nam	213,827	0.35
28	Goh Tai He	200,004	0.32
39	Tan Chong Pen	176,000	0.28
30	Yap Shing @ Yap Sue Kim	165,000	0.27
	Total	50,907,079	82.22

SUBSTANTIAL SHAREHOLDERS AS AT 28 APRIL 2006

No	Substantial Shareholders	Direct No.		Indirect No.	
		Of Shares	%	Of Shares	%
1	Lembaga Tabung Angkatan Tentera	11,260,000	18.19	-	-
2	Ceramtec Sdn Bhd	21,293,068	34.39	-	-
3	Goh Tai Seng	315,322	0.51	21,293,068	34.39 *
4	Goh Tai He	280,896	0.45	21,293,068	34.39 *
5	Goh Tye Nam	633,456	1.02	21,293,068	34.39 *
6	W Shalihudin Bin W Ibrahim	4,161,800	6.72	-	-

Notes : * Deemed interest by virtue of their shareholdings in Ceramtec Sdn Bhd under Section 6A(4) of the Companies Act, 1965.

DIRECTORS' SHAREHOLDINGS AS AT 28 APRIL 2006

Names	Direct No.		Indirect No.	
	Of Shares	%	Of Shares	%
1 Mr. Goh Tai Seng	315,322	0.51	21,293,068	34.39 *
2 Mr. Goh Tai He	280,896	0.45	21,293,068	34.39 *
3 Mr. Tan Ah Cheun	1,176,125	1.90	-	-
4 Dato' Haji Mohd Sarit Bin Hj Yusoh	-	-	-	-
5 Haji Mohamed Amin Bin Haji Mohamed	7,000	0.01	-	-
6 Encik W Shalihudin Bin W Ibrahim	4,161,800	6.72	-	-
7 Mr. Yap Koon	-	-	-	-
8 Brig. Jen (Rtd) Dato' Mior Azam Bin Mior Safi	-	-	-	-
9 Dato' Haji Mohd Yusof Bin Haji Mohamed	-	-	-	-
(Alternate Director to Haji Mohamed Amin Bin Haji Mohamed)				

Notes : * Deemed interest by virtue of their shareholdings in Ceramtec Sdn Bhd under Section 6A(4) of the Companies Act, 1965.

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Particulars of Group Properties

The Properties included under Land as at 31 December 2005 are indicated below.

Location/Address All Mukim of Batu Federal Territory Kuala Lumpur	Land Area (Sq Meter)	Tenure	Existing Use	Approximate Age of Buildings (Years)	NBV of Properties In existing state (RM)
Lot 46260 (formerly known as Lot P.T. 555)	725	Leasehold (Expiring 05/09/2033)	Storage Yard	32	376,265
Lot 46262 (formerly known as Lot P.T. 6049)	2,985	Leasehold (Expiring 05/09/2033)	Storage Yard	27	1,549,125
Lot 46261 (formerly known as Lot P.T. 556)	274	Leasehold (Expiring 27/08/2077)	Storage Yard	32	232,643
Lot 1470	15,862	Freehold	Factory Land & Building	31	34,150,000
Lot 2983	4,044	Freehold	Factory Land & Building	56	8,703,200
Lot 3680	5,481	Freehold	Office Building & Resident Bungalow	56	11,797,200
Lot 2984	26,362	Freehold	Factory Land & Building & Warehouse for Rental	56	57,371,580
Lot 4397	545	Freehold	Factory Land & Building & Warehouse for Rental	56	1,184,000
Lot 38755	93	Freehold	Access Road	62	199,200
Lot 4722	1,898	Freehold	Warehouse for Rental	36	2,041,900
Lot 32661	38,307	Freehold	Warehouse for Rental	36	41,233,300
Lot P.T. 15519	23,446	Freehold	Factory Land & Building	11	22,587,000
	119,835				181,500,00



Proxy Form
Fifty Ninth Annual General Meeting

I/We (Full Name In Capital Letter)

of (Address)

being a member of **GOH BAN HUAT BERHAD** hereby appoint (Full Name)

the Chairman of the meeting or

NRIC NO

of (Address)

or failing whom (Full Name)

NRIC NO

of (Address)

as my/our Proxy to vote for me/us and on my/our behalf at the Fifty-Ninth Annual General Meeting of the Company to be held at Ballroom A, Pan Pacific Hotel Kuala Lumpur, Jalan Putra 50746 Kuala Lumpur on Wednesday, 28 June 2006 at 4.00 p.m. and at any adjournment thereof.

*My/*our Proxy(ies) is/are to vote as indicated below:

No.	Resolutions	For	Against
1	Resolution 1		
2	Resolution 2		
3	Resolution 3		
4	Resolution 4		
5	Resolution 5		
6	Resolution 6		

[Please indicate with (X) in the spaces provided how you wish your vote to be casted. If no specific direction as to voting is given, the Proxy will vote or abstain at his(her) discretion.]

Dated this

Day of

2006

Number of shares held :

[Signature/Common Seal of Member]

NOTES

- 1
- A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy or Proxies to attend and vote on his(her) behalf. A Proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- 2
- Where a member appoints two (2) or more Proxies, the appointment shall be invalid unless he(she) specifies the proportions of his(her) holdings to be represented by each Proxy.
- 3
- The Form of Proxy shall be signed by the appointor or his(her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or, by its duly authorised attorney or officer.
- 4
- The instrument appointing a Proxy must be deposited at the Registered Office of the Company at 238, Jalan Segambut, 51200 Kuala Lumpur, not less than 48 hours before the time set for the Meeting or any adjournment thereof.

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Stamp

The Company Secretary
GOH BAN HUAT BERHAD (1713-A)
238 Jalan Segambut
51200 Kuala Lumpur
Malaysia

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