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GOH BAN HUAT BERHAD (1713-A)

2009 ANNUAL REPORT

GBH

Annual Report

2009

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixty-Third Annual General Meeting ("63rd AGM") of the Company will be held at Bukit Kiara Equestrian and Country Resort, Dewan Berjaya Room, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Thursday, 10 June 2010 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions: -

AGENDA

1. To receive the Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2009 and the Directors' and Auditors' Reports thereon. **Ordinary Resolution 1**

2. To approve the payment of Directors' fees in respect of the financial year ended 31 December 2009. **Ordinary Resolution 2**

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

   Mr. Tang Tat Chun **Ordinary Resolution 3**

4. To re-elect the following Directors retiring in accordance with Article 87 of the Company's Articles of Association:

   (a) Mr. Poh Weng Choon; **Ordinary Resolution 4(a)**
   (b) En. Aminuddin Yusof Lana; **Ordinary Resolution 4(b)**
   (c) Tuan Hj. Nahar Bin Mohd Yusof; **Ordinary Resolution 4(c)**
   (d) Mr. Lai Sze Pheng; and **Ordinary Resolution 4(d)**
   (e) Mr. Tan Han Chuan **Ordinary Resolution 4(e)**

5. To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

6. To transact any other ordinary business of the Company for which due notice has been given.

By Order of the Board

Lim Lai Sam
Loh Poh Wah
Secretaries

Kuala Lumpur
19 May 2010

Notes:

1. *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 need not be complied with.*
2. *A member shall be entitled to appoint more than one proxy to attend and vote at the Meeting. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
3. *Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.*
5. *The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, shall be deposited with the Company's Share Registrar, Messrs Tricor Investor Services Sdn Bhd (formerly known as Tenaga Koperat Sdn Bhd), Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.*

BOARD OF DIRECTORS

Tan Sri Dato' Tan Hua Choon	*(Chairman, Managing Director)*
Tuan Haji Nahar Bin Mohd Yusof	*(Independent Non-Executive Director)*
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)	*(Independent Non-Executive Director)*
Aminuddin Yusof Lana	*(Independent Non-Executive Director)*
Thor Poh Seng	*(Non-Independent Non-Executive Director)*
Tang Tat Chun	*(Executive Director-Finance)*
Poh Weng Choon	*(Executive Director)*
Lai Sze Pheng	*(Executive Director)*
Tan Han Chuan	*(Executive Director)*

AUDIT COMMITTEE

Tuan Haji Nahar Bin Mohd Yusof *(Chairman)*
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)
Aminuddin Yusof Lana *(MIA Member)*

NOMINATION COMMITTEE

Tuan Haji Nahar Bin Mohd Yusof *(Chairman)*
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)

REMUNERATION COMMITTEE

Tan Sri Dato' Tan Hua Choon *(Chairman)*
Tuan Haji Nahar Bin Mohd Yusof
Thor Poh Seng

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Tuan Haji Nahar Bin Mohd Yusof
Fax : (03) 4043 6750

COMPANY SECRETARIES

Lim Lai Sam (MAICSA No. 0877479)
Loh Poh Wah (MAICSA No. 7047338)

REGISTERED OFFICE

8-3, Jalan Segambut
51200 Kuala Lumpur, Malaysia
Tel: (03) 6195 1600
Fax: (03) 4043 6750

PRINCIPAL BANKERS

Malayan Banking Berhad
The Bank of Nova Scotia Berhad
Ambank (M) Berhad

SHARE REGISTRARS

Tricor Investor Services Sdn Bhd
(formerly known as Tenaga Koperat Sdn Bhd)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Tel: (03) 2264 3883
Fax: (03) 2282 1886

AUDITORS

Messrs Ernst & Young
(Chartered Accountants)
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia
Tel: (03) 7495 8000
Fax: (03) 2095 9076

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad Main Market
Stock Name : GBH
Stock Code : 3611

WEBSITE

www.gbhgroup.com.my

GOH BAN HUAT BERHAD (1713-A)

GBH CERAMICS SDN. BHD. (38312-P)	100%
GBH BATHROOM PRODUCTS SDN. BHD. (89564-D)	100%
GBH CROWN LYNN SDN. BHD. (174452-V)	100%
GBH PORCELAIN SDN. BHD. (169657-A)	100%
GBH CLAY PIPES SDN. BHD. (179689-T)*	100%
GBH TRADING SDN. BHD. (48812-H)*	100%
KENANGAN DIMENSI SDN. BHD. (687782-V)*	100%

*Dormant Company

ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT THE ANNUAL REPORT AND AUDITED ACCOUNTS OF GOH BAN HUAT BERHAD FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009.

Financial and Performance Review

Group turnover declined by 24% year on year, from RM44.6 million in 2008 to RM33.9 million in 2009. Sales declined across all business units, but the decline was more apparent in the Clay Pipes and Tableware Divisions, which registered 10% (from RM23.3 million in 2008 to RM21.0 million in 2009) and 68% (from RM 7.1 million in 2008 to RM2.3 million in 2009) lower revenue respectively in 2009. The Group's businesses were adversely affected by the unfavorable economic conditions and the lack of major projects during the year, which resulted in declining sales orders.

The Group suffered a loss before tax of RM36.3 million in 2009 as compared with a loss before tax of RM13.1 million in the preceding year. Apart from lower revenue, the loss was impacted by several one-off charges during the year, including retirement benefits and ex-gratia payments made to former Directors of the Company, compensation to employees who opted for a voluntary separation scheme, late payment charges owed to a utility supplier, write off of fixed assets and provision for impairment due to the cessation of production of sanitary ware.

Prospects

Market conditions for the Group's products continue to be challenging and difficult, particularly in the Sanitary Ware Division. The market is characterized by low entry barrier and intense price competition. The Group had decided to cease production of sanitary ware and ceramic formers and commence sourcing for sanitary ware and accessories from China-based OEM suppliers. The Sanitary Ware Division will embark on a program to strengthen and diversify its sales channels in 2010.

Being one of 2 major vitrified clay pipes producers in the country, the Group is confident that demand for our clay pipe products will pick up with the recovery of the construction industry.

Redesignation of Directors and New Directors

My position in the Board was redesignated from Non-Executive Member to Managing Director in October 2009 and I was appointed the Chairman of the Board on 15 April 2010.

Mr. Goh Tai Seng (Chairman), Mr. Goh Tai He (Group Managing Director), Mr. Tan Ah Cheun (Executive Director and Group General Manager) and five (5) Non-Executive Directors resigned from the Board during the financial year.

Tuan Haji Nahar bin Mohd Yusof, En Aminuddin Yusof Lana and Mr. Poh Weng Choon were appointed to the Board during the financial year.

Mr. Lai Sze Pheng and Mr. Tan Han Chuan joined the Board in March and April 2010 respectively.

Dividends

No dividend has been declared or recommended for the financial year ended 31 December 2009.

Appreciation

On behalf of the Board of Directors, I wish to extend a warm welcome to our newly appointed Directors and look forward to the challenge of leading the management team in turning around the Group's businesses which have been loss making for many years.

I wish to also thank the management team and staff for their contribution, commitment and loyalty, and to our valued customers, suppliers, business associates, bankers and most importantly, our shareholders, thank you for your continued support and confidence in the Group.

Tan Sri Dato' Tan Hua Choon
Chairman, Managing Director

Tan Sri Dato' Tan Hua Choon

Aged 69 – Malaysian ∗ Chairman, Managing Director

Tan Sri Dato' Tan was appointed to the Board of GBH on 8 July 2008 as a Non-Independent Non-Executive Director. On 16 October 2009, he was re-designated to the position of Managing Director and was appointed as Chairman of the Board's Remuneration Committee. He was appointed as Chairman of the Board with effect from 15 April 2010.

Tan Sri Dato' Tan is a self-made businessman with vast experience in various fields and industries. He has been involved in a wide range of businesses which include manufacturing, marketing, banking, shipping, property development and trading.

He has built-up investments in numerous public listed companies. He is also the Chairman of Malaysia Aica Berhad, Marco Holdings Berhad, Keladi Maju Berhad, FCW Holdings Berhad, Jasa Kita Berhad, GPA Holdings Berhad and PDZ Holdings Bhd.

Tuan Haji Nahar Bin Mohd Yusof

Aged 56 – Malaysian ∗ Independent Non-Executive Director

Tuan Haji Nahar was appointed as Director of the Company, Chairman of the Audit and Nomination Committees and a member of the Remuneration Committee on 16 October 2009. He holds a Diploma in Accountancy from University Technology Mara (UiTM) and Bachelor of Arts in Business Administration from Universiti Putra, Malaysia.

He started his career as an Audit Assistant with Messrs Hanafiah Roslan & Mohammad in 1976 before joining Lembaga Tabung Haji ("LTH") in the same year. He had been with LTH for 33 years and held various managerial posts such as General Manager (Finance), Chief Internal Auditor, Senior General Manager (Depository) and Senior General Manager (Administration and Building Management). His last position in LTH was Senior General Manager (Human Resource Department). During his tenure with LTH, he was nominated as member of the board of directors of various public listed and private limited companies. Currently, he is the Chairman of the Board of Smart Trade Concept Sdn Bhd, a company dealing in bioorganic fertilizer trading. He also holds the position as Director of Diamond Oil & Fats Product Sdn Bhd, a company which involves in Halal Food Products locally as well as exporting to Middle East and African countries.

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

Aged 65 – Malaysian ∗ Independent Non-Executive Director

Brig. Jen. Dato' Mior was appointed as a Non-Independent Non-Executive Director of GBH on 24 September 2001. His Board position has on 1 October 2009 changed to Independent Non-Executive Director. He holds a Diploma in Management Science and held the position of Director of Defence Logistics Planning at The 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 The Malaysian Armed Forces Headquarters. He is currently also a director of Metal Reclamation Bhd as well as several other private companies.

Aminuddin Yusof Lana

*Aged 61 - Permanent Resident * Independent Non-Executive Director*

En. Aminuddin was appointed as Director of the Company and a member of the Audit Committee on 16 October 2009. He holds a Bachelor of Commerce and Administration Degree from Victoria University of Wellington, New Zealand. He is a Chartered Accountant of the New Zealand Society of Accountants and an Associate member of the Institute of Chartered Secretaries and Administrators of London and Wales.

He had previously served as Director and later Managing Director of Renong Berhad from 1990 to 1994 and as Director and Group Managing Director of Faber Group Berhad from 1990 to 1994. He was the Managing Director of Metacorp Berhad from 1995 to 1996. He was also the Managing Director of UEM Builders Berhad from 2000 to 2003.

Currently, he sits on the Board of Malaysia Aica Berhad, Scomi Oiltools International Limited (Bermuda) and ENC Sdn Bhd.

Thor Poh Seng

*Aged 50 – Malaysian * Non-Independent Non-Executive Director*

Mr. Thor was appointed to the Board of GBH on 8 July 2008. He was appointed to the Board's Remuneration Committee on 16 October 2009.

He holds a Bachelor of Engineering degree from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) and a Master's degree in Business Management from the Asian Institute of Management, Philippines.

Mr. Thor was an ex-merchant banker from Commerce International Merchant Banker Berhad (now known as CIMB Investment Bank Berhad) ("CIMB") with extensive experience in corporate finance and corporate planning. Prior to joining CIMB, he has held senior positions in operations and finance in Dunlop Estate Berhad and Sitt Tatt Berhad respectively. He is also a Director of Marco Holdings Berhad, PDZ Holdings Bhd, Keladi Maju Berhad, FCW Holdings Berhad, Jasa Kita Berhad, GPA Holdings Berhad, Computer Forms (Malaysia) Berhad and Malaysia Aica Berhad.

Tang Tat Chun

*Aged 45 – Malaysian * Executive Director - Finance*

Mr. Tang was appointed to the Board of GBH on 28 May 2007 as a Non-Independent Non-Executive Director. He was then re-designated to the position of Executive Director - Finance on 21 May 2008.

He holds a Bachelor of Business (Accounting) from Australia and he is also a member of CPA Australia and the Malaysian Institute of Accountants. He commenced his career with Ernst & Young (Singapore office) and has held senior positions in internal audit units of several public listed companies involved in industries such as manufacturing, trading, property development and telecommunication. He is also a director of other public companies, namely, Biosis Group Berhad, Jasa Kita Berhad and several other private companies.

Poh Weng Choon

*Aged 59 – Malaysian * Executive Director*

Mr. Poh was appointed to the Board of GBH on 1 October 2009. He has been in the timber industry since 1972 and has gained over 35 years of all round experience in manufacturing environment. He was the Assistant Treasurer of Malaysian Wood Industries Association ("MWIA") and the President of Selangor & Federal Territory Timber Traders Association ("SFTTA") from 2005 until 2007. He is now a Committee Member of SFTTA.

Lai Sze Pheng

*Aged 49 – Malaysian * Executive Director*

Mr. Lai was appointed to the Board of GBH on 30 March 2010. He holds a Bachelor of Science Degree in Business Administration from New Hampshire University, U.S.A. Upon graduation, he started his career as an auditor at Ernst & Whinney Public Accountants in 1986. He joined PDL Wylex Sdn Bhd (now known as PWE Industries Bhd) which involved in the manufacturing and distribution of electrical accessories, and held various positions during the period from 1987 to 1990.

He joined Hume Industries Malaysia Berhad (A member of the Hong Leong Group) in mid 1990 and held various senior positions with the last position as Chief Operating Officer. He spent 17 years with the said group, managing a divest business in manufacturing and distribution of building materials, and has gained vast experience in both marketing and manufacturing sectors. During his tenure with Hume Industries Malaysia Berhad, he was involved in a wide range of assignment covering general management, new business development and new business set up.

In 2007, he joined Malaysian Mosaic Berhad, a company involved in the manufacturing and distribution of ceramic tiles as the Director of Sales & Marketing.

He is currently assuming the position of Executive Director in Goh Ban Huat Berhad Group, managing the day to day operations of the Group's business activities.

Tan Han Chuan

*Aged 43 – Malaysian * Executive Director*

Mr. Tan was appointed to the Board of GBH on 15 April 2010. He holds a Bachelor of Science degree in Business Administration, majoring in Finance and Operations from Boston University, U.S.A. Mr. Tan joined Jasa Kita Trading Sdn Bhd, a wholly-owned subsidiary of Jasa Kita Berhad, in 1991 and has since been involved in the management of the Jasa Kita Berhad Group. He is also a Director of Jasa Kita Berhad and Keladi Maju Berhad.

FURTHER INFORMATION ON THE BOARD OF DIRECTORS:

- **Family Relationship**

  Tan Sri Dato' Tan Hua Choon, the major shareholder of the Company, is the father of Mr. Tan Han Chuan.

  There is no family relationship among the other Board members.

- **Conflict of Interest**

  None of the Directors have any conflict of interest with the Company.

- **Conviction of Offences**

  None of the Directors have been convicted of any offence within the past 10 years, other than traffic offence, if any.

The Board of Directors of Goh Ban Huat Berhad is pleased to report on how the Group has applied the principles and best practices set out in Parts 1 & 2 of the Malaysian Code on Corporate Governance ("the Code") and the extent of compliance with the requirements with regard to corporate governance under Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR"), with the aim of ensuring board effectiveness in enhancing financial performance of the Group and shareholders' value.

A. BOARD OF DIRECTORS

The Board

The Board has overall responsibility in the stewardship of the Group's direction with the role of overseeing the conduct and performance of the Group's businesses and operations with the ultimate aim of enhancing long-term shareholders' value.

Board Balance

The Board has nine members comprising of a Chairman cum Managing Director, four Executive Directors and four Non-Executive Directors with three of the Non-Executive Directors fulfilling the criteria of independence as defined in the MMLR.

The Board is led by Tan Sri Dato' Tan Hua Choon, Chairman and Managing Director, who leads the executive management of the Company. The Executive Directors are tasked with running the day to day management of the business as well as the implementation of the Board's policies and decisions. The Board considers its current composition with the mix of skills and expertise sufficient and optimum to discharge its duties and responsibilities effectively. A brief profile of each Director is presented from pages 7 to 9 of this Annual Report.

The Board acknowledges that the role of independent non-executive directors are particularly important as they bring independent judgment towards the Group's business activities and strategies. In this respect, the three independent non-executive directors sitting on the Board which constitute one-third of the Board composition, are capable of ensuring a balanced and independent judgment on issues requiring the Board's deliberation and decision.

Board of Directors' Meetings

The Board meets to review and discuss matters specifically reserved to itself for decision to ensure that the direction and control of the Group is firmly in its hands. Key matters tabled at Board meetings include review and adoption of the Group's quarterly and year end financial results, business plan, annual budget, assets acquisition, approval on major capital expenditure projects and consideration of significant financial matters, Group policies and delegated authority limits.

There were seven (7) Board of Directors' Meetings held during the financial year ended 31 December 2009. The details of attendance of each individual Director are as follows:

DATE OF BOARD MEETING	25 Feb	13 May	30 Jun	23 Jul	27 Aug	27 Aug	25 Nov
Tan Sri Dato' Tan Hua Choon	√	√	√	√	√	√	√
Mr. Thor Poh Seng	√	√	√	√	√	√	√
Mr. Tang Tat Chun	√	√	√	√	√	√	√
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)	√	√	√	√	√	√	√
Tuan Hj Nahar Bin Mohd Yusof (Appointed on 16 October 2009)	N/A	N/A	N/A	N/A	N/A	N/A	√

A. BOARD OF DIRECTORS (cont'd)

Board of Directors' Meetings (cont'd)

DATE OF BOARD MEETING	25 Feb	13 May	30 Jun	23 Jul	27 Aug	27 Aug	25 Nov
Encik Aminuddin Yusof Lana (Appointed on 16 October 2009)	N/A	N/A	N/A	N/A	N/A	N/A	√
Mr. Poh Weng Choon (Appointed on 1 October 2009)	N/A	N/A	N/A	N/A	N/A	N/A	√
Mr. Lai Sze Pheng (Appointed on 30 March 2010)	N/A	N/A	N/A	N/A	N/A	N/A	√√
Mr. Tan Han Chuan (Appointed on 15 April 2010)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Goh Tai Seng (Resigned on 1 October 2009)	√	√	√	√	√	√	N/A
Mr. Goh Tai He (Resigned on 16 October 2009)	√	√	√	-	√	√	N/A
Mr. Tan Ah Cheun (Resigned on 1 October 2009)	√	√	√	√	√	√	N/A
Dato' Haji Mohd Sarit Bin Haji Yusoh (Resigned on 16 September 2009)	-	√	√	√	-	-	N/A
Tuan Haji Mohamed Amin Bin Haji Mohamed (Resigned on 16 September 2009)	√	-	√	√	√	√	N/A
Encik W. Shalihudin Bin W. Ibrahim (Resigned on 16 September 2009)	√	√	√	√	-	-	N/A
Mr. Yap Koon (Resigned on 16 September 2009)	√	√	√	√	√	√	N/A

Note:

√ Present
- Absent
N/A Not Applicable
√√ Present by invitation

A. BOARD OF DIRECTORS (cont'd)

Board Committees

The Board has delegated specific responsibilities to three sub-committees, namely Audit Committee, Nomination Committee and Remuneration Committee in discharging its responsibilities. These committees have the authority to examine particular issues and report to the Board with recommendations. The ultimate responsibility for the final decision, however, lies with the Board.

(i) Audit Committee

The Audit Committee report is presented on pages 23 to 28 of this Annual Report.

(ii) Nomination Committee

Appointments to the Board

The Board believes that the current composition of the Board brings the required mix of qualification, skills, core competencies and industry experience required for the Board to discharge its duties effectively. The Board appoints its members through a formal and transparent selection process which is consistent with the Articles of Association of the Company. This process has been reviewed and adopted by the Board. The Company Secretary will ensure that all appointments are properly made, and that legal and regulatory requirements are complied with.

The appointment of any additional Director is made when necessary and upon the recommendation of Nomination Committee. The Nomination Committee of GBH was established on 28 November 2005 and is delegated with the following specific tasks:

a. To recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making its recommendations, the Committee should consider the candidates':

    - skills, knowledge, expertise and experience;
    - professionalism;
    - integrity; and
    - in the case of candidates for the position of independent non-executive directors, the Committee should also evaluate the candidates' ability to discharge such responsibilities/ functions as expected from independent non-executive directors.

b. To review regularly the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary.

c. To identity and propose new nominees for appointment to the Board of Directors.

d. To assess Directors on an on-going basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director, including independent non-executive directors, as well as the chief executive officer, if any. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.

e. To recommend to the Board, Directors to fill the seats on Board Committees.

f. To review annually the Board's mix of skills and experience and other qualities including core competencies which non-executive Directors should bring to the Board. This should be disclosed in the Annual Report.

A. BOARD OF DIRECTORS (cont'd)

Board Committees(cont'd)

(ii) Nomination Committee (cont'd)

Appointments to the Board (cont'd)

g. To determine annually whether or not a Director is Executive, Non-Executive or independent.

h. To recommend to the Board for continuation (or not) in service of executive Director(s) and Directors who are due for retirement by rotation.

i. To consider, in making its recommendations, candidates for directorships proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any Director or shareholder.

The Nomination Committee comprises the following members:

(1) Tuan Haji Nahar Bin Mohd Yusof
(2) Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)

Details of attendance of Nomination Committee

There was one Nomination Committee Meeting held during the financial year with full attendance of all its members.

Re-election

In accordance with the Company's Articles of Association, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office and be eligible for re-election and an election of directors shall take place each year PROVIDED ALWAYS that all Directors including the Managing Director shall retire from office at least once in each three years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

In accordance with the Company's Articles of Association, the directors shall have power at any time, and from time to time, appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed the number fixed in accordance with the Articles. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.

Directors over seventy years of age shall retire from office at each Annual General Meeting but shall be eligible for re-appointment in accordance with Section 129(6) of the Companies Act, 1965.

A. BOARD OF DIRECTORS (cont'd)

Board Committees(cont'd)

(iii) Remuneration Committee

The Remuneration Committee was established on 28 November 2005 and is delegated with the following specific tasks:

a. To recommend to the Board the framework of Executive Directors' remuneration and the remuneration package for each Executive Director, drawing from outside advice as necessary.

b. To recommend to the Board, guidelines for determining remuneration of Non-Executive Directors.

c. To recommend to the Board any performance related pay schemes for Executive Directors.

d. To review Executive Directors' scope of service contracts.

e. To consider the appointment of the service of such advisers or consultants as it deems necessary to fulfil its functions.

The Remuneration Committee comprises the following members:

(1) Tan Sri Dato' Tan Hua Choon

(2) Tuan Haji Nahar Bin Mohd Yusof

(3) Mr. Thor Poh Seng

The Remuneration Committee reviews the remuneration packages and benefits accorded to the Executive Directors as well as the Non-Executive Directors' remunerations on an annual basis. For Executive Directors, the component parts of remuneration are structured to link rewards to corporate and individual performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed. Fees payable to all Directors are proposed at the Annual General Meeting for the shareholders' approval.

Details of attendance of Remuneration Committee

There was one Remuneration Committee Meeting held during the financial year with full attendance of all its members.

A. BOARD OF DIRECTORS (cont'd)

Board Committees(cont'd)

(iii) Remuneration Committee (cont'd)

Details of Directors' Remuneration

Details of Directors' remuneration for the financial year ended 31 December 2009, distinguishing between Executive and Non-Executive Directors in aggregate, with categorisation into appropriate components are set out below:

i. The aggregate remuneration of Directors of the Company, categorized into appropriate components are as follows:

CATEGORISATION IN RM	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
Fees	-	93,750
Other emoluments	-	156,000
Directors' remuneration & other emoluments	1,007,212	-
Unutilised leave pay	1,236,305	-
Gratuity on retirement benefit	2,548,810	-
Bonus	6,000	-
Pension costs – defined contribution plans	71,466	-
Total	**4,869,793**	**249,750**

ii. The number of Directors of the Company whose total remunerations fall in each successive bands of RM50,000 are as follows:

RANGE OF REMUNERATION	NUMBER OF DIRECTORS	
	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
RM50,000 and below	1	10
RM50,001 to RM150,000	-	-
RM150,001 to RM200,000	1	-
RM200,001 to RM250,000	-	-
Above RM250,000	3	-

Note: The above disclosures conform with the requirement under Appendix 9C Part A(11) of MMLR. Details of remuneration of individual Directors are not revealed for security and confidentiality reason.

A. BOARD OF DIRECTORS (cont'd)

Supply of Information

All the Directors are provided with a set of board papers before board meetings consisting of the agenda and all other relevant materials. This procedure enables the Directors to have sufficient time to peruse the papers and if necessary, to obtain further information or clarification from the Management.

Besides, the Board would also be provided with texts of any major corporate announcements to be released to Bursa Securities and kept informed of any new legislation, rules and regulations issued by the various regulatory authorities, where relevant.

The Directors as a full Board or in their individual capacity have access to all information relating to the Group as well as unrestricted access to the advice of the senior management and the Company Secretary. The Directors may also engage independent professional services, where necessary.

Directors' Training

All Directors have attended the Mandatory Accreditation Programme in compliance with the MMLR.

The Directors also undergo various training programmes on a continuous basis to further enhance their skills and knowledge to assist them in discharging their duties and to keep abreast with the latest development in the marketplace.

Conferences, seminars and training programmes attended by the Directors during the financial year are as follows :-

Title	Area of Focus
• Directors' Duties • Best Practices of Boardroom Affairs • A Turning Point for Corporate Governance	Corporate Governance
• Financial Reporting During Financial Turbulence	Economics
• The Challenges of Implementing FRS 139	Financial Reporting Standards/ Accounting

Corporate Social Responsibility

The Group has implemented various environmentally friendly systems and safety programs in our factories.

A. BOARD OF DIRECTORS (cont'd)

Corporate Social Responsibility (cont'd)

We operate a waste water treatment plant in compliance with the Department of Environment guidelines to ensure that waste water is treated before being discharged. We have taken a step further by re-cycling the treated water for use in our manufacturing operations.

Our clay pipes are environmental friendly as they are made 100% from clay and will not contaminate when buried in the ground for sewage infrastructure. The sealing rings used for the pipes are made from 100% natural rubber, which conforms to environment friendly specifications EN681, and are ozone resistant and do not produce chemical reactions when exposed to sun light.

The flushing mechanisms in our sanitary ware products have features emphasizing water conservation, in particular the use of the dual flush system and waterless urinals. The Group also supplied the Automatic Street Toilet units that have helped to provide the city of Kuala Lumpur with a cleaner public toilet image.

Our fine tableware glazes are properly formulated to ensure that the finished products are free from lead and cadmium.

B. SHAREHOLDERS

Dialogue between Companies and Investors

The Board of Directors acknowledges the need for shareholders to be informed of all material business matters affecting the Group and as such, maintains a constructive communication policy, which enables the Board and the Management to communicate effectively with the shareholders and the investing public generally.

In this respect, the Board observes timely release of quarterly financial results and corporate proposal announcements via the Bursa Link and the press (where appropriate), annual reports and circulars to shareholders to ensure that the shareholders and investing public are kept informed of the Group's performance and prospect.

The Group's corporate information inclusive all announcements made to the public can also be accessible via the Company's website, www.gbhgroup.com.my

General Meeting of Shareholders

The Annual General Meeting ("AGM") of the shareholders of the Company represents the principal forum for dialogue and interaction between the Board and the shareholders, during which the shareholders are given the opportunity to raise questions pertaining to the resolutions tabled thereat or business activities of the Group. Extraordinary General Meeting ("EGM") is held as and when shareholders' approvals are required on specific matters. Notices of AGM and EGM are sent out to the shareholders within a reasonable and sufficient time frame and are published in a nationally circulated newspaper. A press conference may be held after each AGM or EGM of the Company, if necessary.

C. ACCOUNTABILITY AND AUDIT

i. Financial Reporting

The aim of the Directors in relation to financial reporting is to present a clear, balanced and comprehensive assessment of the Group's position and prospects primarily through its annual financial statements and quarterly financial results to its shareholders and investing public.

In this respect, the Board is assisted by the Audit Committee in reviewing and overseeing the Group's financial reporting process to ensure correctness and adequacy before tabling the financial statements and quarterly results to the Board for further review prior to announcement or presentation to the shareholders at AGM. The statement by Directors pursuant to Section 169 (15) of the Companies Act, 1965 is set out on page 36 of this Annual Report.

ii. Internal Control

The Directors acknowledge their responsibility for the Group's system of internal controls covering not only on financial aspect but also operational and compliance as well as risk management.

The Statement on Internal Control is set out on pages 29 to 30 of this Annual Report and this provides an overview of the state of internal controls within the Group.

iii. Relationship with Auditors

The Company maintains a transparent and professional relationship with the Company's auditors in seeking their professional advice towards ensuring compliance with the accounting standards. Key features underlying the relationships of the Auditors through the Audit Committee are described on pages 23 to 28 of this Annual Report.

D. OTHER INFORMATION

In compliance with Bursa Securities MMLR

1. Status of Utilisation of Proceeds from Corporate Proposal

The Company has raised RM74.303 million cash ("Proceeds") via its Rights Issue Exercise which was completed on 13 April 2010. Below is the status of utilisation of Proceeds:-

Purpose	Proposed Utilisation ("RM'000")	Actual Utilisation ("RM'000")	Intended Timeframe for Utilisation	Deviation Amount ("RM'000")	Deviation %	Explanations
Repayment of borrowings	50,000	50,000	By 2nd half of 2010	-	-	-
Working capital for our Group's existing businesses	23,103	-	By 2nd half of 2011	23,103	100	Not needed for working capital yet
Estimated expenses for the Rights Issue	1,200	349	By 2nd half of 2010	851	71	Payment as per payment terms stipulated in invoices

D. OTHER INFORMATION (cont'd)

In compliance with Bursa Securities MMLR (cont'd)

2. Share Buy-Back

There were no share buy-back carried out by the Company during the financial year.

3. Options/Warrants/Convertible Securities

The Company has on 8 April 2010 issued and allotted 123,838,022 ordinary shares of RM1.00 each ("Rights Shares") together with 61,918,993 free warrants ("Warrants 2010/2020") pursuant to its Rights Issue Exercise which was completed on 13 April 2010. The Warrants 2010/2020 were admitted to the Official List and were granted Listing and quotation on the Main Market of Bursa Malaysia Securities Berhad. As at the date of issuance of this annual report, none of the Warrants 2010/2020 have been exercised.

Save for the above, the Company did not issue any options, warrants or convertible securities during the financial year.

4. Depository Receipt Programme ("DRP")

The Company did not sponsor any DRP during the financial year.

5. Imposition of Sanctions and/or Penalties

There were no sanctions nor penalties imposed on the Directors and Management by the regulatory bodies during the financial year.

6. Non-Audit Fees

Non-audit fees incurred by the Group and by the Company during the financial year and payable to the external auditors and firm affiliated to the external auditors of the Company amounted to RM40,600.

7. Variation in Results

There were no material variances between the audited results for the financial year and the unaudited results previously announced.

8. Profit Estimate, Forecast or Projection

The Company did not make any release on the profit estimate, forecast or projection during the financial year.

9. Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

D. OTHER INFORMATION (cont'd)

In compliance with Bursa Securities MMLR (cont'd)

10. Material Contracts Involving Directors' and Major Shareholders' Interests

There were no material contracts entered into by the Group which involved Directors' and major shareholders' interests during the reporting financial year. The following are contracts involving interests of Directors and Major Shareholders which were entered into by the Group in previous financial years and are still subsisting:-

(i) Conditional Sale and Purchase Agreement dated 12 January 2007 between FCW Industries Sdn Bhd ("FCWI"), a wholly-owned subsidiary of FCW Holdings Berhad ("FCW") and GBH Clay Pipes Sdn Bhd ("GCP") for the acquisition by FCWI from GCP of the piece of freehold land held under Geran Mukim 6242 Lot 54833, Mukim of Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan together with a single storey office with 4 adjoining single-storey factories erected thereon bearing postal address 368, Jalan Segambut, 51200 Kuala Lumpur ("Factory Block") for a total cash consideration of RM31 million;

(ii) Tenancy Agreement dated 13 November 2007 between Federal Telecommunications Sdn Bhd ("FT"), a wholly-owned subsidiary of FCW and Goh Ban Huat Berhad ("GBH") to grant GBH a tenancy of 9 independent blocks of warehouses erected on all the pieces of freehold land held under Geran Mukim 1452 Lot 4722 and Geran Mukim 335 Lot 32661, both in the Mukim of Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan, bearing postal address Lot 32661, Jalan Segambut, 51200 Kuala Lumpur ("Warehouse Block") for a period of 3 years at the rental of RM343,750 per month with an option for a 2 years term of renewal at the same rental rate; and

(iii) Tenancy Agreement dated 13 November 2007 between FCWI and GCP to grant GCP a tenancy of the Factory Block for a period of 3 years at the rental of RM93,750 per month with an option for a 2 years term of renewal at the revised rental rate of RM193,750 per month.

Tan Sri Dato' Tan Hua Choon is a director and major shareholder of FCW and GBH. He is deemed interested in the above transactions.

11. Revaluation of Landed Properties

The Group has adopted a policy of regular revaluation as stated in Note 2.1 (d) to the audited financial statements on pages 50 to 51 of this Annual Report.

12. Related Party Transactions

The details of the transactions with related parties undertaken by the Group during the financial year are disclosed in Note 30 to the audited financial statements on pages 77 to 78 of this Annual Report.

E. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 1965 (the "Act"), to ensure that financial statements of the Company and the Group for each financial year are drawn up in accordance with the applicable approved accounting standards of Malaysia and the provision of the Act so as to give a true and fair view of the Company and the Group's affairs, results and cash flow position for the financial year.

The Directors consider that in preparing the financial statements for the year ended 31 December 2009, the GBH Group had used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed.

The Directors are also responsible for ensuring that the GBH Group keeps adequate accounting records, which disclose with reasonable accuracy the financial position of the GBH Group at any point of time. In addition, the Directors have taken steps to safeguard the assets of the GBH Group to prevent and detect fraud and other irregularities.

The Board of Directors of Goh Ban Huat Berhad ("GBH") is pleased to present the Report of GBH Audit Committee ("the Audit Committee") for the financial year as follows:-

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises three members, namely:

Chairman

Tuan Haji Nahar Bin Mohd Yusof	*(Independent Non-Executive Director)*

Members

Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)	*(Independent Non-Executive Director)*
Encik Aminuddin Yusof Lana *(MIA Member)*	*(Independent Non-Executive Director)*

TERMS OF REFERENCE

1. COMPOSITION

1.1 The Audit Committee shall be appointed by the Board from amongst its Directors and shall consist of no fewer than three members, all the Audit Committee Members must be non-executive directors, with a majority of them being independent directors. No alternate director shall be appointed as a member of the Audit Committee.

1.2 The Chairman, who shall be elected by the Audit Committee, shall be an independent director.

1.3 All the Audit Committee Members should be financially literate with at least one member of the Audit Committee fulfilling the following requirements:

i must be a member of the Malaysian Institute of Accountants (MIA); or

ii if he is not a member of MIA, he must have at least three years' working experience; and:-

- he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
- he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

iii must have a degree/masters/doctorate in accounting or finance and at least three years' post qualification experience in accounting or finance; or

iv must have a least seven years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation; or

v fulfils such other requirements as prescribed or approved by the Exchange.

TERMS OF REFERENCE (cont'd)

1. COMPOSITION (cont'd)

1.4 The Board must review the terms of office and performance of the Audit Committee and each of its members at least once in every three years to determine whether this committee and its members have carried out their duties in accordance with their terms of reference.

1.5 In the event of any vacancy with the result that the number of members is reduced to below three, the vacancy shall be filled within three months. Therefore, a member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

2. ATTENDANCE AND FREQUENCY OF MEETING

The Audit Committee shall meet at least four times in each financial year. Additional meetings may be called at any time at the discretion of the Chairman. The quorum for a meeting shall be two members of the Audit Committee. The majority of members present at the meeting shall be independent directors.

The finance director, financial controller, internal auditor and a representative of the external auditors should normally attend meetings. Other board members may attend meetings upon the invitation of the Audit Committee. However, the Audit Committee should meet with external auditors without the presence of any executive board members at least twice a year.

Meeting will be attended by the members of the Audit Committee and the Company Secretary or any representative of the Company Secretary shall be the Secretary.

3. PROCEDURES OF MEETINGS

3.1 The Audit Committee Chairman shall preside at all meetings. In his absence, the Audit Committee members present shall elect among themselves an independent director to be the chairman of the meeting.

3.2 The Audit Committee may call for a meeting as and when required with reasonable notice as the Audit Committee Members deem fit.

3.3 The Secretary of the Audit Committee shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

3.4 A minimum seven days' notice shall be given for all meetings. Nevertheless, a shorter notice is permitted subject to agreement by all Audit Committee members.

3.5 All decisions are determined by a majority of votes. In case of equality of votes, the Audit Committee Chairman shall have a casting vote.

3.6 A resolution in writing signed by a majority of the Audit Committee members and constituting a quorum shall be effective as a resolution passed at a meeting of the Audit Committee.

4. MINUTES OF MEETINGS

The Company Secretary shall be responsible for keeping the minutes of meetings of the Audit Committee and circulating them to the Audit Committee Members. The Audit Committee Members may inspect the minutes of the Audit Committee at the Registered Office or such other place as may be determined by the Audit Committee.

TERMS OF REFERENCE (cont'd)

5. AUTHORITY

The Audit Committee shall:

5.1 have authority to investigate any matter within its terms of reference.

5.2 have the resources which are required to perform its duties.

5.3 have full and unrestricted access to any information of the Group when it determines as relevant to its activities from any employees of the Company and the Group and all employees are directed to co-operate with any request made by the Audit Committee.

5.4 have direct communication channels with the external auditors and internal auditors.

5.5 be able to obtain independent professional or other advice.

5.6 be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

6. FUNCTIONS

The functions of the Audit Committee shall include the following:

6.1 To review with the external auditors on the following and report the same to the Board of Directors of the Company:

- the audit plan, its scope and nature;
- the audit report;
- the results of their evaluation of the accounting policies and system of internal controls within the Group;
- the management letter and management's response; and
- the major audit findings arising from the interim and final external audits, the audit report and the assistance given by the Group's officers to external auditors.

6.2 To do the following, in relation to the internal audit function:

- review the adequacy of the scope, functions, competency and resources and setting of performance standards of the internal audit function;
- review the internal audit programmes, processes, the results of the internal audit programmes, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- review the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;

TERMS OF REFERENCE (cont'd)

6. FUNCTIONS (cont'd)

6.2 To do the following, in relation to the internal audit function: (cont'd)

- review any appraisal or assessment of the performance of members of the internal audit function;
- review and approve any appointment or termination of senior staff members of the internal audit function; and
- take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

6.3 To provide assurance to the Board of Directors on the effectiveness of the system of internal controls and risk management practices of the Group.

6.4 To review with the Management:

- the audit reports and the implementation of audit recommendations; and
- interim financial information.

6.5 To review related party transactions (if any) entered into by the Company or the Group to be undertaken on at arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Directors report such transactions annually to shareholders via the annual report and to review conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

6.6 To review the quarterly results and annual financial statements prior to approval of the Board of Directors, focusing particularly on:

- changes in or implementation of major accounting policies changes;
- significant and unusual events;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements.

6.7 To review and report to the Board any letter of resignation from the external auditors of the Group as well as whether there is any reason (supported by grounds) to believe that the Group's external auditors are not suitable for re-appointment.

6.8 To make recommendations concerning the appointment of external auditors and their remuneration to the Board.

6.9 To verify that the allocation of options pursuant to Employees' Share Option Scheme of the Company is in accordance with the criteria for allocation established under the scheme at the end of each financial year.

6.10 Promptly reporting to Bursa Malaysia Securities Berhad on any matter reported by the Audit Committee to the Board which has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

SUMMARY OF ACTIVITIES

During the financial year, the main activities undertaken by the Audit Committee included:

a. Reviewed the quarterly financial results announcements of the Group prior to seeking the Board's approval prior to releasing the results to Bursa Securities.

b. Reviewed the financial statements of the Group with the external auditors to ensure adequacy of disclosure of information essential to a fair and full presentation of the financial affairs of the Group for recommendation to the Board for approval.

c. Reviewed the inter-company transactions and any related/interested party transactions that may arise within the Company and the Group to ensure compliance with Malaysian Accounting Standards Board, Listing Requirements of Bursa Securities and other relevant authorities.

d. Met with the external auditors without the presence of the Executive Directors and management.

e. Assessed the adequacy and effectiveness of the system of internal control by reviewing internal audit reports, audit findings, recommendations for improvement and management's responses thereto, and agreed action in rectifying weaknesses.

There were four Audit Committee meetings held during the financial year ended 31 December 2009. The details of the attendance of each member of the Audit Committee are as follows:

Member	Date of Meeting			
	25/02/2009	13/05/2009	27/08/2009	25/11/2009
Tuan Haji Nahar Bin Mohd Yusof (appointed w.e.f. 16 October 2009)	N/A	N/A	N/A	√
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd) (appointed w.e.f. 16 October 2009)	N/A	N/A	N/A	√
Encik Aminuddin Yusof Lana (appointed w.e.f. 16 October 2009)	N/A	N/A	N/A	√
Mr Yap Koon (resigned w.e.f. 16 September 2009)	√	√	√	N/A
Dato' Haji Mohd Sarit Bin Haji Yusoh (resigned w.e.f. 16 September 2009)	-	√	-	N/A
Encik W. Shalihudin Bin W. Ibrahim (resigned w.e.f. 16 September 2009)	√	√	√	N/A
Tuan Haji Mohamed Amin Bin Haji Mohamed (resigned w.e.f. 16 September 2009)	√	-	√	N/A

Note:

√ Present
\- Absent
N/A Not Applicable

INTERNAL AUDIT FUNCTION

The role of the internal audit function is to provide independent and objective reports on the state of internal control, compliance to policies, procedures and statutory requirements, the extent the Group's assets are accounted for and safeguarded, and any improvements to operations, processes and control systems. These report findings together with the related recommendations are reported to the Audit Committee.

The total cost incurred for the Group's internal audit function in respect of the financial year ended 31 December 2009 was RM70,940. The activity of the internal audit function is detailed in the Statement on Internal Control on pages 29 to 30 of this Annual Report.

The Board of Goh Ban Huat Berhad is committed to continuously improving the Group's system of internal controls and is pleased to present the following Statement on Internal Control pursuant to Paragraph 15.27(b) of the BMSB Listing Requirements and the Statement on Internal Control: Guidance For Directors of Public Listed Companies.

1. Board's Responsibility

The Board recognizes the importance of sound controls and risk management practices to good corporate governance. The Boards affirms its overall responsibilities for the Group's system of internal control and risk management, which includes reviewing its effectiveness, adequacy and integrity. However, the Board is equally aware that due to the limitations that are inherent in any system of internal controls, which is designed to manage rather than totally eliminate the risk of failure to achieve business objectives. In this regard, the system can provide only reasonable assurance, and not absolute assurance against material misstatement, loss or other significantly adverse consequences. The system of internal controls covers financial, operational and compliance controls and risk management procedures.

2. Key Elements of Internal Control

Risk Management and Internal Audit

The overall risk management practice of the Group involves an ongoing process designed to identify the principal risks to the achievement of the Group's policies, goals and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The Management, with the assistance of the internal audit function, reviews regularly the Group's system of internal controls for its adequacy and effectiveness in managing key risks.

Where any significant weaknesses have been identified, improvement measures are recommended to strengthen the controls.

The heads of departments are responsible for managing key risks applicable to their areas of business activities on a continuous basis. All operational matters and issues are regularly reviewed and resolved by the management team at the monthly management meeting. Through these mechanisms, risks will be identified in a timely manner, their implications will be assessed and control procedures will be re-evaluated accordingly.

Other Key Elements of Internal Control

Other key elements of the Group's system of internal controls are as follows: -

- Business units prepare an annual budget and present it to the Board for approval. Any variances of actual performance against budget are monitored and reported on a monthly basis to Management and quarterly to the Board. Appropriate actions are devised to address any areas of concerns arising from the regular review.
- Financial results are prepared and presented to Management and to the Board and Audit Committee on a timely basis for effective monitoring and decision making.
- The Group has an appropriate organization structure which clearly defines the lines of responsibility and accountability.
- The Group has documented certain key processes in the form of Standard Operating Procedures for uniformity and consistency of practices within the Group.

2. Key Elements of Internal Control (cont'd)

Other Key Elements of Internal Control (cont'd)

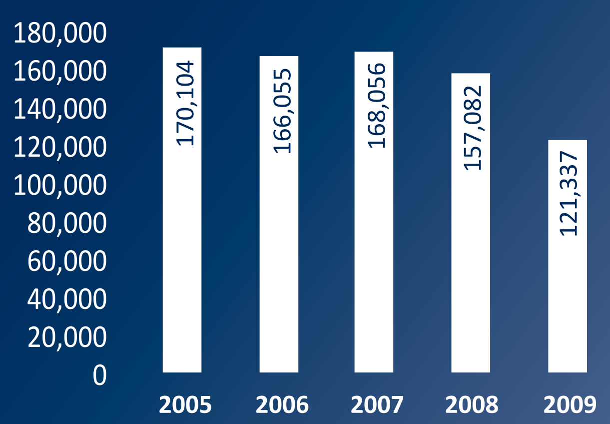
Other key elements of the Group's system of internal controls are as follows: -

- The Executive Directors act as the channel of communication between Board and the Management. The Executive Directors are empowered to manage the business of the Group and implement the Board's directives and policies.
- Appropriate qualified management personnel are responsible for the operation and monitoring of effective internal control. In addition, key job responsibilities are properly segregated.
- The Audit Committee meets at least four times a year and reviews the effectiveness of the Group's system of internal controls. The Committee meets with the internal auditors and external auditors regularly to review their reports so that any areas of concern can be appropriately addressed.
- Regular internal audit visits which provide independent assurance on the effectiveness of the Group's system of internal controls and advise the Management on the areas for improvement.
- The Group's main manufacturing arm, i.e. clay pipe manufacturing, has been accredited with ISO9001:2000 international quality system standard. The ISO system provides the Group with improved control of key processes and a foundation for improving quality and customer satisfaction.
- The Group enrolls employees in external training programs regularly in order to keep abreast of developments in their respective fields or functions.

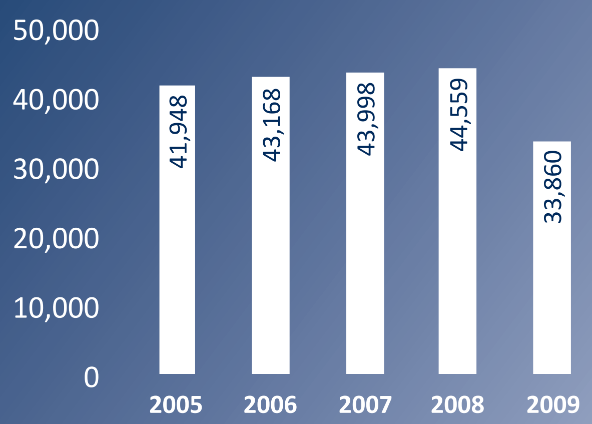
This statement is made in accordance with the resolution of the Board of Directors dated 20 April 2010.

IN RM ('000)	2005	2006	2007	2008	2009
Group Turnover	41,948	43,168	43,998	44,559	33,860
Group Loss Before Tax	(611)	(2,648)	(2,235)	(13,109)	(36,290)
Taxation	962	(1,400)	(3,142)	1,295	461
Profit /(Loss) After Tax	351	(4,048)	(5,377)	(11,813)	(35,829)
Minority Interest	-	-	-	-	-
Profit / (Loss) Attributable to Shareholder	351	(4,048)	(5,377)	(11,813)	(35,829)
Net Dividend	-	-	-	-	-
Net Earning / (Loss) Per Share (Sen)	0.57	(6.54)	(8.68)	(19.08)	(57.86)
Gross Dividend Rate Per Share (%)	-	-	-	-	-
Net Assets Per Share (Sen)	275	268	271	254	196
Shareholders' fund	170,104	166,055	168,056	157,082	121,337

SHAREHOLDERS' FUND



GROUP TURNOVER



FINANCIAL STATEMENTS

The directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

Principal activities

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

The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year except for one of its subsidiaries, GBH Porcelain Sdn. Bhd. which has ceased operations in manufacturing and trading of formers since March 2009.

Results

	Group RM	Company RM
Loss for the year attributable to equity holders of the Company	(35,829,428)	(29,190,292)

There were no material transfers to or from reserves or provisions during the financial year.

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.

Dividend

Since the end of the previous financial year, no dividend has been paid or declared by the Company.

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:

Tan Sri Dato' Tan Hua Choon	
Thor Poh Seng	
Tang Tat Chun	
Brig Jen Dato' Mior Azam Bin Mior Safi (Rtd)	
Poh Weng Choon	(appointed on 1 October 2009)
Aminuddin Yusof Lana	(appointed on 16 October 2009)
Tuan Haji Nahar Bin Mohd Yusof	(appointed on 16 October 2009)
Lai Sze Pheng	(appointed on 30 March 2010)
Tan Han Chuan	(appointed on 15 April 2010)
Dato' Haji Mohd Sarit Bin Haji Yusoh	(resigned on 16 September 2009)
Tuan Haji Mohamed Amin Bin Haji Mohamed	(resigned on 16 September 2009)
W Shalihudin Bin W Ibrahim	(resigned on 16 September 2009)
Yap Koon	(resigned on 16 September 2009)
Goh Tai Seng	(resigned on 1 October 2009)
Tan Ah Cheun	(resigned on 1 October 2009)
Goh Tai He	(resigned on 16 October 2009)
Dato Haji Mohd Yusof Bin Haji Mohamed (alternate to Tuan Haji Mohamed Amin Bin Haji Mohamed)	(ceased to be alternate director on 16 September 2009)

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.

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 30 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:

	Ordinary shares of RM1 each in the Company			
	As at 1.1.2009	**Bought**	**Sold**	**As at 31.12.2009**
The Company				
Direct Interest:				
Tan Sri Dato' Tan Hua Choon	18,851,600	32,220,899	(5,533,200)	45,539,299

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.

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 allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their values 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 allowance 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.

Other statutory information (cont'd)

(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.

Subsequent events

Details of subsequent events are disclosed in Note 33 to the financial statements.

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 dated 20 April 2010.

Tang Tat Chun

Poh Weng Choon

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

We, Tang Tat Chun and Poh Weng Choon, 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 39 to 84 are drawn up in accordance with applicable Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 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 dated 20 April 2010.

Tang Tat Chun

Poh Weng Choon

STATUTORY DECLARATION
Pursuant to Section 169(16) of the Companies Act, 1965

I, Tang Tat Chun, being the director 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 39 to 84 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 Tang Tat Chun at
Kuala Lumpur in the Federal Territory
on 20 April 2010

Tang Tat Chun

Before me,

R. Vasugi Ammal, PJK
No: W 480
Commissioner for oaths

Report on the financial statements

We have audited the financial statements of Goh Ban Huat Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 39 to 84.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable Financial Reporting Standards and the provisions of the Companies Act, 1965 ("Act") in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Act, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of the subsidiary of which we have not acted as auditors, which are indicated in Note 15 to the financial statements.

(c) 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.

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

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Act and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Kua Choh Leang
No. 2716/01/11 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
20 April 2010

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Revenue	3	33,859,600	44,559,172	3,674,854	3,962,132
Cost of sales	4	(42,232,894)	(41,986,243)	(4,125,000)	(4,125,000)
Gross (loss)/profit		(8,373,294)	2,572,929	(450,146)	(162,868)
Other income		722,649	3,194,606	2,536,852	2,215,246
Distribution expenses		(4,262,415)	(4,133,255)	-	-
Administrative expenses		(11,720,541)	(10,661,929)	(5,858,793)	(2,677,073)
Other expenses		(10,065,504)	(1,848,568)	(23,025,283)	(11,392,781)
Loss from operations	5	(33,699,105)	(10,876,217)	(26,797,370)	(12,017,476)
Finance costs	8	(2,591,424)	(2,232,390)	(2,580,431)	(2,149,930)
Loss before taxation		(36,290,529)	(13,108,607)	(29,377,801)	(14,167,406)
Taxation	9	461,101	1,295,293	187,509	1,558,826
Loss for the year attributable to equity holders of the Company		(35,829,428)	(11,813,314)	(29,190,292)	(12,608,580)
Loss per share attributable to equity holders of the Company (sen):					
Basic	10	(57.86)	(19.08)		

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS
as at 31 December 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Assets					
Non-current assets					
Property, plant and equipment	11	135,180,923	145,268,702	115,368,800	115,829,844
Investment properties	12	1,049,567	1,446,098	874,567	883,678
Prepaid land lease payments	13	1,859,683	1,934,272	1,859,683	1,934,272
Other investments	14	69,920	180,112	1,220	111,412
Investments in subsidiaries	15	-	-	1,186,404	1,500,004
Long term receivable	16	-	16,000,000	-	-
		138,160,093	164,829,184	119,290,674	120,259,210
Current assets					
Inventories	17	9,897,567	17,025,942	-	-
Trade receivables	18	12,417,939	13,509,173	199,983	119,274
Other receivables	19	18,118,837	2,603,182	57,514,114	77,248,711
Cash and cash equivalents	20	5,493,118	13,908,761	1,187,003	2,908,963
		45,927,461	47,047,058	58,901,100	80,276,948
Total assets		184,087,554	211,876,242	178,191,774	200,536,158

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	25	61,919,011	61,919,011	61,919,011	61,919,011
Reserves	26	59,418,353	95,162,782	63,627,779	92,733,072
Total equity		121,337,364	157,081,793	125,546,790	154,652,083
Non-current liabilities					
Long term borrowings	21	-	35,637,533	-	35,592,154
Deferred tax liabilities	27	99,505	498,451	-	272,508
		99,505	36,135,984	-	35,864,662
Current Liabilities					
Short term borrowings	21	35,637,892	49,945	35,592,154	-
Trade payables	22	6,230,555	5,080,135	82,385	83,769
Other payables	23	17,308,570	7,564,652	15,215,866	7,508,852
Tax payable		3,473,668	5,963,733	1,754,579	2,426,792
		62,650,685	18,658,465	52,644,984	10,019,413
Total liabilities		62,750,190	54,794,449	52,644,984	45,884,075
Total equity and liabilities		184,087,554	211,876,242	178,191,774	200,536,158

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
For the year ended 31 December 2009

Group	Share capital RM	Share premium RM	Revaluation reserves RM	Capital reserves RM	Accumulated losses RM	Total equity RM
	← Attributable to equity holders of the Company →					
		← Non - Distributable →				
At 1 January 2008	61,919,011	16,966,462	97,187,324	1,118,356	(9,135,111)	168,056,042
Deferred tax adjustments relating to revaluation of properties, representing net income recognised directly in equity	-	-	-	-	839,065	839,065
Loss for the year	-	-	-	-	(11,813,314)	(11,813,314)
Total recognised income and expenses for the year	-	-	-	-	(10,974,249)	(10,974,249)
At 31 December 2008	61,919,011	16,966,462	97,187,324	1,118,356	(20,109,360)	157,081,793
At 1 January 2009	61,919,011	16,966,462	97,187,324	1,118,356	(20,109,360)	157,081,793
Deferred tax adjustments relating to revaluation of properties, representing net income recognised directly in equity	-	-	-	-	84,999	84,999
Loss for the year	-	-	-	-	(35,829,428)	(35,829,428)
Total recognised income and expenses for the year	-	-	-	-	(35,744,429)	(35,744,429)
At 31 December 2009	61,919,011	16,966,462	97,187,324	1,118,356	(55,853,789)	121,337,364

Company	Share capital RM	Share premium RM	Revaluation reserves RM	Capital reserves RM	Accumulated losses RM	Total equity RM
	← Attributable to equity holders of the Company →					
		← Non - Distributable →				
At 1 January 2008	61,919,011	16,966,462	97,944,537	2,257,088	(12,665,500)	166,421,598
Deferred tax adjustments relating to revaluation of properties, representing net income recognised directly in equity	-	-	-	-	839,065	839,065
Loss for the year	-	-	-	-	(12,608,580)	(12,608,580)
Total recognised income and expenses for the year	-	-	-	-	(11,769,515)	(11,769,515)
At 31 December 2008	61,919,011	16,966,462	97,944,537	2,257,088	(24,435,015)	154,652,083
At 1 January 2009	61,919,011	16,966,462	97,944,537	2,257,088	(24,435,015)	154,652,083
Deferred tax adjustments relating to revaluation of properties, representing net income recognised directly in equity	-	-	-	-	84,999	84,999
Loss for the year	-	-	-	-	(29,190,292)	(29,190,292)
Total recognised income and expenses for the year	-	-	-	-	(29,105,293)	(29,105,293)
At 31 December 2009	61,919,011	16,966,462	97,944,537	2,257,088	(53,540,308)	125,546,790

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENTS
For the year ended 31 December 2009

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Cash flows from operating activities				
Loss before taxation	(36,290,529)	(13,108,607)	(29,377,801)	(14,167,406)
Adjustments for:				
Deposits written off	-	500	-	-
Impairment losses of				
- investments in subsidiaries	-	-	313,600	-
- other investments	-	5,838	-	2,838
- plant and equipment	2,012,973	-	-	-
Unrealised foreign exchange loss/(gain)	186,491	(259,246)	(152)	(1,296)
Depreciation				
- property, plant and equipment	4,182,968	4,183,026	461,044	461,048
- investment property	9,111	13,303	9,111	9,110
Amortisation of prepaid land lease payments	74,589	74,587	74,589	74,587
Interest income	(112,201)	(95,510)	(2,530,178)	(2,211,815)
Trust income	(35,997)	(89,281)	-	-
Interest expense	2,591,424	2,232,390	2,580,431	2,149,930
Bad debts written off	2,000	-	-	-
Allowance for doubtful debts	192,707	834,161	20,595,335	11,040,223
Reversal of allowance for doubtful debts	(255,682)	(2,416,616)	-	-
Inventories written off	2,758,630	478,167	-	-
Write down of inventories	280,581	1,462,100	-	-
Plant and equipment written off	5,300,586	-	-	-
Investment property written off	387,420	-	-	-
Loss on disposal of other investments	110,192	-	1 10,192	-
Gain on disposal of property, plant and equipment	-	(3,000)	-	-
Dividend income	(90)	(84)	(90)	(84)
Operating loss before working capital changes	(18,604,827)	(6,688,272)	(7,763,919)	(2,642,865)
Working capital changes:				
Inventories	4,089,164	321,135	-	-
Receivables	1,450,063	5,938,917	(941,295)	(28,282,669)
Payables	10,969,227	(18,055,152)	7,705,630	(743,663)
Cash used in operating activities	(2,096,373)	(18,483,372)	(999,584)	(31,669,197)
Interest received	112,201	95,510	2,530,178	2,211,815
Trust income received	35,997	89,281	-	-
Interest paid	(2,591,424)	(2,232,390)	(2,580,431)	(2,149,930)
Tax paid	(2,417,800)	(1,169,108)	(672,213)	(1,090,154)
Net cash flows used in operating acitivites	(6,957,399)	(21,700,079)	(1,722,050)	(32,697,466)

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	-	3,000	-	-
Dividend received	90	84	90	84
Purchase of property, plant and equipment	(1,408,748)	(338,396)	-	-
Net cash (used in)/generated from investing activities	(1,408,658)	(335,312)	90	84
Cash flows from financing activities				
Net drawdown of term loans	-	35,592,154	-	35,592,154
(Repayment)/drawdown of hire purchase	(49,586)	49,945	-	-
Net cash (used in)/generated from financing activities	(49,586)	35,642,099	-	35,592,154
Net change in cash and cash equivalents	(8,415,643)	13,606,708	(1,721,960)	2,894,772
Cash and cash equivalents at beginning of year	13,908,761	302,053	2,908,963	14,191
Cash and cash equivalents at end of year (Note 20)	5,493,118	13,908,761	1,187,003	2,908,963

The accompanying notes form an integral part of the financial statements.

1. Corporate information

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 8-3, Jalan Segambut, 51200 Kuala Lumpur. The principal place of business is located at 238, Jalan Segambut, 51200 Kuala Lumpur.

The principal activity of the Company is rental of properties and investment holding. The principal activities of the subsidiaries are set out in Note 15. There have been no significant changes in the nature of these activities during the year except for one of its subsidiaries, GBH Porcelain Sdn. Bhd. which has ceased operations in manufacturing and trading of formers since March 2009.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 April 2010.

2.1 Significant accounting policies

(a) Basis of Preparation

The financial statements of the Group and of the Company, presented in Ringgit Malaysia, comply with the applicable Financial Reporting Standards ("FRSs") and the provisions of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have also been prepared on a historical basis, except for freehold land and buildings included within property, plant and equipment that have been measured at their fair values.

(b) Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRS effective for financial periods beginning on or after 1 July 2009:

- FRS 8: Operating Segments

FRSs, IC Interpretations and amendments effective for financial periods beginning on or after 1 January 2010

- FRS 4: Insurance Contracts
- FRS 7: Financial Instruments: Disclosures
- FRS 101: Presentation of Financial Statements (revised)
- FRS 123: Borrowing Costs
- FRS 139: Financial Instruments: Recognition and Measurement

2.1 Significant accounting policies (cont'd)

(b) Standards and interpretations issued but not yet effective

FRSs, IC Interpretations and amendments effective for financial periods beginning on or after 1 January 2010 (cont'd.)

- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Share-based Payment: Vesting Conditions and Cancellations
- Amendments to FRS 7: Financial Instruments: Disclosures
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9, Reassessment of Embeded Derivatives
- FRSs contained in the document entitled "Improvements to FRSs (2009)"
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment
- IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
- IC Interpretation 13: Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

FRSs, IC Interpretations and amendments effective for financial periods beginning on or after 1 July 2010

- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations (revised)
- FRS 127: Consolidated and Separate Financial Statements (revised)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 15: Agreements for the Construction of Real Estate
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners

2.1 Significant accounting policies (cont'd)

(b) Standards and Interpretations issued but not yet effective (cont'd.)

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application:

FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

FRS 8: Operating Segment

FRS 8 replaces FRS 114_{2004}: *Segment Reporting* and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group and of the Company.

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the statements of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and of the Company.

2.1 Significant accounting policies (cont'd)

(b) Standards and Interpretations issued but not yet effective (cont'd.)

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments:
Disclosures

The new Standard on FRS 139: *Financial Instruments: Recognition and Measurement* establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: *Financial Instruments: Presentation* and the requirements for disclosing information about financial instruments are in FRS 7: *Financial Instruments: Disclosures.*

FRS 7: *Financial Instruments: Disclosures* is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and of the Company's exposure to risks, enhanced disclosure regarding components of the Group's and of the Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

The amendments to FRS 7 - *Improving Disclosures about Financial Instruments*, reinforce existing principles for disclosures about liquidity risk. Also, the amendments require enhanced disclosures about fair value measurements in which a three-level fair value hierarchy is introduced. An entity is required to classify fair value measurements using this hierarchy which aims to reflect the inputs used in making the measurement.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

Amendments to FRSs 'Improvements to FRSs (2009)'

FRS 117 *Leases :* Clarifies on the classification of leases of land and buildings. The Group is still assessing the potential implication as a result of the reclassification of its unexpired land leases as operating or finance leases. For those land element held under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings. The Group is currently in the process of assessing the impact on this amendment.

(c) Subsidiaries and basis of consolidation

(i) Subsidiaries

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

2.1 Significant accounting policies (cont'd)

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

(i) Subsidiaries (cont'd)

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

(d) Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses.

2.1 Significant accounting policies (cont'd)

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

Freehold land and buildings are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date. Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Freehold land has an unlimited useful life and therefore is not depreciated. 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%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(e) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured at cost, including transaction costs.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

(f) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For assets that have an indefinite useful life, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

2.1 Significant accounting policies (cont'd)

(f) Impairment of non-financial assets (cont'd)

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the assets belong to. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to these units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(g) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of raw materials and workin- progress is determined on specific identification per unit and includes the cost of materials and incidentals in bringing the raw materials into store. The cost of finished goods comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

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.

2.1 Significant accounting policies (cont'd)

(h) Financial instruments

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and 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 recognised directly in 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) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash and bank balances and deposits, net of outstanding bank overdrafts.

(ii) Other non-current investments

Non-current investments other than investments in subsidiaries are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(iii) Marketable securities

Marketable securities are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in profit or loss. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

(iv) Receivables

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.

(v) Payables

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

(vi) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest, bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(vii) Equity instruments

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

2.1 Significant accounting policies (cont'd)

(i) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Operating leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the upfront payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straightline basis over the lease term.

(iii) Finance leases - the Group as lessee

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 Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

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 in the profit or loss 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 in accordance with that for depreciable property, plant and equipment as described in Notes 2.1(d).

(j) 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.

2.1 Significant accounting policies (cont'd)

(j) Income tax (cont'd)

Deferred tax is provided for, using the liability method. 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 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 as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised 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 the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(k) 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. 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 contributions plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(l) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

2.1 Significant accounting policies (cont'd)

(l) Foreign currencies (cont'd)

(ii) Foreign currency transactions

Foreign currency transactions are recorded in the functional currency of the Group at rates of exchange approximating those ruling at transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates ruling at that date. Exchange differences are dealt with in the income statement.

The exchange rates used at the balance sheet date are as follows:

	2009 RM	2008 RM
One Great Britain Pound	5.50	-
One Euro	4.92	-
One New Zealand Dollar	2.49	-
One United States Dollar	3.42	3.46
One Singapore Dollar	2.44	2.41
One Brunei Dollar	2.44	2.41

(m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Rental income

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

2.2. Significant accounting judgements and estimates

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2. Significant accounting judgements and estimates (cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

(a) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful life. Management estimates of the useful lives of property, plant and equipment and the residual value are as disclosed in Note 2.1(d). Any changes in the useful lives and residual value could impact the future depreciation charges. A 9% difference in the current year depreciation charge would result in approximately 1% variance in the loss for the year of the Group.

(b) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2009, the Group have tax payable and deferred tax liabilities of approximately RM3,474,000 (2008: RM5,964,000) and RM100,000 (2008: RM498,000), respectively.

3. Revenue

Revenue of the Company comprises 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.

Analysed as:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Rental income	3,028,182	2,942,095	3,674,854	3,962,132
Sale of goods	30,831,418	41,617,077	-	-
	33,859,600	44,559,172	3,674,854	3,962,132

4. Cost of sales

Cost of sales represents cost of inventories manufactured and sold, and the direct operating expenses relating to the rental income of the properties.

Analysed as:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Direct operating expenses	3,478,328	3,106,768	4,125,000	4,125,000
Cost of inventories	38,754,566	38,879,475	-	-
	42,232,894	41,986,243	4,125,000	4,125,000

5. Loss from operations

Loss from operations is stated after charging/(crediting):

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Staff costs (Note 6)	10,888,765	10,767,152	32,058	-
Directors' remuneration (Note 7)	5,119,543	1,738,020	4,194,807	320,681
Auditors' remuneration				
- current year	105,400	88,400	35,000	25,000
- underprovision	25,100	24,000	18,500	10,000
Depreciation				
- property, plant and equipment	4,182,968	4,183,026	461,044	461,048
- investment properties	9,111	13,303	9,111	9,110
Amortisation of prepaid land lease payments	74,589	74,587	74,589	74,587
Inventories written off	2,758,630	478,167	-	-
Write down of inventories	280,581	1,462,100	-	-
Plant and equipment written off	5,300,586	-	-	-
Gain on disposal of property, plant and equipment	-	(3,000)	-	-
Investment property written off	387,420	-	-	-
Loss on disposal of other investments	110,192	-	110,192	-
Deposits written off	-	500	-	-

5. Loss from operations (cont'd)

Loss from operations is stated after charging/(crediting) (cont'd)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Impairment losses of				
- investments in a subsidiary	-	-	313,600	-
- other investments	-	5,838	-	2,838
- property, plant and equipment	2,012,973	-	-	-
Bad debts written off	2,000	-	-	-
Allowance for doubtful debts	192,707	834,161	20,595,335	11,040,223
Reversal of allowance for doubtful debts	(255,682)	(2,416,616)	-	-
Rental expenses				
- equipment and machinery	12,500	37,263	-	-
- forklifts	65,112	87,240	-	-
- premises	5,320,424	5,491,299	4,125,000	4,125,000
(Gain)/loss on foreign exchange				
- realised	(174,362)	111,876	-	-
- unrealised	186,491	(259,246)	(152)	(1,296)
Dividend income				
- quoted shares	(90)	(84)	(90)	(84)
Trust income received	(35,997)	(89,281)	-	-
Interest income	(112,201)	(95,510)	(2,530,178)	(2,211,815)

6. Staff costs

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Wages and salaries	6,707,089	7,436,823	28,523	-
Social security costs	97,976	101,903	103	-
Pension costs				
- defined contribution plans	784,302	809,167	3,432	-
Other staff related expenses	3,299,398	2,419,259	-	-
Total (excluding directors' remuneration)	10,888,765	10,767,152	32,058	-

7. Directors' remuneration

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Executive:				
Salaries and other emoluments	4,792,327	1,377,806	3,921,915	91,742
Bonus	6,000	39,750	6,000	3,750
Pension costs				
- defined contribution plans	71,466	106,741	17,142	11,466
	4,869,793	1,524,297	3,945,057	106,958
Non-executive:				
Fees and other emoluments	249,750	213,723	249,750	213,723
Total	5,119,543	1,738,020	4,194,807	320,681

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

	Number of Directors	
	2009	2008
Executive Directors:		
Below RM150,000	1	1
RM150,000 - RM200,000	1	-
RM200,001 - RM250,000	-	-
Above RM250,000	3	3
Non-Executive Directors:		
Below RM50,001	10	8

8. Finance costs

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Interest expense on:				
- bank overdrafts	4,477	33,764	-	-
- term loans	2,580,431	2,141,206	2,580,431	2,149,930
- hire purchase interest	6,516	754	-	-
- related party	-	56,666	-	-
	2,591,424	2,232,390	2,580,431	2,149,930

9. Taxation

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Income tax:				
Current year	-	246,593	-	-
Over provided in prior years:				
Malaysian income tax	(147,154)	(1,513,690)	-	(1,468,755)
	(147,154)	(1,267,097)	-	(1,468,755)
Deferred tax: (Note 27)				
Relating to origination and reversal of temporary difference	(313,947)	(186,212)	(187,509)	(269,924)
Relating to changes in tax rates	-	(36,706)	-	(21,697)
Underprovision in prior years	-	194,722	-	201,550
	(313,947)	(28,196)	(187,509)	(90,071)
	(461,101)	(1,295,293)	(187,509)	(1,558,826)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year.

A reconciliation of income tax credit applicable to loss before taxation at the statutory income tax rate to income tax credit at the effective income tax rate of the Group and of the Company is as follows:

	2009 RM	2008 RM
Group		
Loss before taxation	(36,290,529)	(13,108,607)
Taxation at Malaysian statutory rate of 25% (2008: 26%)	(9,072,632)	(3,408,238)
Effect of changes in tax rates on deferred tax	-	(36,706)
Income not subject to tax	(329,544)	(489,265)
Effect of expenses not deductible for tax purposes	5,095,855	1,307,101
Deferred tax assets recognised on previously unrecognised unabsorbed capital allowances	1,732,031	-
Deferred tax assets not recognised during the year	2,260,343	2,650,783
Under provision of deferred tax in prior years	-	194,722
Overprovision of income tax expense in prior years	(147,154)	(1,513,690)
Tax credit for the year	(461,101)	(1,295,293)

9. Taxation (cont'd)

	2009 RM	2008 RM
Company		
Loss before taxation	(29,377,801)	(14,167,406)
Taxation at Malaysian statutory rate of 25% (2008: 26%)	(7,344,450)	(3,683,526)
Effect of changes in tax rates on deferred tax	-	(21,697)
Effect of expenses not deductible for tax purposes	6,551,756	3,413,602
Deferred tax assets not recognised during the year	605,185	-
Underprovision of deferred tax in prior years	-	201,550
Over provision of income tax expense in prior years	-	(1,468,755)
Tax credit for the year	(187,509)	(1,558,826)

10. Loss per share

Basic

Basic loss per share is calculated by dividing the net loss for the year attributable to equity holders of the Company by the number of ordinary shares in issue during the financial year.

	Group	
	2009 RM	2008 RM
Net loss for the year attributable to equity holders of the Company (RM)	(35,829,428)	(11,813,314)
Number of ordinary shares in issue	61,919,011	61,919,011
Basic loss per share (sen)	(57.86)	(19.08)

Diluted

There is no instrument that will potentially dilute basic loss per share.

11. Property, plant and equipment

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Equipment & motor vehicles RM	Total RM
Cost/Valuation					
At 1 January 2009	113,137,229	13,892,692	88,840,635	11,259,683	227,130,239
Additions	-	-	971,710	437,038	1,408,748
Write off	-	-	(11,556,694)	(1,007,517)	(12,564,211)
At 31 December 2009	113,137,229	13,892,692	78,255,651	10,689,204	215,974,776
Representing:					
At cost	-	-	78,255,651	10,689,204	88,944,855
At valuation - 2004	113,137,229	-	-	-	113,137,229
At valuation - 1989	-	13,892,692	-	-	13,892,692
	113,137,229	13,892,692	78,255,651	10,689,204	215,974,776
Accumulated Depreciation and Impairment Losses					
At 1 January 2009	-	11,226,886	60,585,327	10,049,324	81,861,537
Charge for the year	-	462,155	3,462,101	258,712	4,182,968
Impairment for the year	-	-	1,974,194	38,779	2,012,973
Write off	-	-	(6,280,631)	(982,994)	(7,263,625)
At 31 December 2009	-	11,689,041	59,740,991	9,363,821	80,793,853
Net Carrying Amount					
At cost	-	-	18,514,660	1,325,383	19,840,043
At valuation	113,137,229	2,203,651	-	-	115,340,880
At 31 December 2009	113,137,229	2,203,651	18,514,660	1,325,383	135,180,923

11. Property, plant and equipment (cont'd)

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Equipment & motor vehicles RM	Total RM
Cost/Valuation					
At 1 January 2008	113,137,229	13,892,692	88,832,317	10,961,334	226,823,572
Additions	-	-	8,318	330,078	338,396
Disposals	-	-	-	(31,729)	(31,729)
At 31 December 2008	113,137,229	13,892,692	88,840,635	11,259,683	227,130,239
Representing:					
At cost	-	-	88,840,635	11,259,683	100,100,318
At valuation - 2004	113,137,229	-	-	-	113,137,229
At valuation - 1989	-	13,892,692	-	-	13,892,692
	113,137,229	13,892,692	88,840,635	11,259,683	227,130,239
Accumulated Depreciation					
At 1 January 2008	-	10,733,885	57,068,593	9,907,762	77,710,240
Charge for the year	-	493,001	3,516,734	173,291	4,183,026
Disposals	-	-	-	(31,729)	(31,729)
At 31 December 2008	-	11,226,886	60,585,327	10,049,324	81,861,537
Net Carrying Amount					
At cost	-	-	28,255,308	1,210,359	29,465,667
At valuation	113,137,229	2,665,806	-	-	115,803,035
At 31 December 2008	113,137,229	2,665,806	28,255,308	1,210,359	145,268,702

11. Property, plant and equipment (cont'd)

Company Cost/Valuation	**Freehold land RM**	**Buildings RM**	**Total RM**
At 1 January 2009/ 31 December 2009	113,137,229	13,885,056	127,022,285
	113,137,229	13,885,056	127,022,285
Representing:			
At cost	-	1,614,133	1,614,133
At valuation - 2004	113,137,229	-	113,137,229
At valuation - 1989	-	12,270,923	12,270,923
	113,137,229	13,885,056	127,022,285
Accumulated Depreciation			
At 1 January 2009	-	11,192,441	11,192,441
Charge for the year	-	461,044	461,044
At 31 December 2009	-	11,653,485	11,653,485
Net Carrying Amount			
At cost	-	259,419	259,419
At valuation	113,137,229	1,972,152	115,109,381
At 31 December 2009	113,137,229	2,231,571	115,368,800

Company Cost/Valuation			
At 1 January 2008/ 31 December 2008	113,137,229	13,885,056	127,022,285
	113,137,229	13,885,056	127,022,285
Representing:			
At cost	-	1,614,133	1,614,133
At valuation - 2004	113,137,229	-	113,137,229
At valuation - 1989	-	12,270,923	12,270,923
	113,137,229	13,885,056	127,022,285
Accumulated Depreciation			
At 1 January 2008	-	10,731,393	10,731,393
Charge for the year	-	461,048	461,048
At 31 December 2008	-	11,192,441	11,192,441
Net Carrying Amount			
At cost	-	313,016	313,016
At valuation	113,137,229	2,379,600	115,516,829
At 31 December 2008	113,137,229	2,692,615	115,829,844

11. Property, plant and equipment (cont'd)

The carrying amount of the freehold land approximates its fair value based on independent professional valuation conducted by Rahim & Co., on 28 December 2009 by using Comparison Method.

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

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.

Included in property, plant and equipment of the Group and of the Company were motor vehicles with a net book value of RM115,717 (2008: RM131,000) which was acquired under hire purchase instalment plan.

The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 21) are as follows:

	Group and Company	
	2009 RM	2008 RM
Freehold land	113,137,229	113,137,229

12. Investment properties

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cost				
At 1 January	1,682,460	1,682,460	911,040	911,040
Write off	(476,920)	-	-	-
At 31 December	1,205,540	1,682,460	911,040	911,040
Accumulated Depreciation				
At 1 January	39,942	26,639	27,362	18,252
Charge for the year	9,111	13,303	9,111	9,110
Write off	(12,580)	-	-	-
At 31 December	36,473	39,942	36,473	27,362
Accumulated Impairment Losses				
At 1 January	196,420	196,420	-	-
Write off	(76,920)	-	-	-
At 31 December	119,500	196,420	-	-
Net Carrying Amount				
At 31 December	1,049,567	1,446,098	874,567	883,678

Investment properties comprise a number of commercial properties leased out to third parties.

The carrying amount of the above investment properties approximate its fair value based on amounts determined on a willing buyer and willing seller basis.

13. Prepaid land lease payments

	Group and Company 2009 RM	2008 RM
Cost		
At 1 January/31 December	2,232,620	2,232,620
Accumulated Amortisation		
At 1 January	298,348	223,761
Amortisation for the year	74,589	74,587
At 31 December	372,937	298,348
Net Carrying Amount		
At 31 December	1,859,683	1,934,272
Analysed as:		
Long term leasehold land	219,536	222,813
Short term leasehold land	1,640,147	1,711,459
	1,859,683	1,934,272

Leasehold land with carrying amount of RM1,859,683 (2008: RM1,934,272) is pledged as securities for borrowings as disclosed in Note 21.

14. Other investments

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
At cost:				
Transferable club membership	32,995	202,995	-	170,000
Unquoted shares in Malaysia	58,700	55,000	-	-
	91,695	257,995	-	170,000
Less: Accumulated impairment losses	(22,995)	(82,995)	-	(60,000)
	68,700	175,000	-	110,000
Quoted shares in Malaysia	1,220	5,112	1,220	1,412
	69,920	180,112	1,220	111,412
Market value of quoted shares in Malaysia	2,057	3,372	2,057	1,412

15. Investments in subsidiaries

	Company 2009 RM	Company 2008 RM
Unquoted shares at cost	30,848,113	30,848,113
Less: Accumulated impairment losses	(29,661,709)	(29,348,109)
	1,186,404	1,500,004

Details of the subsidiaries are as follows:

Name of the Subsidiaries	Country of Incorporation	Equity Interest Held (%) 2009	Equity Interest Held (%) 2008	Principal Activities
GBH Ceramics Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of vitrified clay pipes
GBH Bathroom Products Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of ceramic wares
GBH Crown Lynn Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of ceramic tablewares
GBH Porcelain Sdn. Bhd.	Malaysia	100	100	Ceased operations
GBH Trading Sdn. Bhd.	Malaysia	100	100	Dormant
GBH Clay Pipes Sdn. Bhd.	Malaysia	100	100	Dormant
Kenangan Dimensi Sdn. Bhd.	Malaysia	100	100	Dormant

All the subsidiaries of the Group are audited by Ernst & Young except for Kenangan Dimensi Sdn. Bhd.

16. Long term receivable

Long term receivable of previous year referred to the balance of cash consideration for the disposal of clay pipes block which will be receivable by one of the subsidiaries, GBH Clay Pipes Sdn. Bhd. by the third anniversary of 13 November 2007 thereafter as stipulated under the Sales and Purchase agreement. The whole amount is reclassified to current assets as at the balance sheet date.

17. Inventories

	Group 2009 RM	Group 2008 RM
At cost:		
Raw materials	347,690	2,536,472
Work-in-progress	1,358,538	1,453,405
Finished goods	3,210,111	4,748,132
Consumables	880,062	829,183
	5,796,401	9,567,192
At net realisable value:		
Finished goods	4,101,166	7,458,750
	9,897,567	17,025,942

18. Trade receivables

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade receivables	19,904,615	21,058,824	855,986	742,848
Less: Allowance for doubtful debts	(7,486,676)	(7,549,651)	(656,003)	(623,574)
	12,417,939	13,509,173	199,983	119,274

The Group's normal trade credit terms given to its customers range from 60 to 90 days (2008: 60 to 90 days).

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtor.

19. Other receivables

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Deposits	1,834,523	2,005,405	1,254,882	1,255,882
Prepayments	85,375	259,556	20,207	20,207
Consideration receivable from a related party on disposal of property in prior year	16,000,000	-	-	-
Sundry receivables	217,239	349,099	34,798	52,732

19. Other receivables (cont'd)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Amount due from subsidiaries	-	-	121,611,036	120,756,371
Amount due from a related party	-	7,422	-	7,422
	18,137,137	2,621,482	122,920,923	122,092,614
Less: Allowance for doubtful debts	(18,300)	(18,300)	(65,406,809)	(44,843,903)
	18,118,837	2,603,182	57,514,114	77,248,711

Consideration receivable from a related party is from FCW Industries Sdn. Bhd., a company in which a Director of the Company has interest.

The amounts due from subsidiaries are unsecured and repayable on demand, except for amounts owing from its subsidiaries, GBH Bathroom Products Sdn. Bhd., GBH Ceramics Sdn. Bhd. and GBH Crown Lynn Sdn. Bhd. respectively, which bore interest rates of 2.0% to 2.5% (2008: 2.0% to 2.5%) per annum.

Amount due from a related party in previous year was from GBH Rekabahan Sdn. Bhd. in which there were certain common directors with the Company.

20. Cash and cash equivalents

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances	1,263,844	1,281,965	554,996	304,572
Deposit with licensed banks	4,229,064	4,637,583	632,007	2,604,391
Deposit with financial institution	210	7,989,213	-	-
Cash and cash equivalents	5,493,118	13,908,761	1,187,003	2,908,963

Deposit with licensed banks of the Group amounting to RM2,707,948 (2008: RM4,636,638) is pledged to a bank for term loans and other credit facilities granted to the Company.

20. Cash and cash equivalents (cont'd)

The weighted average effective interest rates of deposits at the balance sheet date were as follows:

	2009 %	2008 %
Licensed bank	2.0	3.2
Financial institution	1.3	2.2

The average maturities of deposits as at the end of the financial year were as follows:

	2009 Days	2008 Days
Licensed bank	30	30
Financial institution	30	30

21. Borrowings

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short Term Borrowings				
Secured:				
Hire purchase payables (Note 24)	45,738	49,945	-	-
Term loans	35,592,154	-	35,592,154	-
	35,637,892	49,945	35,592,154	-
Long Term Borrowings				
Secured:				
Hire purchase payables (Note 24)	-	45,379	-	-
Term loans	-	35,592,154	-	35,592,154
	-	35,637,533	-	35,592,154
Total Borrowings				
Term loans	35,592,154	35,592,154	35,592,154	35,592,154
Hire purchase payables (Note 24)	45,738	95,324	-	-
	35,637,892	35,687,478	35,592,154	35,592,154
Maturity of borrowings (excluding hire purchase):				
Within one year	35,592,154	-	35,592,154	-
More than 1 year and less than 2 years	-	35,592,154	-	35,592,154
	35,592,154	35,592,154	35,592,154	35,592,154

21. Borrowings (cont'd)

	Group		Company	
	2009	2008	2009	2008
	%	%	%	%
Term loans	7 .25	7.25	7.25	7.25
Hire purchase payables	6.50	6.50	-	-

The term loans are secured by the following:

(a) Legal charge over the freehold land and leasehold land of the Company as disclosed in Notes 11 and 13.

(b) Placement of deposits as disclosed in Note 20.

22. Trade payables

The normal trade credit terms granted to the Group and the Company range from 30 to 90 days (2008: 30 to 90 days).

23. Other payables

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Due to directors	6,052,500	73,452	6,052,500	73,452
Deposits	714,532	648,533	714,532	648,533
Amount due to subsidiaries	-	-	4,720,673	4,790,171
Accruals	476,357	843,390	55,970	40,150
Sundry payables	10,065,181	5,999,277	3,672,191	1,956,546
	17,308,570	7,564,652	15,215,866	7,508,852

The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

Included in sundry payables of the Group are late payment charges of RM4,328,570 owing to Gas Malaysia Sdn. Bhd. by the Company and its subsidiary, GBH Clay Pipes Sdn. Bhd.

24. Hire purchase payables

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Minimum payments:				
- not later than 1 year	47,380	56,856	-	-
- later than one year and not later than 2 years	-	47,380	-	-
Total future minimum lease payments	47,380	104,236	-	-
Less: Future finance charges	(1,642)	(8,912)	-	-
Present value	45,738	95,324	-	-
Analysed as:				
- Due within 12 months (Note 21)	45,738	49,945	-	-
- Due after 12 months (Note 21)	-	45,379	-	-
	45,738	95,324	-	-

25. Share capital

	Number of Ordinary Shares of RM1 Each		Amount	
	2009	2008	2009 RM	2008 RM
Authorised:				
At 1 January/31 December	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid:				
At 1 January/31 December	61,919,011	61,919,011	61,919,011	61,919,011

26. Reserves

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Accumulated losses	(55,853,789)	(20,109,360)	(53,540,308)	(24,435,015)
Non-distributable:				
Share premium	16,966,462	16,966,462	16,966,462	16,966,462
Capital reserves	1,118,356	1,118,356	2,257,088	2,257,088
Revaluation reserves	97,187,324	97,187,324	97,944,537	97,944,537
	59,418,353	95,162,782	63,627,779	92,733,072

26. Reserves (cont'd)

Movements in reserves are shown in the respective statements of changes in equity.

Share premium arose from premium on the issue of ordinary shares above par value while revaluation reserves arose from revaluation of property, plant and equipment net of deferred tax.

27. Deferred tax liabilities

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At 1 January	498,451	1,365,712	272,508	1,201,644
Recognised in the income statement (Note 9)	(313,947)	(28,196)	(187,509)	(90,071)
Recognised in equity	(84,999)	(839,065)	(84,999)	(839,065)
At 31 December	99,505	498,451	-	272,508

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:

	Revaluation of Land RM	Accelerated Capital Allowances RM	Revaluation of Buildings RM	Total RM
At 1 January 2009	-	15,842,176	(1,240,464)	14,601,712
Recognised in the income statement	-	(313,947)	-	(313,947)
Recognised in equity	-	-	(84,999)	(84,999)
At 31 December 2009	-	15,528,229	(1,325,463)	14,202,766
At 1 January 2008	-	15,870,372	(124,490)	15,745,882
Recognised in the income statement	-	(28,196)	(276,909)	(305,105)
Recognised in equity	-	-	(839,065)	(839,065)
At 31 December 2008	-	15,842,176	(1,240,464)	14,601,712

27. Deferred tax liabilities (cont'd)

Deferred Tax Assets of the Group:

	Accelerated Depreciation RM	Tax Losses & Unabsorbed Capital Allowances RM	Other Payables RM	Total RM
At 1 January 2009	(30,416)	(13,793,018)	(279,827)	(14,103,261)
Recognised in the income statement	-	-	-	-
At 31 December 2009	(30,416)	(13,793,018)	(279,827)	(14,103,261)
At 1 January 2008	(307,325)	(13,793,018)	(279,827)	(14,380,170)
Recognised in the income statement	276,909	-	-	276,909
At 31 December 2008	(30,416)	(13,793,018)	(279,827)	(14,103,261)

Deferred Tax Liabilities of the Company:

	Revaluation of Land RM	Accelerated Capital Allowances RM	Revaluation of Buildings RM	Total RM
At 1 January 2009	-	-	387,395	387,395
Recognised in the income statement	-	-	-	-
Recognised in equity	-	-	(84,999)	(84,999)
At 31 December 2009	-	-	302,396	302,396
At 1 January 2008	-	5,600	1,503,369	1,508,969
Recognised in the income statement	-	(5,600)	(276,909)	(282,509)
Recognised in equity	-	-	(839,065)	(839,065)
At 31 December 2008	-	-	387,395	387,395

27. Deferred tax liabilities (cont'd)

Deferred Tax Assets of the Company:

	Tax Losses & Unabsorbed Capital Allowances RM	Accelerated Depreciation RM	Total RM
At 1 January 2009	-	(114,887)	(114,887)
Recognised in the income statement	(174,395)	(13,114)	(187,509)
At 31 December 2009	(174,395)	(128,001)	(302,396)
At 1 January 2008	-	(307,325)	(307,325)
Recognised in the income statement	-	192,438	192,438
At 31 December 2008	-	(114,887)	(114,887)

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

	Group	
	2009 RM	2008 RM
Unused tax losses	56,291,494	53,763,047
Unabsorbed capital allowances	31,564,631	43,542,276
Unabsorbed reinvestment allowances	23,255,928	23,255,928

The availability of the unused tax losses, unabsorbed capital allowances and unabsorbed reinvestment allowances of dormant companies in the Group for offsetting against future taxable profits are subject to no substantial changes in shareholdings of the those companies under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets have not been recognised in respect of unused tax losses, unabsorbed capital allowances and unabsorbed reinvestment allowances as it is not probable that future taxable profit will be available against which they can be utilised based on the current plan of the respective companies.

28. Contingent liability - Unsecured

There is no contingent liability for the Group and the Company as at 31 December 2009. Contingent liability of previous year in relation to late payment charges amounted to RM3,589,917 claimed by a trade creditor against the Company and its subsidiary, GBH Clay Pipes Sdn. Bhd. have been fully provided and recognised in the financial statements as disclosed in Note 23 and settlement agreements were entered on 10 February 2010 as disclosed in Note 33(c).

29. Operating lease commitments

The future minimum lease payments under non-cancellable operating leases in respect of renting of properties are as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Not later than 1 year	4,550,000	5,250,000	3,575,000	4,125,000
Later than 1 year and not later than 2 years	-	4,550,000	-	3,575,000
	4,550,000	9,800,000	3,575,000	7,700,000

30. Significant related party transactions

	2009 RM	2008 RM
Group		
Rental expense charged by Federal Telecommunications Sdn. Bhd., a company in which Tan Sri Dato' Tan Hua Choon, a director of the Company, has interest.	4,125,000	4,125,000
Rental expense charged by FCW Industries Sdn. Bhd., a company in which Tan Sri Dato' Tan Hua Choon, a Director of the Company, has interest.	1,125,000	1,125,000
Loan interest charged by a related party, Goh Tye Nam	-	56,666
Rental of premises paid to Goh Nam Huat Realty Sdn. Bhd., a company in which there are certain common Directors	47,325	164,799
Company		
Rental expense charged by Federal Telecommunications Sdn. Bhd., a company in which Tan Sri Dato' Tan Hua Choon, a director of the Company, has interest.	4,125,000	4,125,000
Rental income from subsidiaries	646,672	1,020,037
Interest income from subsidiaries	2,501,250	2,116,305

Information regarding outstanding balances arising from related party transactions as at 31 December 2009 is disclosed in Note 19 and 23.

The remuneration of directors who are the key management personnel of the Group and of the Company during the year is disclosed in Note 7.

30. Significant related party transactions (cont'd)

The remuneration of other members of key management personnel during the year is as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Salaries and other related costs	290,218	-	32,058	-
Benefits-in-kind	-	-	-	-
	290,218	-	32,058	-

31. 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 (both fair value and cash flow), foreign currency, liquidity and credit risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. 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 assets and liabilities are disclosed in Note 20 and 21.

(c) 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.

31. Financial instruments (cont'd)

(d) Credit risk

The Group's credit risk is primarily attributable to trade receivables. 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 credit risk of the Group's other financial assets, which comprise cash and cash equivalents, marketable securities and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

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.

(e) Foreign currency risk

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

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.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

Functional Currency of the Group	New Zealand Dollars RM	Euro RM	Singapore Dollars RM	Great Britain Pounds RM	United States Dollars RM	Brunei Dollars RM	Total RM
At 31 December 2009							
Trade receivables							
Ringgit Malaysia	-	1,299	1,181,266	-	798,498	31,867	2,012,930
Trade payables							
Ringgit Malaysia	433,496	-	48,436	26,679	200,785	-	709,396
At 31 December 2008							
Trade receivables							
Ringgit Malaysia	-	-	1,732,103	-	858,614	40,599	2,631,316
Trade payables							
Ringgit Malaysia	-	-	8,385	-	45,330	-	53,715

27. Deferred tax liabilities (cont'd)

(f) Fair values

The carrying amounts of financial assets of the Group and of the Company at the balance sheet date approximate their values except for the following:

	Note	Carrying Amount RM	Fair Value RM
Group			
At 31 December 2009			
Other investments	14		
- Quoted shares		1,220	2,057
- Others		68,700	#
At 31 December 2008			
Other investments	14		
- Quoted shares		5,112	3,372
- Others		175,000	#
Long term receivable	16	16,000,000	13,975,020
Company			
At 31 December 2009			
Other investments	14		
- Quoted shares		1,220	2,057
At 31 December 2008			
Other investments	14		
- Quoted shares		1,412	1,412
- Others		110,000	#

It is not practicable to estimate the fair values of the Group's and of the Company's non current unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

(i) The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

(ii) Fair value of the long term receivables has been determined using discounted estimated cash flows. The discount rate used is the current market lending rate for similar types of lending, borrowing and leasing arrangements of the Group.

32. Segment information

(a) Reporting format

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business segments:

The Group operates predominantly in two business segments:

(i) Manufacturing - manufacturing and trading of ceramic wares and pipes; and

(ii) Properties - rental of properties.

(c) Geographical segments:

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

32. Segment information (cont'd.)

	Manufacturing		Properties		Eliminations		Consolidated	
	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM
REVENUE AND EXPENSES								
Revenue								
External sales	30,831,418	41,617,077	3,028,182	2,942,095	-	-	33,859,600	44,559,172
Results								
Loss from operations	(27,778,241)	(9,898,964)	(5,920,864)	(977,253)	-	-	(33,699,105)	(10,876,217)
Finance cost	(2,512,243)	(2,198,765)	(79,181)	(33,625)	-	-	(2,591,424)	(2,232,390)
Taxation	273,592	(263,533)	187,509	1,558,826	-	-	461,101	1,295,293
(Loss)/profit after taxation	(30,016,892)	(12,361,262)	(5,812,536)	547,948	-	-	(35,829,428)	(11,813,314)
ASSETS AND LIABILITIES								
Segment assets	180,346,113	207,735,531	3,741,441	4,140,711	-	-	184,087,554	211,876,242
Segment liabilities	48,599,439	45,529,815	10,577,578	2,802,450	-	-	59,177,017	48,332,265
OTHER INFORMATION								
Capital expenditure	1,408,748	338,396	-	-			1,408,748	338,396
Depreciation	3,721,924	3,726,171	470,155	470,158			4,192,079	4,196,329
Amortisation	-	-	74,589	74,587			74,589	74,587
Other significant non-cash expenses:								
Allowance for doubtful debts	192,707	834,161	-	-			192,707	834,161
Reversal of allowance for doubtful debts	(255,682)	(2,416,616)	-	-			(255,682)	(2,416,616)
Plant and equipment written off	5,300,586	-	-	-			5,300,586	-
Impairment losses of property, plant and equipment	2,012,973	-	-	-			2,012,973	-
Inventories written off	2,758,630	478,167	-	-			2,758,630	478,167
Write down of inventories	280,581	1,462,100	-	-			280,581	1,462,100

33. Subsequent events

(a) Renounceable Rights Issue and Authorised Share Capital

On 9 December 2009, Goh Ban Huat Berhad ("GBH") proposed to implement the following:

(i) renounceable two-call rights issue of up to 123,838,022 new ordinary shares of RM1.00each in GBH ("Right Shares") at a proposed issue price of RM1.00 per Right Share with a first call of RM0.60 ("First Call"), payable in cash upon acceptance and the second call of RM0.40 ("Second Call") to be capitalized from the Company's revalutation reserves account, together with up to 61,919,011 detachable warrants for free ("Warrants"), on the basis of 2 Right Shares together with 1 free Warrant for every 1 ordinary share of RM1.00 each in GBH ("GBH Share") held on an entitlement date to be determined and announced later ("Proposed Right Issue") and

(ii) proposed increase in the authorized share capital of GBH from RM100 million comprising 100 million GBH Shares to RM300 million comprising 300 million GBH Shares by the creation of an additional 200 million GBH Shares ("Proposed IASC").

(Collectively referred to as the "Proposals").

The Proposals are subject to the following approvals:

(i) Bursa Malaysia Securities Berhad ("Bursa Securities") for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares and Warrants to be issued under the Proposed Rights Issue and new GBH Shares to be issued upon the exercise of the Warrants on Bursa Securities;

(ii) Bank Negara Malaysia for the issue of Warrants to entitled shareholders, including to non-residents;

(iii) shareholders of GBH at an extraordinary general meeting to be convened; and

(iv) any other relevant authorities or persons, if required.

The Proposed Rights Issue and the Proposed IASC are inter-conditional. The Proposals are not conditional upon any other corporate proposals of the Company.

All of the above required approvals for the Proposals have been obtained subsequent to the balance sheet date and the Proposals were completed on 13 April 2010.

(b) Acceptance of revolving credit facility of up to RM50.0 million

Pending the completion of the Company's Rights Issue Exercise as announced on 9 December 2009 and as described above, the Company needs a Facility to meet the working capital requirements of the Group and to repay the term loan of approximately RM36.0 million owing to Kenanga Investment Bank Berhad.

On 28 January 2010, the Company accepted a revolving credit facility of up to RM50.0 million ("Facility") from AmBank (M) Berhad ("AmBank") for the purpose of meeting the working capital requirements of the Group and repaying the term loan of approximately RM36.0 million owing to Kenanga Investment Bank Berhad. The term loan was due and fully settled in February 2010.

Upon completion of the Rights Issue Exercise, the Company had on 15 April 2010 fully settled the revolving credit utilising the proceeds from the Rights Issue.

33. Subsequent events (cont'd)

(c) Settlement agreements with Gas Malaysia Sdn. Bhd. ("Gas Malaysia")

On 10 February 2010, the Company and its subsidiary, GBH Clay Pipes Sdn. Bhd. had entered into settlement agreements with Gas Malaysia. Upon execution of these agreements and in consideration of the performance of the Company and its subsidiary of all terms and conditions of these agreements, Gas Malaysia agreed to grant a discount of 40% of the oustanding amount of late payment charges as of 31 October 2009. The total discount to be granted is approximately RM1,700,000.

A. SHARE CAPITAL

Authorised Share Capital	RM300,000,000 (300,000,000 ordinary shares of RM1.00 each)
Issued & Paid-Up Share Capital	RM185,757,033 (185,757,033 ordinary shares of RM1.00 each)
Voting Rights	One vote for each ordinary share held

B. DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	No. of Shares	%
1 - 99	78	1,829	0.00
100 - 1,000	373	256,229	0.14
1,001 - 10,000	749	3,310,821	1.78
10,001 - 100,000	297	8,518,916	4.59
100,001 to less than 5% of issued shares	33	35,553,558	19.14
5% and above of issued shares	3	138,115,680	74.35
	1,533	**185,757,033**	**100.00**

C. THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Tan Sri Dato' Tan Hua Choon	53,897,097	29.01
2.	Tan Sri Dato' Tan Hua Choon	42,765,600	23.02
3.	Tan Sri Dato' Tan Hua Choon	41,452,983	22.32
4.	Neoh Poh Lan	5,091,900	2.74
5.	How Yoke Kam	4,800,000	2.58
6.	Chew Huat Heng	3,300,000	1.78
7.	Ong Poh Lin	3,171,000	1.71
8.	Ong Wee Shyong	2,430,300	1.31
9.	HSBC Nominees (Asing) Sdn Bhd Exempt an for Credit Suisse	2,240,400	1.21
10.	Gan Lock Yong @ Gan Choon Hur	1,883,400	1.01
11.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged securities account for Sow Huey Shan	1,845,000	0.99
12.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Eng Huat	1,478,100	0.80

C. THIRTY LARGEST SHAREHOLDERS (cont'd)

No.	Name of Shareholders	No. of Shares	%
13.	Chew Boon Seng	1,301,058	0.70
14.	Lee Pui Inn	1,230,700	0.66
15.	Ong Har Hong	1,152,900	0.62
16.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged securities account for Teh Win Kee	964,600	0.52
17.	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Yeong Sin Khong	669,900	0.36
18.	Tan Chong Pen	429,000	0.23
19.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Chai Chun Hin	400,000	0.22
20.	Teo Kwee Hock	375,800	0.20
21.	CitiGroup Nominees (Tempatan) Sdn Bhd Pledged securities account for Pheng Yin Huah	300,000	0.16
22.	Goh Leong Chuan	280,000	0.15
23.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Hooi Hing Lee	250,000	0.13
24.	Affin Nominees (Tempatan) Sdn Bhd Pledged securities account for Foo Howe Kean	240,000	0.13
25.	Sang Lee Company Sdn Berhad	210,000	0.11
26.	Lim Mooi Tean	200,000	0.11
27.	Chua Tong Hin Hardware Sdn Bhd	168,000	0.09
28.	Leong Liew Geok	160,000	0.09
29.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Seow Than	150,000	0.08
30.	Wooi Kheng Choo	132,300	0.07

D. SUBSTANTIAL SHAREHOLDER

Name of Shareholder	No. of Shares	%
Tan Sri Dato' Tan Hua Choon	138,115,680	74.35

E. DIRECTORS' INTERESTS IN SHARES

Name of Directors	Direct Interest		Deemed Interest	
	No. of Shares	% of holdings	No. of Shares	% of holdings
Tan Sri Dato' Tan Hua Choon	138,115,680	74.35	-	-
Tan Han Chuan	-	-	138,115,680*	74.35*

* Deemed interest held via shareholding of his father, Tan Sri Dato' Tan Hua Choon.

A. WARRANTS 2010/2020

Issued	61,918,993
Exercised todate	NIL
Outstanding	61,918,993
Class of Securities	Warrants 2010/2020
Voting Rights	Every warrant holder present in person or by proxy shall be entitled by a show of hands to one (1) vote and every warrant holder present in person or by proxy shall be entitled on a poll to one (1) vote for each share to which such holder would be entitled at the exercise price on the exercise in full of the subscription rights represented by such holder's warrant.

B. DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	No. of Warrants	%
1 - 99	37	1,491	0.00
100 - 1,000	218	163,964	0.26
1,001 - 10,000	493	1,923,937	3.11
10,001 - 100,000	106	2,596,125	4.19
100,001 to less than 5% of issued warrants	17	10,945,286	17.68
5% and above of issued warrants	3	46,288,190	74.76
	874	**61,918,993**	**100.00**

C. THIRTY LARGEST WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants	%
1.	Tan Sri Dato' Tan Hua Choon	17,965,699	29.01
2.	Tan Sri Dato' Tan Hua Choon	14,255,200	23.02
3.	Tan Sri Dato' Tan Hua Choon	14,067,291	22.72
4.	Neoh Poh Lan	1,677,300	2.71
5.	How Yoke Kam	1,600,000	2.58
6.	Chew Huat Heng	1,100,000	1.78
7.	Ong Poh Lin	1,057,000	1.71
8.	Ong Wee Shyong	810,100	1.31
9.	HSBC Nominees (Asing) Sdn Bhd Exempt an for Credit Suisse	746,800	1.21

C. THIRTY LARGEST WARRANT HOLDERS (cont'd)

No.	Name of Warrant Holders	No. of Warrants	%
10.	Gan Lock Yong @ Gan Choon Hur	627,800	1.01
11.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged securities account for Sow Huey Shan	615,000	0.99
12.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Eng Huat	492,700	0.80
13.	Chew Boon Seng	433,686	0.70
14.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged securities account for Teh Win Kee	433,300	0.70
15.	Ong Har Hong	384,300	0.62
16.	Lee Pui Inn	276,000	0.45
17.	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Yeong Sin Khong	223,300	0.36
18.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Chai Chun Hin	200,000	0.32
19.	Tan Chong Pen	143,000	0.23
20.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Hooi Hing Lee	125,000	0.20
21.	CitiGroup Nominees (Tempatan) Sdn Bhd Pledged securities account for Pheng Yin Huah	100,000	0.16
22.	Lim Mooi Tean	100,000	0.16
23.	Affin Nominees (Tempatan) Sdn Bhd Pledged securities account for Foo Howe Kean	80,000	0.13
24.	Sang Lee Company Sdn Berhad	70,000	0.11
25.	Wooi Kheng Choo	66,150	0.11
26.	Chua Tong Hin Hardware Sdn Bhd	56,000	0.09
27.	Wong Lai Fun	52,000	0.08
28.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Seow Than	50,000	0.08
29.	Wong How Mun	45,000	0.07
30.	Lim Kuan Seng	42,400	0.07

D. DIRECTORS' INTERESTS IN WARRANTS

Name of Directors	Direct Interest		Deemed Interest	
	No. of Warrants	% of holdings	No. of Warrants	% of holdings
Tan Sri Dato' Tan Hua Choon	46,288,190	74.76	-	-
Tan Han Chuan	-	-	46,288,190*	74.76*

* Deemed interest held via warrant holding of his father, Tan Sri Dato' Tan Hua Choon.

The Properties included under Land and building as at 31 December 2009 are indicated below .

LOCATION / ADDRESS ALL MUKIM OF BATU, FEDERAL TERRITORY KUALA LUMPUR	LAND AREA (SQ METER)	TENURE	EXISTING USE/ AGE OF BUILDING	NET BOOK VALUE OF PROPERTIES IN EXISTING STATE (RM)	DATE OF LAST REVALUATION (R)/ DATE OF ACQUISITION (A)
Lot no : 46260 (formerly known as Lot P.T. no: 555)	725	Leasehold (Expiring 05/09/2033)	Storage Yard	320,514	2004 (R)
Lot no : 46262 (formerly known as Lot P.T. no: 556)	2,985	Leasehold (Expiring 05/09/2033)	Storage Yard	1,319,633	2004 (R)
Lot no: 46261 (formerly known as Lot P.T. no: 6049)	274	Leasehold (Expiring 27/08/2077)	Storage Yard	219,536	2004 (R)
Lot no: 1470	15,862	Freehold	Factory Land & Building/33	34,293,231	2009 (R) - Land 1989 (R) - Building
Lot no: 2983	4,044	Freehold	Factory Land & Building/58	9,170,141	2009 (R) - Land 1989 (R) - Building
Lot no: 3680	5,481	Freehold	Office Building & Residential Bungalow/58	12,757,505	1989 (R)
Lot no: 2984	26,362	Freehold	Factory Land & Building/58	57,764,722	2009 (R) - Land 1989 (R) - Building
Lot no: 4397	545	Freehold	Storage Yard	1,184,000	2009 (R)
Lot no: 38755	93	Freehold	Access Road	199,200	2009 (R)
Lot no: 0021928	268	Freehold	Shoplot/9	874,567	1998 (A)
Lot no: 2865	112	Freehold	Apartment/13	175,000	1996 (A)

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PROXY FORM

GOH BAN HUAT BERHAD

(Company No. 1713-A) (Incorporated in Malaysia)

I/We .... NRIC No./Company No. ....
(FULL NAME IN BLOCK LETTERS)

of ....
(FULL ADDRESS)

being a member of **GOH BAN HUAT BERHAD** hereby appoint ....

.... NRIC No. ....
(FULL NAME IN BLOCK LETTERS)

of ....
(FULL ADDRESS)

representing .... percentage (%) of my/our shareholdings in the Company and/or failing him/her

.... NRIC No...
(FULL NAME IN BLOCK LETTERS)

of ....
(FULL ADDRESS)

representing .... percentage (%) of my/our shareholdings in the Company and/or failing him/her/them, the **Chairman of the Meeting** as my/our proxy/proxies to vote for me/us on my/our behalf, at the Sixty-Third Annual General Meeting ("63rd AGM") of the shareholders of the Company to be held at Bukit Kiara Equestrian and Country Resort, Dewan Berjaya Room, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Thursday, 10 June 2010 at 11.00 a.m. or any adjournment thereof.

My/our proxy shall vote as follows:

Ordinary Business	**FOR**	**AGAINST**
Ordinary Resolution No. 1		
Ordinary Resolution No. 2		
Ordinary Resolution No. 3		
Ordinary Resolution No. 4(a)		
Ordinary Resolution No. 4(b)		
Ordinary Resolution No. 4(c)		
Ordinary Resolution No. 4(d)		
Ordinary Resolution No. 4(e)		
Ordinary Resolution No. 5		

(Please indicate with an "X" in the spaces provided on how you wish your vote to be cast. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit)

No. of shares held

____
Signature/Common Seal

Signed this ________ day of ____________________ 2010.

Notes:

1. 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 need not be complied with.
2. A member shall be entitled to appoint more than one proxy to attend and vote at the Meeting. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, shall be deposited with the Company's Share Registrar, Messrs Tricor Investor Services Sdn Bhd (formerly known as Tenaga Koperat Sdn Bhd), Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

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STAMP

GOH BAN HUAT BERHAD (1713-A)
c/o Messrs Tricor Investor Service Sdn Bhd
(Formerly known as Tenaga Koperat Sdn Bhd)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

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