GBH

GOH BAN HUAT BERHAD

2013 ANNUAL REPORT

GOH BAN HUAT BERHAD (1713-A)

2013 ANNUAL REPORT

www.gbhgroup.com.my

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixty-Seventh Annual General Meeting ("67th 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 Monday, 30 June 2014 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions: -

AGENDA

1. To lay before the meeting the Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon. **Please refer Explanatory Note A**

2. To approve the payment of Directors' fees in respect of the financial year ended 31 December 2013. **Ordinary Resolution 1**

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

   (a) Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd); and **Ordinary Resolution 2(a)**

   (b) Mr Poh Weng Choon. **Ordinary Resolution 2(b)**

4. To re-appoint Tan Sri Dato' Tan Hua Choon as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965 and to hold office until the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 3**

5. To re-appoint PCCO PLT (formerly known as Paul Chuah & Co. PLT) as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

6. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board

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

Kuala Lumpur
6 June 2014

Notes:

1. *A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment(s) shall be invalid.*

2. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it shall be entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

4. *Where an authorised nominee or an exempt authorised nominee appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*

5. *Depositors whose names appear in the Record of Depositors on a date not less than three (3) market days before the Annual General Meeting shall be entitled to attend and vote at the Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf.*

6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.*

7. *The Proxy Form shall be deposited with the Company's Share Registrars, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

Explanatory Note A

This Agenda item is meant for discussion only as under the provisions of Section 169(1) of the Companies Act, 1965, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put forward for voting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Dato' Ismail Bin Hamzah (Chairman)
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)
Aminuddin Yusof Lana

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

Tan Sri Dato' Tan Hua Choon (Chairman)
Dato' Ismail Bin Hamzah

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Ismail Bin Hamzah
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

SHARE REGISTRARS

Tricor Investor Services 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

PCCO PLT
(formerly known as Paul Chuah & Co. PLT)
(Chartered Accountants)
17, Jalan Ipoh Kecil
50350 Kuala Lumpur
Tel: (03) 4042 1177
Fax: (03) 4041 9216

STOCK EXCHANGE LISTING

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

WEBSITE

www.gbhgroup.com.my

CORPORATE STRUCTURE

as at 31 December 2013

GOH BAN HUAT BERHAD
(1713-A)

Subsidiary	Equity
GBH CERAMICS SDN. BHD. (38312-P)	100%
GBH BATHROOM PRODUCTS SDN. BHD. (89564-D)	100%
GBH CROWN LYNN SDN. BHD. (174452-V)	100%
GBH LAND SDN. BHD. (Formerly known as Kenangan Dimensi Sdn. Bhd.) (687782-V)	100%
GBH PORCELAIN SDN. BHD. (169657-A)*	100%
GBH CLAY PIPES SDN. BHD. (179689-T)*	100%
GBH TRADING SDN. BHD. (48812-H)*	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 2013.

Financial and Performance Review

Revenue for the Group improved slightly by 1.2% from RM46.07 million in 2012 to RM46.63 million in 2013. Results wise, the Group recorded a profit before tax of RM5.07 million in 2013 as compared with a loss before tax of RM2.95 million in the preceding year; the improvement in results being mainly attributed to the booking in of one-off costs related to the cessation of production of white ware for the tableware division in the preceding year, which included an impairment loss on the production facility amounting to RM1.24 million plus other closure costs, and also an allowance for impairment in respect of a receivable of RM840,000 for the automated street toilets project undertaken by the Group in prior years.

The clay pipes division continued to benefit further from the productivity improvement in a buoyant infrastructure market. In 2013 we continued to strengthen our market position through improvement in product quality and on time delivery to customers and we managed to improve both the top and bottom lines of the clay pipes business through continuous service and production yield improvements.

Overall, the revenue for the Manufacturing business segment rose by 2.1% from RM38.76 million in 2012 to RM39.58 million in 2013 despite the exclusion of revenue from the tableware division (2012: RM1.53 million). The results of the Manufacturing business segment improved significantly from a loss after tax of RM0.13 million in 2012 to a profit after tax of RM6.60 million in 2013. Excluding the losses incurred by the tableware division in 2012, the clay pipes division has turned in a stronger profit of RM6.60 million in 2013 as compared with RM2.67 million in 2012.

We have migrated the tableware business to one of trading by sourcing the white ware from a renowned overseas manufacturer. The revenue from the Trading business segment (which consists of our sanitaryware division and tableware division) improved by 42.6% from RM4.76 million in 2012 to RM6.79 million in 2013. Trading revenue has improved due to a combination of higher sanitaryware project sales and the inclusion of revenue from the tableware division in 2013.

The Properties business segment generated revenue of RM0.27 million for 2013, which was 89.4% lower compared with RM2.54 million achieved in 2012. The drop in revenue was mainly due to the cessation of the warehouse renting business, from which the Group derived the bulk of its rental income previously, upon the expiry of the tenancy agreement with the landlord of the warehouse premises in November 2012. A decision was made not to renew this tenancy as the Group was unable to achieve the desired rental rate and occupancy rate for this business to be profitable.

Prospects

With the Board's strategy to migrate the business models of the sanitaryware and tableware divisions to trading, refocus manufacturing activities on clay pipes products and exit the property rental market, we believe we are able to direct our resources to areas in which we have core competencies and are able to achieve optimum results for the Group.

We are confident of increasing our market shares in the sanitaryware and fine tableware markets by focusing on trading, especially in the retail segment, and leveraging on our brand names, quality of products and services.

With respect to the clay pipes business, although we expect the infrastructure industry to remain buoyant in 2014, we are cautions of the impending rise in production costs, particularly gas and other utilities costs, which we will have to manage prudently to stay profitable.

Board changes

We wish to thank Mr Thor Poh Seng for his services as a Board member and member of the Remuneration Committee. Mr Thor resigned from the Board on 1 June 2013.

Dividends

No dividend has been declared or recommended for the financial year ended 31 December 2013.

Appreciation

I wish to 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

PROFILE OF BOARD OF DIRECTORS

Tan Sri Dato' Tan Hua Choon

Aged 73 • Malaysian
Non-Independent Non-Executive Director, Chairman

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. On 1 June 2013, Tan Sri Dato' Tan relinquished his position as Managing Director and remained as a Non-Executive Chairman.

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 the Board of Marco Holdings Berhad, Keladi Maju Berhad, FCW Holdings Berhad and Jasa Kita Berhad.

He was Chairman of the Board of Malaysia Aica Berhad from 1996 to May 2013, GPA Holdings Berhad from 2000 to May 2013 and PDZ Holdings Bhd from 2008 to May 2013.

Dato' Ismail Bin Hamzah

Aged 68 • Malaysian
Independent Non-Executive Director

Dato' Ismail was appointed as an Independent Non-Executive Director of the Company on 15 January 2013. He was also appointed as Chairman of the Audit Committee and Nomination Committee, the Senior Independent Non-Executive Director and a member of the Remuneration Committee on the same date.

Dato' Ismail graduated from the University of Malaya in 1970 with a Bachelor of Economics (Honours) in Analytical Economics. He held many key positions in governmental agencies, and has many years of experience in various aspects from economics to finance. He also serves on the board of GUH Holdings Berhad, Engtex Group Berhad, SCC Holdings Berhad and Marco Holdings Berhad.

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

Aged 69 • 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 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 65 • Malaysian
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 Group 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 PDZ Holdings Bhd and Scomi Oiltools International Limited (Bermuda).

Tang Tat Chun

Aged 49 • 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, Jasa Kita Berhad, FCW Holdings Berhad and several other private companies.

Poh Weng Choon

Aged 63 • 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 and the President of Selangor & Federal Territory Timber Traders Association ("SFTTA") from 2005 until 2007. He is now a Committee Member of SFTTA. He is also a Director of GPA Holdings Berhad.

Lai Sze Pheng

Aged 53 • 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 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. He is also a Director of FCW Holdings Berhad and various private companies.

Tan Han Chuan

Aged 47 • 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 Director of Jasa Kita Berhad, Keladi Maju Berhad and Non-Executive Chairman of GPA Holdings 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 adopted the principles and guidelines set out in the Malaysian Code on Corporate Governance 2012 ("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 towards the Group's on-going growth and value enhancement.

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.

Board Balance

The Board has eight members comprising a Non-Executive Chairman, four Executive Directors and three Independent Non-Executive Directors.

Chairman of the Board, Tan Sri Dato' Tan Hua Choon, plays the role of guiding and overseeing the Board to ensure effectiveness of Board function as well as good governance. Whilst the Executive Directors are tasked with the running and management of the Group's businesses as well as the implementation of the Board's policies and decisions.

The Board acknowledges that the role of Independent Non-Executive Directors are particularly important as they bring objective assessment towards the Group's business activities and strategies, so as to ensure that various management's actions are in the best interest of the Shareholders.

The Code recommends that the board of directors of a public listed company should comprise of majority of independent directors where the chairman of the board is not an independent director. The Board of Directors of the Company, whose Chairman is a Non-Independent Non-Executive Director notwithstanding, is of the opinion that the element of independence which currently exists is adequate to provide assurance that there is balance of power and authority on the Board.

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 8 to 10 of this Annual Report.

Board of Directors' Meetings

The Board members meet to review and discuss matters specifically reserved to the Board 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 four (4) Board of Directors' Meetings held during the financial year ended 31 December 2013. The details of attendance of each individual Director are as follows:

Name of Directors	Date of Board Meeting			
	3 Jan 2013	26 Feb 2013	30 Aug 2013	20 Dec 2013
Tan Sri Dato' Tan Hua Choon	√	√	√	√
Dato' Ismail Bin Hamzah *(Appointed w.e.f. 15 Jan 2013)*	-	√	√	√
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)	√	√	√	√
Encik Aminuddin Yusof Lana	√	√	√	√
Mr Thor Poh Seng *(Resigned w.e.f. 1 June 2013)*	√	√	-	-
Mr Tan Han Chuan	√	√	√	√
Mr Lai Sze Pheng	√	√	√	√
Mr Tang Tat Chun	√	√	√	√
Mr Poh Weng Choon	√	√	√	√

Note:
√ Present

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. 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 18 to 21 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. In making its recommendations, the Committee will 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 will 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 identify 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 their level of independence. 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, and to review appropriate training or continuing education programmes for the Directors whenever necessary.
g. To recommend to the Board for continuation (or not) of the service of the Executive Director(s) and Directors who are due for retirement by rotation.
h. To consider, in making its recommendations, candidates for directorships, within the bounds of practicability proposed by any Senior Executive or any Director or shareholder.

The Nomination Committee comprises the following members:

(1) Dato' Ismail Bin Hamzah *(Independent Non-Executive Director)*
(2) Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd) *(Independent Non-Executive Director)*

Details of attendance of Nomination Committee

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

A. BOARD OF DIRECTORS (CONT'D)

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 who are seventy years of age and above 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.

(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 *(Non-Independent Non-Executive Director, Chairman)*
(2) Dato' Ismail Bin Hamzah *(Independent Non-Executive Director)*

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)

(iii) Remuneration Committee (cont'd)

Details of Directors' Remuneration

Details of Directors' remuneration for the financial year ended 31 December 2013, 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, categorised into appropriate components are as follows:

TYPE OF REMUNERATION	EXECUTIVE DIRECTORS (RM)	NON-EXECUTIVE DIRECTORS (RM)
Fees	15,000	74,750
Other emoluments	2,000	9,000
Directors' remuneration & other emoluments	482,262	-
Bonus current year's provision	139,800	-
Defined contribution plans	79,450	-
Total	**718,512**	**83,750**

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

	NUMBER OF DIRECTORS	
BAND OF REMUNERATION (RM)	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
50,000 and below	1	5
50,001 to 150,000	-	-
150,001 to 200,000	1	-
200,001 to 250,000	1	-
250,001 to 300,000	1	-

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 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 Board would also be served on quarterly basis, notices relating to closed-periods for trading in the Company's shares pursuant to the MMLR.

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 Secretaries. The Directors may also engage independent professional services, where necessary.

A. BOARD OF DIRECTORS (CONT'D)

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
1. Breakfast Discussion Session with Board Chairman	Corporate Governance
2. Current Development in Combating Late Payment and Credit Management in Malaysia	Credit Management
3. Future of Corporate Reporting	Corporate Governance
4. Enhanced Understanding of Risk Management and Internal Control	Corporate Governance

Corporate Social Responsibility

We are committed to ensuring that our operations have minimal impact on the environment as well as protecting the safety and health of our employees and all stakeholders.

The Group has developed and established occupational safety and health practices to ensure a safe working environment for our employees and contractors. The Group is also committed to implementing procedures to ensure that our operations are conducted and performed in compliance with existing laws, regulations and standards.

We operate a waste water treatment plant in compliance with the Department of Environment guidelines to ensure that waste water is treated before being recycled for use in our manufacturing operations.

Our clay pipes are environmental friendly as they are made 100% from clay and do not contaminate when installed in the ground for sewerage infrastructure and we have also formulated a process to reduce the weight of our pipes and the amount of clay used.

We have reformulated the compound in the rubber sealing rings used for the pipes, which conforms to environment friendly specification EN681, are ozone resistant and do not produce chemical reactions when exposed to sun light.

The flushing mechanisms in our sanitaryware products have features emphasizing water conservation, in particular the use of the dual flush system, reduced flushing and waterless urinals. Other than the local market, we supply waterless urinal to Australia. This is in line with green and water conservation initiatives promoted by the Government. In addition, a new range of nano glazed sanitaryware with anti bacteria properties & fine surface that requires little amount of water to clean will be introduced.

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.

B. SHAREHOLDERS (CONT'D)

Dialogue between Companies and Investors (cont'd)

In this respect, the Board observes timely release of quarterly financial results and corporate proposal announcements to the public via the Bursa Link and the press (where appropriate). Annual reports and circulars to shareholders are also despatched to the shareholders on a timely basis to ensure that shareholders have sufficient time to peruse through the documents before the relevant meeting dates.

The Group's corporate information including 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 29 of this Annual Report.

ii. Internal Control

The Directors acknowledged 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 Risk Management & Internal Control is set out on pages 22 to 23 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 18 to 21 of this Annual Report.

D. OTHER INFORMATION

In compliance with Bursa Securities MMLR

1. Share Buy-Back

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

2. Options/Warrants/Convertible Securities

The Company had 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.

D. OTHER INFORMATION (CONT'D)

2. Options/Warrants/Convertible Securities (cont'd)

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

3. Depository Receipt Programme ("DRP")

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

4. 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.

5. 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 RM31,950.

6. Variation in Results

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

7. Profit Estimate, Forecast or Projection

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

8. Profit Guarantee

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

9. 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.

10. Related Party Transactions

The details of the transactions with related parties undertaken by the Group during the financial year are disclosed in Note 28 to the audited financial statements on page 73 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 2013, 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.

AUDIT COMMITTEE REPORT

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

Dato' Ismail Bin Hamzah	*(Independent Non-Executive Director)*

Members

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

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.

TERMS OF REFERENCE (CONT'D)

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, 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.

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.

TERMS OF REFERENCE (CONT'D)

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; 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;
- 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 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.

TERMS OF REFERENCE (CONT'D)

6. FUNCTIONS (CONT'D)

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 Approved accounting standards, Listing Requirements of Bursa Securities and requirements of 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 2013 with full attendance of all Audit Committee members.

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 2013 was RM80,000. The activity of the internal audit function is detailed in the Statement on Risk Management & Internal Control on pages 22 to 23 of this Annual Report.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Board of Goh Ban Huat Berhad is pleased to present the following Statement on Risk Management and Internal Control for the financial year ended 31 December 2013. This statement is made in pursuant to Paragraph 15.26(b) of the Bursa Securities Main Market Listing Requirements and the "Statement on Risk Management & Internal Control – Guidelines for Directors of Public Listed Issuers".

1. Board's Responsibility

The Board recognizes the importance of sound controls and risk management practices to good corporate governance. The Board affirms its overall responsibility in establishing a sound risk management framework and internal control system within the Group. The Board is equally aware that the risk management framework and internal control system are designed to manage the Group's risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. In this regard, the risk management framework and internal control system can only provide reasonable assurance, and not absolute assurance against material misstatement of financial information and records or against financial losses or fraud.

2. Risk Management Framework

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 proactively manage them efficiently, effectively and economically. The Group adopts an enterprise wide risk management approach and all the active businesses of the companies within the Group are considered and categorized in accordance with their main functional activities. This process has been in place for the year under review and up to the date of issuance of the annual report and financial statements.

Risk identification and evaluation process

The risks are identified through a series of interviews and discussions with the key personnel and management of the Group. The risk identification process includes consideration of both internal and external environmental factors. External environmental factors include economic and political changes, changes in the behavior of competitors, new regulations or legislations and technological developments. Internal factors include changes in key personnel, introduction of new or revision of existing policies and procedures. Next, the risks identified are evaluated by examining the potential ***impact*** on the Group if a risk was to crystallize as well as the ***likelihood*** of occurrence. The risk levels are rated *low*, *medium* and *high* and are determined according to the Risk Analysis Matrix. The risks are also classified into four categories according to their potential impact on the Group:

- Business Risks
- Strategic Risks
- Operational Risks
- Financial Risks

Risk adoption and monitoring process

All the risks identified are documented into a "Business Risk Profile". The Business Risk Profile of the Group is updated on an ongoing basis and approved by the Board.

The Business Risk Profile serves as a tool for the heads of department/ business unit for managing key risks applicable to their areas of business. All key risks and issues are regularly reviewed and resolved by the Management team at regular meetings. Through these mechanisms, key risks identified in the Business Risk Profile are assessed in a timely manner and control procedures or mitigating factors are re-evaluated accordingly in order to ensure that the key risks are mitigated to an acceptable level.

The Internal Audit Function reviews the effectiveness and adequacy of control procedures adopted by the company on a regular basis in mitigating the key risks identified in the Business Risk Profile. Any weaknesses noted during the review are reported to the Audit Committee. Through these mechanisms, the Audit Committee can be assured that the key risks of the company are regularly reviewed and appropriately managed to an acceptable level.

3. Internal Controls

The key elements of the Group's system of internal controls that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system are as follows:

- The Group has an appropriate organizational structure for planning, executing, controlling and monitoring business operations in order to achieve the Group's business objectives. Lines of responsibility and delegation of authority are clearly defined.
- To ensure the uniformity and consistency of practices and controls within the Group, Standard Operating Procedures have been formalized and documented for key business processes.
- Business units prepare an annual business plan and 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 in a timely manner for effective monitoring and decision making.
- The Executive Directors act as the channel of communication between Board and the Management. The Executive Directors are empowered to manage the businesses of the Group and implement the Board's directives and policies.
- Appropriately qualified management personnel are responsible for the operation and monitoring of effective internal control. In addition, key job functions are properly segregated.
- The Group engages the services of an internal audit function which provides independent assurance on the effectiveness of the Group's system of internal controls and advise the Management on areas for improvement.
- The Audit Committee meets at least four times a year. The Committee meets with the internal auditors and external auditors regularly to review their reports. The Audit Committee reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control systems.
- The Group's main manufacturing arm, i.e. clay pipes 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.

4. Assurance from Management

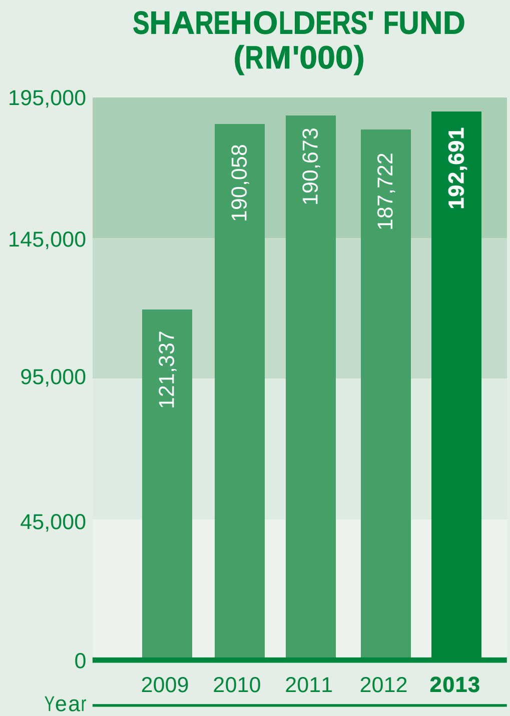
In accordance with the Statement on Risk Management & Internal Control – Guidelines for Directors of Listed issuers, the Board has received assurance from the Executive Directors that to the best of their knowledge the risk management and internal control of the Group are operating effectively and adequately, in all material respects, based on the risk management and internal control framework adopted by the Group.

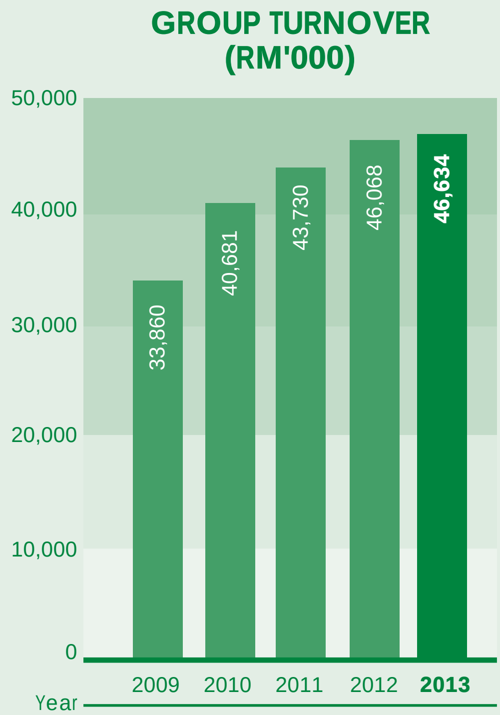
5. Review of the statement by external auditors

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditor has reviewed this Statement on Risk Management and Internal Control. The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal control and risk management of the Group.

FINANCIAL HIGHLIGHTS

IN RM ('000)	2009	2010	2011	2012	2013
Group Turnover	33,860	40,681	43,730	46,068	**46,634**
Group Profit / (Loss) Before Tax	(36,290)	(4,881)	616	(2,950)	**5,065**
Taxation	461	69	(1)	(1)	**(96)**
Group Profit / (Loss) After Tax	(35,829)	(4,812)	615	(2,951)	**4,969**
Minority Interest	-	-	-	-	**-**
Profit / (Loss) Attributable to Owners of the Parent	(35,829)	(4,812)	615	(2,951)	**4,969**
Net Dividend	-	-	-	-	**-**
Earning / (Loss) Per Share (Sen) - Basic	(57.86)	(3.11)	0.34	(1.59)	**2.67**
Gross Dividend Rate Per Share (%)	-	-	-	-	**-**
Net Assets Per Share (Sen)	196	102	103	101	**104**
Shareholders' fund	121,337	190,058	190,673	187,722	**192,691**





FINANCIAL STATEMENTS

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the rental of properties and investment holding. The principal activities of the subsidiary companies are set out in Note 14 to the financial statements. There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

RESULTS

	The Group RM	The Company RM
Profit for the year	4,968,952	65,880,939

DIVIDENDS

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year.

SHARE CAPITAL

The Company did not issue any shares or debentures during the financial year.

RESERVES AND PROVISIONS

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

DIRECTORS

The directors in office since the date of the last report are:

Tan Sri Dato' Tan Hua Choon
Lai Sze Pheng
Tang Tat Chun
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)
Dato' Ismail Bin Hamzah
Poh Weng Choon
Aminuddin Yusof Lana
Tan Han Chuan
Thor Poh Seng (resigned on 1/6/2013)

In accordance with the Company's Articles of Association, Poh Weng Choon and Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd) retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Tan Sri Dato' Tan Hua Choon retires in accordance with Section 129(2) of the Companies Act, 1965 and a resolution will be proposed at the forthcoming Annual General Meeting for his re-appointment as director of the Company pursuant to Section 129(6) of the Act to hold office until the conclusion of the next Annual General Meeting.

DIRECTORS' INTERESTS

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

	No. of ordinary shares of RM1 each			
	As at 1/1/2013	Bought	Sold	As at 31/12/2013
The Company **Direct interests**				
Tan Sri Dato' Tan Hua Choon	138,115,680	-	-	138,115,680
The Company **Deemed interests**				
Tan Han Chuan*	138,115,680	-	-	138,115,680

	No. of warrants in the Company			
	As at 1/1/2013	Bought	Sold	As at 31/12/2013
The Company **Direct interests**				
Tan Sri Dato' Tan Hua Choon -Warrants 2010/2020	46,288,190	-	-	46,288,190
The Company **Deemed interests**				
Tan Han Chuan* -Warrants 2010/2020	46,288,190	-	-	46,288,190

* Deemed interests via Tan Sri Dato' Tan Hua Choon.

Other than as disclosed, none of the directors in office at the end of the financial year had any interest in shares of the Company and its related corporations during the financial year.

The above directors by virtue of their shareholdings in the Company are also deemed interested in shares of the related corporations to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits disclosed as directors' remuneration) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in Note 28 of the financial statements of the Company.

Neither at the end of the financial year, nor at anytime during the financial year, did there subsist any arrangements to which the Company is a party, being arrangements with the object or objects of enabling directors to acquire benefits by means of the acquisition of shares in the Company or shares in, or debentures of any other body corporate.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

(a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to:

(i) ascertain that proper action has 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) ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company have been written down to amounts which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances:

(i) which would render 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; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) As at the date of this report:

(i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liability of any other person; and

(ii) there are no contingent liabilities in the Group or in the Company which have arisen since the end of the financial year.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.

(e) 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, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(f) In the opinion of the directors:

(i) 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; 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 and of the Company for the current financial year in which this report is made.

AUDITORS

The auditors, PCCO PLT, have indicated their willingness to continue in office.

On behalf of the board

TANG TAT CHUN **LAI SZE PHENG**

Kuala Lumpur
Date: 07 April 2014

STATEMENT BY DIRECTORS

pursuant to Section 169 (15) of the Companies Act, 1965

In the opinion of the directors, the financial statements set out on pages 32 to 74 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements 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 2013 and of the financial performance and cash flows of the Group and of the Company for the year then ended.

In the opinion of the Directors, the information set out in Note 30 on page 74 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors

TANG TAT CHUN **LAI SZE PHENG**

Kuala Lumpur
Date: 07 April 2014

STATUTORY DECLARATION

pursuant to Section 169 (16) of the Companies Act, 1965

I, Tang Tat Chun, being the director responsible for the financial management of Goh Ban Huat Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 32 to 74 are 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.

TANG TAT CHUN

Subscribed and solemnly declared at Kuala Lumpur, Wilayah Persekutuan on 07 April 2014

Before me:

Kapt (B) Affandi Bin Ahmad (W 602)

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the members of Goh Ban Huat Berhad (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Goh Ban Huat Berhad, which comprise statements of financial position as at 31 December 2013 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 32 to 74.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 judgment, including the assessment of risk 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 of financial statements that give a true and fair view 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 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 give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Reporting on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, 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 subsidiary companies have been properly kept in accordance with the provisions of the Act.

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

c) Our audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 30 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PCCO PLT (LLP0000506-LCA)
No. AF 1056
Chartered Accountants

CHUAH SUE YIN
No. 2540/04/14 (J)
Partner of the firm

Kuala Lumpur
Date: 07 April 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2013

	NOTE	2013 RM	2012 RM
REVENUE	6	46,633,754	46,068,365
COST OF SALES		(32,682,151)	(35,131,912)
GROSS PROFIT		13,951,603	10,936,453
OTHER INCOME		2,890,710	2,067,006
DISTRIBUTION COSTS		(3,951,111)	(4,275,589)
ADMINISTRATION EXPENSES		(6,338,617)	(8,526,298)
OTHER EXPENSES		(1,487,130)	(3,151,669)
PROFIT/(LOSS) BEFORE TAXATION	7	5,065,455	(2,950,097)
TAXATION	8	(96,503)	(946)
PROFIT/(LOSS) FOR THE YEAR		4,968,952	(2,951,043)
OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		4,968,952	(2,951,043)
PROFIT/(LOSS) FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		4,968,952	(2,951,043)
EARNINGS/(LOSS) PER SHARE (sen)			
- basic	9	2.67	(1.59)
- diluted	9	2.55	(1.52)

The accompanying notes are an integral part of these financial statements.

	NOTE	2013 RM	2012 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	126,609,449	127,851,428
Investment properties	11	376,000	384,000
Intangible assets	12	396,526	532,477
Land use rights	13	1,561,335	1,635,922
Other investments	15	55,939	55,939
Other receivable	25	-	-
		128,999,249	130,459,766
CURRENT ASSETS			
Inventories	16	9,983,414	9,177,463
Trade and other receivables	17	14,750,217	15,537,869
Tax recoverable		39,233	90,595
Cash and cash equivalents	18	45,719,270	39,585,328
		70,492,134	64,391,255
TOTAL ASSETS		199,491,383	194,851,021
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	19	185,757,033	185,757,033
Share premium	19	16,358,740	16,358,740
Accumulated losses		(25,241,439)	(30,210,391)
Other reserves	20	15,816,490	15,816,490
TOTAL EQUITY		192,690,824	187,721,872
CURRENT LIABILITIES			
Trade and other payables	22	6,800,559	7,129,149
TOTAL LIABILITIES		6,800,559	7,129,149
TOTAL EQUITY AND LIABILITIES		199,491,383	194,851,021

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2013

	Attributable to owners of the Parent					
	Share capital RM	Share premium – non distributable RM	Capital reserve – non distributable RM	Warrant reserve – non distributable RM	Accumulated losses RM	Total RM
Balance at 1 January 2012	185,757,033	16,358,740	1,118,356	14,698,134	(27,259,348)	190,672,915
Loss for the year	-	-	-	-	(2,951,043)	(2,951,043)
Total comprehensive loss	-	-	-	-	(2,951,043)	(2,951,043)
Balance at 31 December 2012	185,757,033	16,358,740	1,118,356	14,698,134	(30,210,391)	187,721,872
Balance at 1 January 2013	185,757,033	16,358,740	1,118,356	14,698,134	(30,210,391)	187,721,872
Profit for the year	-	-	-	-	4,968,952	4,968,952
Total comprehensive income	-	-	-	-	4,968,952	4,968,952
Balance at 31 December 2013	185,757,033	16,358,740	1,118,356	14,698,134	(25,241,439)	192,690,824

The accompanying notes are an integral part of these financial statements.

	NOTE	2013 RM	2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		5,065,455	(2,950,097)
Adjustments for:			
Allowance for impairment on receivables		45,000	885,903
Amortisation of intangible assets		135,951	135,951
Amortisation of land use rights		74,587	74,587
Bad debts written off		964,054	30
Deposit written back		(37,023)	-
Depreciation		2,456,410	2,584,126
Depreciation of investment property		8,000	8,000
Dividend income		(757)	(176)
Impairment loss on property, plant and equipment		111,660	1,238,389
Interest income		(1,257,693)	(1,211,187)
Inventories written down		28,701	2,821
Inventories written off		207,532	531,236
Payables written back		-	(124,649)
Profit from disposal of property, plant and equipment		(78,438)	(360)
Property, plant and equipment written off		-	2,640
Reversal of allowance for impairment on investment in finance lease		(49,524)	(283,820)
Reversal of allowance for impairment on receivables		(1,290,282)	(193,306)
Reversal of inventories written down		(429,954)	(2,150,026)
Unrealised (gain)/loss on foreign exchange		(5)	15,625
Profit/(loss) before changes in working capital		5,953,674	(1,434,313)
Working capital changes:			
Inventories		(612,230)	3,273,187
Trade and other receivables		1,118,409	999,971
Trade and other payables		(291,567)	(2,363,539)
Cash inflows from operations		6,168,286	475,306
Interest received		1,257,693	1,211,187
Tax paid		(116,827)	(48,438)
Tax refunded		71,709	30,907
Net cash inflows from operating activities		7,380,861	1,668,962

	NOTE	2013 RM	2012 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received		734	132
Proceeds from disposal of property, plant and equipment		131,634	2,024
Purchase of property, plant and equipment		(1,379,287)	(1,937,688)
Net cash outflows from investing activities		(1,246,919)	(1,935,532)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		6,133,942	(266,570)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	18	39,585,328	39,851,898
CASH AND CASH EQUIVALENTS AT END OF YEAR	18	45,719,270	39,585,328

The accompanying notes are an integral part of these financial statements.

	NOTE	2013 RM	2012 RM
REVENUE	6	538,979	2,954,046
COST OF SALES		-	(3,575,000)
GROSS PROFIT/(LOSS)		538,979	(620,954)
OTHER INCOME		72,779,028	2,056,136
ADMINISTRATION EXPENSES		(1,556,851)	(1,489,357)
OTHER EXPENSES		(5,784,173)	(337,894)
PROFIT/(LOSS) BEFORE TAXATION	7	65,976,983	(392,069)
TAXATION	8	(96,044)	-
PROFIT/(LOSS) FOR THE YEAR		65,880,939	(392,069)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		65,880,939	(392,069)
PROFIT/(LOSS) FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		65,880,939	(392,069)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2013

	NOTE	2013 RM	2012 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	198,799	114,920,834
Investment properties	11	376,000	384,000
Land use rights	13	1,561,335	1,635,922
Investments in subsidiary companies	14	30,400,004	31,086,404
Other investments	15	1,220	1,220
		32,537,358	148,028,380
CURRENT ASSETS			
Trade and other receivables	17	194,982,550	13,761,063
Tax recoverable		29,257	23,790
Cash and cash equivalents	18	34,719,910	34,222,974
		229,731,717	48,007,827
TOTAL ASSETS		262,269,075	196,036,207
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	19	185,757,033	185,757,033
Share premium	19	16,358,740	16,358,740
Retained profits/(accumulated losses)		39,037,895	(26,843,044)
Other reserves	20	16,955,222	16,955,222
TOTAL EQUITY		258,108,890	192,227,951
CURRENT LIABILITIES			
Trade and other payables	22	4,160,185	3,808,256
TOTAL LIABILITIES		4,160,185	3,808,256
TOTAL EQUITY AND LIABILITIES		262,269,075	196,036,207

The accompanying notes are an integral part of these financial statements.

	Attributable to owners of the Parent					
	Share capital RM	Share premium – non distributable RM	Capital reserve – non distributable RM	Warrant reserve – non distributable RM	Retained profits/ (accumulated losses) RM	Total RM
Balance at 1 January 2012	185,757,033	16,358,740	2,257,088	14,698,134	(26,450,975)	192,620,020
Loss for the year	-	-	-	-	(392,069)	(392,069)
Total comprehensive loss	-	-	-	-	(392,069)	(392,069)
Balance at 31 December 2012	185,757,033	16,358,740	2,257,088	14,698,134	(26,843,044)	192,227,951
Balance at 1 January 2013	185,757,033	16,358,740	2,257,088	14,698,134	(26,843,044)	192,227,951
Profit for the year	-	-	-	-	65,880,939	65,880,939
Total comprehensive income	-	-	-	-	65,880,939	65,880,939
Balance at 31 December 2013	185,757,033	16,358,740	2,257,088	14,698,134	39,037,895	258,108,890

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 31 December 2013

	NOTE	2013 RM	2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		65,976,983	(392,069)
Adjustments for:			
Allowance for impairment on receivables		4,907,377	1,408
Amortisation of land use rights		74,587	74,587
Deposit written back		(37,023)	-
Depreciation		190,468	199,711
Depreciation of investment property		8,000	8,000
Dividend income		(757)	(176)
Impairment on investment in a subsidiary company		686,400	-
Interest income		(1,168,423)	(1,134,380)
Payables written back		-	(124,649)
Profit from disposal of property, plant and equipment		(71,554,185)	-
Reversal of allowance for impairment on receivables		-	(796,931)
Loss before changes in working capital		(916,573)	(2,164,499)
Working capital changes:			
Trade and other receivables		329,946	967,733
Trade and other payables		34,415	(642,121)
Cash outflows from operations		(552,212)	(1,838,887)
Interest received		1,168,423	1,134,380
Tax paid		(106,766)	(6,210)
Tax refunded		5,279	-
Net cash inflows/(outflows) from operating activities		514,724	(710,717)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		734	132
Purchase of property, plant and equipment		(9,009)	(8,069)
Proceeds from disposal of property, plant and equipment		186,094,760	-
(Loan to)/repayment from subsidiary companies		(186,458,810)	2,123,086
Net cash (outflows)/inflows from investing activities		(372,325)	2,115,149
CASH FLOWS FROM FINANCING ACTIVITY			
Repayment to/(loan from) subsidiary companies		354,537	(19,639)
Net cash inflows/(outflows) from financing activity		354,537	(19,639)
NET INCREASE IN CASH AND CASH EQUIVALENTS		496,936	1,384,793
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	18	34,222,974	32,838,181
CASH AND CASH EQUIVALENTS AT END OF YEAR	18	34,719,910	34,222,974

The accompanying notes are an integral part of these financial statements.

1. BASIS OF PREPARATION

Goh Ban Huat Berhad is a public listed company incorporated and domiciled in Malaysia and is listed on Bursa Malaysia Securities Berhad.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 07 April 2014.

(a) Statement of compliance

The financial statements comply with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The accounting policies adopted are consistent with those of previous financial year except as follows:

On 1 January 2013, the Group and the Company adopted the following new MFRSs and Amendments to published standards mandatory for annual financial periods beginning on or after 1 January 2013:

Standards/Amendments

Amendments to MFRS 101 – Presentation of Items of Other Comprehensive Income

MFRS 10 – Consolidated Financial Statements

MFRS 12 – Disclosure of Interests in Other Entities

MFRS 13 – Fair Value Measurement

MFRS 119 – Employee Benefits (IAS 19 as amended IASB in June 2011)

MFRS 127 – Separate Financial Statements (IAS 27 as amended by IASB in May 2011)

Amendments to MFRS 7 – Disclosures: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12 – Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

Annual Improvements to MFRSs 2009 – 2011 Cycle as follows:

- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 116 Property, Plant and Equipment
- Amendments to MFRS 132 Financial Instruments: Presentation
- Amendments to MFRS 134 Interim Financial Reporting

The adoption of the above new MFRSs and Amendments do not have any material effect on the financial statements of the Company.

The following new MFRSs and Amendments to published standards have been issued and are relevant but are not yet effective to the Company:

Standards/Amendments	Effective date
Amendments to MFRS 132 – Offsetting Financial assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136 – Recoverable Amount Disclosures For Non-Financial Assets	1 January 2014
Amendment to MFRS 10, MFRS 12 and MFRS 127 – Investment Entities	1 January 2014

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

Standards/Amendments		Effective date
Annual Improvements to MFRSs 2010 – 2012 Cycle as follows:		1 July 2014
• Amendments to MFRS 3	Business Combinations	
• Amendments to MFRS 8	Operating Segments	
• Amendments to MFRS 116	Property, Plant and Equipment	
• Amendments to MFRS 124	Related Party Disclosures	
• Amendments to MFRS 138	Intangible Assets	
Annual Improvements to MFRSs 2011 – 2013 Cycle as follow:		1 July 2014
• Amendments to MFRS 3	Business Combinations	
• Amendments to MFRS 13	Fair Value Measurement	
• Amendments to MFRS 140	Investment Property	
MFRS 9 – Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2011 respectively), mandatory effective date of MFRS 9 and transition disclosures and hedge accounting		1 January 2015

The initial adoption of the new MFRSs and Amendments do not have any material effect on the financial statements except as disclosed for MFRS 9.

MFRS 9 Financial Instruments

MFRS 9, as issued, reflects the International Accounting Standards Board's (IASB's) work on the replacement of MFRS 139 *Financial Instruments: Recognition and Measurement* ("MFRS 139") and applies to classification and measurement of financial instruments as defined in MFRS 139 as well as hedge accounting.

In subsequent phase, the IASB is addressing impairment of financial assets.

The Company will quantify the effect of adopting this MFRS when the full standard is issued.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia which is the Group's and the Company's functional and presentation currency.

(c) Basis of Measurement

The financial statements are prepared under the historical cost convention unless otherwise indicated in the accounting policies.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and the disclosure of contingent liabilities at the reporting date. However uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

1. BASIS OF PREPARATION (CONT'D)

(d) Use of estimates and judgments (cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other major sources of estimation uncertainty at the end of the reporting period that have significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of trade receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's and of the Company's trade and other receivables at the reporting date are disclosed in Note 17.

(ii) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated useful lives of 5 to 50 years. The useful lives are determined based on the experience of the management team with reference to the assets expected pattern of consumption. The carrying amounts of the Group's and the Company's property, plant and equipment at the reporting date are disclosed in Note 10.

(iii) Inventories write down

In estimating net realisable values, management reviews the inventories' aging and applies certain percentage of write down on those inventories and they also review the inventories' present net realisable value in the market place. The percentage of write down and net realisable value are determined based on the experience and judgement of the management team. The carrying amount at the reporting date is disclosed in Note 16.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures the cost of goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

Acquisitions on or after 1 January 2011 (cont'd)

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisition before 1 January 2011

As part of its transition to MFRS, the Group elected not to restate those business combinations that occurred before the date of transition to MFRSs, i.e. 1 January 2011.

(ii) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(v) Non-controlling interest

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

(b) Subsidiary companies

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights are considered when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Subsidiary companies (cont'd)

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale or distribution. The cost of investments includes transaction costs.

(c) Property, plant and equipment

All items of property, plant and equipment are initially recorded at costs.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Subsequent costs are included in the assets' carrying amounts or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the costs of the items can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. All other repairs and maintenance are recognised in the profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land and capital work-in-progress are not depreciated. Other property, plant and equipment are depreciated over their estimated useful lives on a straight-line basis at the following annual rates:

	%
Freehold buildings	2 – 4
Plant and machinery	2 – 10
Equipment, furniture and fittings and motor vehicles	2 – 20

The residual values, useful lives and depreciation methods 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.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

(d) Inventories

Inventories are valued at the lower of costs and net realisable values.

Costs of goods for resale, raw materials and consumables comprise the original costs of purchase and the costs of bringing the inventories to their present locations and conditions. Cost of finished goods and work-in-progress comprise direct materials, direct labour and an appropriate proportion of production overheads based on normal operating capacity. Cost of work-in-progress is determined on the "weighted average" basis. Cost of finished goods is determined on the "first in, first out" basis.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

(f) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 50 years.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(g) Taxes

Tax charged on the profit or loss for the year comprises current and deferred taxes. Current year 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 reporting date.

Deferred tax liabilities and assets are provided for under the liability method in respect of temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base including unused tax losses and capital allowances. 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 the tax laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over their estimated useful lives on a straight-line basis of 20%.

Where an indication of impairment exists, the carrying amount of the assets is assessed and written down immediately to its recoverable amount.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(i) Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the entity and the revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyers.

Interest income is recognised on using the effective interest method.

Dividend income is recognised when the right to receive payment has been established.

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease.

(j) Impairment of assets

The carrying amounts of the Group's and Company's assets other than inventories, deferred tax assets and financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset. The impairment loss is recognised in the profit or loss immediately. All reversals of an impairment loss are recognised as income immediately in the profit or loss.

(k) Financial assets

The Group and the Company shall recognise a financial asset on their statements of financial position when the entity becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all their risks and rewards of ownership of the financial assets.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

At the time of initial recognition, financial assets are classified into the following specified categories: 'fair value through profit or loss, held-to-maturity investments, available-for-sale and loans and receivables'. The classification depends on the purpose of the financial asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Financial assets (cont'd)

(i) Financial assets at fair value through profit or loss (“FVTPL”)

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term;

- Part of a portfolio of identified financial instruments that are managed together and there are recent actual pattern of short-term profit-taking;

- It is a derivative (except for financial guarantee contract or a designated and effective hedging instrument).

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates and that the Group and the Company has positive intention and ability to hold to maturity.

(iii) Loans and receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(iv) Available-for-sale financial assets (“AFS”)

AFS are non-derivative financial assets that are designated as available- for-sale or are not classified as loans and receivables, held-to-maturity investments or FVTPL.

Investments in unquoted equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

FVTPL and AFS are subsequently carried at fair value. Held-to-maturity investments and loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in fair value from FVTPL are recognised in profit or loss.

Gains or losses arising from changes in fair value from AFS are recognised directly in equity.

Gains or losses from financial assets carried at amortised costs are recognised through profit or loss.

The Group and the Company assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets are impaired.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate. The carrying amount of the asset shall be reduced directly through use of an allowance account. The amount of the loss is recognised in profit or loss. If there is reversal of previously recognised impairment loss, it is reversed either directly or by adjusting an allowance account. The reversal shall not result in carrying amount of the financial assets exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment loss is reversed. The amount of reversal is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Financial assets (cont'd)

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. ‘Significant’ is evaluated against the original cost of the investment and ‘prolonged’ against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that investment previously recognised in the profit or loss – is removed from other comprehensive income and recognised in the profit or loss. Impairment losses on equity investments are not reversed through the statement of profit or loss; increase in their fair value after impairments are recognised directly in other comprehensive income.

For unquoted equity instruments carried at cost, if there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(l) Financial liabilities

The Group and the Company shall recognise a financial liability on their statements of financial position when the entity becomes a party to the contractual provisions of the instruments.

Financial liabilities are derecognised when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

(i) Financial liabilities at fair value through profit or loss (“FVTPL”)

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.
A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term;

- Part of a portfolio of identified financial instruments that are managed together and there are recent actual pattern of short-term profit-taking;

- It is a derivative (except for financial guarantee contract or a designated and effective hedging instrument).

(ii) Other financial liabilities

Other financial liabilities are financial liabilities that are not classified as financial liabilities at FVTPL.

Other financial liabilities are initially recognised at fair value plus transactions costs. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value and transactions costs are expensed in the profit or loss.

Other financial liabilities are subsequently carried at amortised cost using the effective interest method. Financial liabilities at FVTPL are measured at fair value except for derivatives liability that are linked to and must be settled by delivery of such unquoted equity instruments whose fair value cannot be reliably measured are measured at cost.

Gains or losses arising from changes in fair value from financial liabilities classified at FVTPL are recognised in profit or loss.

Gains or losses from other financial liabilities carried at amortised costs are recognised through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Derivative financial instruments

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period. The method of recognising gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

An embedded derivative shall be separated from the host contract and accounted for as a separate derivative if the risks and characteristics of the embedded derivative are not closely related to the economic characteristics and risks of the host contracts, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognised in profit or loss.

(n) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

(o) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

(p) Employee benefits

(i) Short term employee benefits

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

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

(q) Lease

(i) Classifications

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All leases that do not transfer substantially all the risks and reward are classified as operating leases.

(ii) Operating leases – the Group and the Company as lessee

Operating lease payments are recognised as an expense 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 expenses over the lease term on a straight-line basis.

In the case of a lease of land, the up-front payment represents prepaid lease payments for land use rights and are amortised on a straight-line basis over the lease term.

Land use rights are amortised over the lease periods between 28 years to 72 years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 27, including the factor used to identify the reportable segments and the measurement basis of segment information.

(s) Earning per share ("EPS")

Basis EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's operating, investing and financing activities expose the Group and the Company to market risk, credit risk and liquidity risk. The Group's and the Company's overall risk management programme is to focus on minimising the potential adverse effects on the Group's and the Company's financial performance.

The Board of Directors review and agree policies and procedures for the management of these risks. The Audit Committee also provides independent oversight to the effectiveness of the risk management process.

(a) Market risk

(i) Foreign currency risk management

The Group is exposed to foreign risk primarily arising from Singapore Dollar (SGD) and US Dollar (USD).

During the year, there is no formal hedging policy with respect to foreign exchange risk exposure. The Group monitors its foreign exchange risk exposure on an on-going basis and endeavour to keep the net exposure at an acceptable level.

Sensitivity analysis for foreign currency risk

At the reporting date, the Group's profit and equity is not materially affected by the movement in foreign exchange rate.

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their fixed deposits with licensed banks.

The Group's and the Company's exposure to interest rate risk is minimum because their interest bearing fixed deposits are at fixed rate. Thus any change to the interest rate have immaterial effect to the profit and equity.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Market risk (cont'd)

(iii) Market price risk management

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices.

The Group and the Company are exposed to equity price risk arising from their investments in quoted equity instruments. The quoted equity instruments in Malaysia and listed on Bursa Malaysia are classified as available-for-sale financial assets.

As at the reporting date, the Group's and Company's results are not materially affected by the movement in market price as the Group's and Company's investment in quoted equity instruments is not significant. Hence the Group and Company has minimum market price risk.

(b) Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

For banks and financial institutions, only major banks are accepted.

The Group's and Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

For customer, credit control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits are set and approved by authorised personnel and credit limits are regularly monitored.

As at the reporting date, the Group has no significant concentration of credit risk, whereas 71% (2012: 49%) of the Company's receivables were due from a subsidiary company.

(c) Liquidity risk management

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables and loans.

The Group and the Company actively manage 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 and the Company monitor and maintain sufficient levels of cash and cash equivalents deemed adequate by management to ensure as far as possible that they will have sufficient liquidity to meet their liabilities when they fall due.

	Within 1 year RM
GROUP	
As at 31 December 2013	
Non-derivative financial liabilities	
Trade and other payables	6,800,559
Bank guarantee given to a third party	235,300
As at 31 December 2012	
Non-derivative financial liabilities	
Trade and other payables	7,129,149
Bank guarantee given to a third party	347,800

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk management (cont'd)

	Within 1 year RM
COMPANY	
As at 31 December 2013	
Non-derivative financial liabilities	
Trade and other payables	4,160,185
Corporate guarantee given to subsidiaries' suppliers	668,000
Bank guarantee given to a third party	235,300
As at 31 December 2012	
Non-derivative financial liabilities	
Trade and other payables	3,808,526
Corporate guarantee given to subsidiaries' suppliers	750,000
Bank guarantee given to a third party	347,800

4. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company's capital management is dependent on capital requirements of the business or investments. Management would evaluate various options taking into consideration market conditions, nature of investment and the Company's structure. As at 31 December 2013, the Company has no external borrowings. As a result, the Company does not set a policy on maintaining its capital structure at a specific gearing ratio.

The Group and the Company is not subject to any externally imposed capital requirements.

5. FINANCIAL INSTRUMENTS BY CATEGORIES AND ITS FAIR VALUE ESTIMATION

FINANCIAL INSTRUMENTS BY CATEGORIES

	2013 RM	2012 RM
GROUP		
Financial assets		
Loans and receivables		
- Trade and other receivables excluding prepayments	14,699,589	15,506,262
- Cash and cash equivalents	45,719,270	39,585,328
Available-for-sale financial assets		
- Unquoted shares at cost less impairment	53,700	53,700
- Transferable club membership at cost less impairment	-	-
Financial assets at fair value through profit or loss (FVTPL)		
- Quoted shares	2,239	2,239
Financial liabilities		
Other financial liabilities		
- Trade and other payables	6,800,559	7,129,149

5. FINANCIAL INSTRUMENTS BY CATEGORIES AND ITS FAIR VALUE ESTIMATION (CONT'D)

	2013 RM	2012 RM
COMPANY		
Financial assets		
Loans and receivables		
- Trade and other receivables excluding prepayments	194,961,191	13,739,704
- Cash and cash equivalents	34,719,910	34,222,974
Financial assets at fair value through profit or loss (FVTPL)		
- Quoted shares	1,220	1,220
Financial liabilities		
Other financial liabilities		
- Trade and other payables	4,160,185	3,808,256

FAIR VALUE ESTIMATION

Fair value hierarchy is as follows:

Level 1 - quoted prices (unadjusted) in active market for identical assets or liabilities.
Level 2 - inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Quoted shares are measured at Level 1 of the fair value hierarchy.

Investment properties are measured at level 3 of the fair value hierarchy. The directors estimate the fair value at RM600,000 (2012: RM430,000). This is based on the information obtained from a real estate agent's website.

Unquoted shares represents a share held in a golf club and shares in a public company. It is not practical to determine the fair value of unquoted shares and transferable club membership due to lack of comparable quoted prices in active market. In addition, it is impractical to use valuation technique to estimate the fair value reliably as a result of significant variability in the inputs of the valuation technique.

Other than quoted shares, unquoted shares and transferable club membership, financial assets and financial liabilities are not carried at fair value but their carrying amounts are reasonable approximation of their fair value due to their short term nature.

6. REVENUE

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Sale of goods	46,366,455	43,529,039	-	-
Operating lease – rental income from premises*	267,299	2,539,326	538,979	2,954,046
	46,633,754	46,068,365	538,979	2,954,046

* For the Group and the Company, these consist of cancellable operating leases whereby 2 months' notice is required to terminate the agreements.

7. PROFIT/(LOSS) BEFORE TAXATION

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Profit/(loss) before taxation is stated after charging and (crediting):				
Allowance for impairment on receivables	45,000	885,903	4,907,377	1,408
Amortisation of intangible assets	135,951	135,951	-	-
Amortisation of land use rights	74,587	74,587	74,587	74,587
Depreciation of investment property	8,000	8,000	8,000	8,000
Auditors' remuneration				
- current year	106,500	104,500	41,500	43,000
- overprovision in prior year	(1,500)	15,000	(1,500)	-
Bad debts written off	964,054	30	-	-
Cost of inventories charged to expenses##	32,682,151	34,323,393	-	-
Depreciation	2,456,410	2,584,126	190,468	199,711
Directors' remuneration				
- fees	89,750	95,411	89,750	95,411
- other emoluments *#	712,512	1,153,024	444,824	283,589
Deposit written back	(37,023)	-	(37,023)	-
FVTPL –Dividend income from quoted shares in Malaysia	(757)	(176)	(757)	(176)
Interest income from loans and receivables				
- fixed deposits	(1,239,467)	(1,178,322)	(1,168,423)	(1,121,954)
- investment in finance lease	(477)	(16,180)	-	-
- money market	(17,749)	(4,259)	-	-
- others	-	(12,426)	-	(12,426)
Inventories written off	141,001	531,236	-	-
Impairment on investment in a subsidiary company	-	-	686,400	-
Impairment loss on property, plant and equipment	111,660	1,238,389	-	-
(Gain)/loss on foreign exchange				
- realised	(11,051)	23,853	-	3,106
- unrealised	(5)	15,625	-	-
Operating lease - rental of				
- equipment and machinery**	90,858	177,276	-	-
- premises**	1,645,598	5,975,200	-	3,575,000
- warehouse**	33,280	-	-	-
- showroom**	27,907	-	-	-
Payables written back	-	(124,649)	-	(124,649)
Profit from disposal of property, plant and equipment	(78,438)	(360)	(71,554,185)	-
Reversal of allowance for impairment on investment in finance lease	(49,524)	(283,820)	-	-
Property, plant and equipment written off	-	2,640	-	-
Reversal of allowance for impairment on receivables	(1,290,282)	(193,306)	-	(796,931)
Staff costs*	9,534,982	8,907,533	309,463	118,021

* Included in staff costs and directors' other emoluments of the Group and of the Company are amounts totalling RM843,400 (2012: RM850,181) and RM77,058 (2012: RM36,847) respectively contributed to the Employees' Provident Fund.

7. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

** These consist of cancellable and non-cancellable operating leases. For cancellable operating leases either no notice or one to two months' notice are required for termination of these agreements.

For non-cancellable operating leases, the lease commitments are disclosed in Note 24 to the financial statements.

The estimated monetary value of other benefits not included in the above received by the directors of the Group and the Company was RM19,400 (2012: RM19,400).

Cost of inventories charged to expenses includes:

	GROUP 2013 RM	GROUP 2012 RM
Inventories written off	66,531	-
Inventories written down	28,701	2,821
Reversal of inventories written down	(429,954)	(2,150,026)

8. TAXATION

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
(a) Current Malaysian taxation	96,000	-	96,000	-
Underprovision of taxation in prior years	503	946	44	-
	96,503	946	96,044	-

(b) Reconciliation of tax expense and accounting profit/(loss):

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Accounting profit/(loss)	5,065,455	(2,950,097)	65,976,983	(392,069)
Tax at the applicable tax rate	1,266,365	(737,524)	16,494,246	(98,017)
Tax effect of expenses that are not deductible in determining taxable profit	273,545	598,316	1,416,070	162,288
Tax effect of income that are not included in determining taxable profit	(464,436)	(32,830)	(17,888,713)	(173,465)
Movement from unrecognised deferred tax assets	(979,474)	172,038	74,397	109,194
Current tax expense	96,000	-	96,000	-

The current corporate tax rate is 25% (2012: 25%). Consequently, deferred tax assets in Note 21 are measured using this tax rate.

(c) The Company has unabsorbed capital allowances and unused tax losses of approximately RM6,550,000 (2012: RM6,700,000) available for set off against future taxable income.

(d) Under the single tier system, the Company is able to distribute its current year profits by way of dividend.

9. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share is calculated based on the consolidated profit/(loss) for the year attributable to owners of the parent of RM4,968,952 (2012: (RM2,951,043)) and the weighted average of 185,757,033 (2012: 185,757,033) ordinary shares issued and paid up during the financial year.

(b) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share is calculated based on the consolidated profit/(loss) for the year attributable to owners of the parent of RM4,968,952 (2012: (RM2,951,043)) and the weighted average of 195,183,759 (2012: 193,930,780) ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

10. PROPERTY, PLANT AND EQUIPMENT

2013	Freehold land RM	Freehold buildings RM	Capital work-in-progress RM	Plant and machinery RM	Equipment, furniture and fittings and motor vehicles RM	Total RM
GROUP						
At cost						
At 1 January 2013	113,137,229	13,892,692	166,389	58,837,081	7,418,224	193,451,615
Additions	-	-	-	16,000	1,363,287	1,379,287
Disposals	-	-	-	-	(430,877)	(430,877)
Transfer (to)/from	-	-	(166,389)	166,389	-	-
At 31 December 2013	113,137,229	13,892,692	-	59,019,470	8,350,634	194,400,025
Accumulated depreciation						
At 1 January 2013	-	12,423,562	-	46,948,968	4,989,268	64,361,798
Charge for the year	-	119,269	-	1,867,172	469,969	2,456,410
Disposals	-	-	-	-	(377,681)	(377,681)
At 31 December 2013	-	12,542,831	-	48,816,140	5,081,556	66,440,527
Accumulated impairment losses						
At 1 January 2013	-	-	-	1,234,994	3,395	1,238,389
Charge for the year	-	-	-	98,271	13,389	111,660
At 31 December 2013	-	-	-	1,333,265	16,784	1,350,049
Net book value						
At 31 December 2013	113,137,229	1,349,861	-	8,870,065	3,252,294	126,609,449

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2012 GROUP	Freehold land RM	Freehold buildings RM	Capital work-in-progress RM	Plant and machinery RM	Equipment, furniture and fittings and motor vehicles RM	Total RM
At cost						
At 1 January 2012	113,137,229	13,892,692	-	57,642,966	9,197,261	193,870,148
Additions	-	-	166,389	1,194,115	577,184	1,937,688
Disposals	-	-	-	-	(2,699)	(2,699)
Written off	-	-	-	-	(2,353,522)	(2,353,522)
At 31 December 2012	113,137,229	13,892,692	166,389	58,837,081	7,418,224	193,451,615
Accumulated depreciation						
At 1 January 2012	-	12,304,296	-	44,883,144	6,942,149	64,129,589
Charge for the year	-	119,266	-	2,065,824	399,036	2,584,126
Disposals	-	-	-	-	(1,035)	(1,035)
Written off	-	-	-	-	(2,350,882)	(2,350,882)
At 31 December 2012	-	12,423,562	-	46,948,968	4,989,268	64,361,798
Accumulated impairment losses						
At 1 January 2012	-	-	-	-	-	-
Charge for the year	-	-	-	1,234,994	3,395	1,238,389
At 31 December 2012	-	-	-	1,234,994	3,395	1,238,389
Net book value						
At 31 December 2012	113,137,229	1,469,130	166,389	10,653,119	2,425,561	127,851,428

2013 COMPANY	Freehold land RM	Freehold buildings RM	Motor vehicle RM	Office equipment RM	Total RM
At cost					
At 1 January 2013	113,137,229	13,885,056	405,421	8,069	127,435,775
Addition	-	-	-	9,009	9,009
Disposals	(113,137,229)	(13,885,056)	-	(6,919)	(127,029,204)
At 31 December 2013	-	-	405,421	10,159	415,580
Accumulated depreciation					
At 1 January 2013	-	12,379,480	135,140	321	12,514,941
Charge for the year	-	108,400	81,084	984	190,468
Disposals	-	(12,487,880)	-	(748)	(12,488,628)
At 31 December 2013	-	-	216,224	557	216,781
Net book value					
At 31 December 2013	-	-	189,197	9,602	198,799

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2012	Freehold land RM	Freehold buildings RM	Motor vehicle RM	Office equipment RM	Total RM
At cost					
At 1 January 2012	113,137,229	13,885,056	405,421	-	127,427,706
Addition	-	-	-	8,069	8,069
At 31 December 2012	113,137,229	13,885,056	405,421	8,069	127,435,775
Accumulated depreciation					
At 1 January 2012	-	12,261,174	54,056	-	12,315,230
Charge for the year	-	118,306	81,084	321	199,711
At 31 December 2012	-	12,379,480	135,140	321	12,514,941
Net book value					
At 31 December 2012	113,137,229	1,505,576	270,281	7,748	114,920,834

11. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Investment properties stated at cost:				
At cost				
At 1 January and 31 December	400,000	400,000	400,000	400,000
Accumulated depreciation				
At 1 January	16,000	8,000	16,000	8,000
Charge for the year	8,000	8,000	8,000	8,000
At 31 December	24,000	16,000	24,000	16,000
Net carrying amount				
At 31 December	376,000	384,000	376,000	384,000

The investment properties comprise freehold land and buildings.

The following are recognised in profit or loss in respect of investment properties:

	GROUP AND COMPANY	
	2013 RM	2012 RM
Operating lease - rental income	28,000	21,600

12. INTANGIBLE ASSETS

	GROUP 2013 RM	GROUP 2012 RM
Computer software:		
At cost		
At 1 January and 31 December	679,757	679,757
Accumulated amortisation		
At 1 January	147,280	11,329
Amortisation for the year	135,951	135,951
At 31 December	283,231	147,280
Net carrying amount		
At 31 December	396,526	532,477

13. LAND USE RIGHTS

	GROUP AND COMPANY 2013 RM	GROUP AND COMPANY 2012 RM
Cost		
At 1 January and 31 December	2,232,620	2,232,620
Accumulated amortisation		
At 1 January	596,698	522,111
Amortisation for the year	74,587	74,587
At 31 December	671,285	596,698
Net carrying amount		
At 31 December	1,561,335	1,635,922
Amount to be amortised:		
- Not later than one year	74,587	74,587
- Later than one year but not later than five years	298,348	298,348
- Later than five years	1,188,400	1,262,987

The land use rights amounting to RM1,354,906 (2012: RM1,426,216) have a remaining tenure of 20 years (2012: 21 years) while the remaining land use rights of RM206,429 (2012: RM209,706) have a remaining tenure of 64 years (2012: 65 years).

14. SUBSIDIARY COMPANIES

	COMPANY 2013 RM	COMPANY 2012 RM
Shares in unquoted corporations:		
At cost	68,348,113	68,348,113
Impairment losses	(37,948,109)	(37,261,709)
	30,400,004	31,086,404

14. SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies which were incorporated in Malaysia are:

Name of company	Principal activities	Group's equity interests 2013 %	2012 %
GBH Ceramics Sdn. Bhd.	Manufacturing and trading of ceramic pipes	100	100
GBH Bathroom Products Sdn. Bhd.	Trading of ceramic wares	100	100
GBH Crown Lynn Sdn. Bhd.	Trading of ceramic tablewares	100	100
GBH Porcelain Sdn. Bhd.	Dormant	100	100
GBH Trading Sdn. Bhd.	Dormant	100	100
GBH Clay Pipes Sdn. Bhd.	Dormant	100	100
GBH Land Sdn. Bhd. (formerly known as Kenangan Dimensi Sdn. Bhd.)	Investment holding	100	100

15. OTHER INVESTMENTS

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Available-for-sale financial assets				
Unquoted shares, at cost	58,700	58,700	-	-
Impairment loss	(5,000)	(5,000)	-	-
	53,700	53,700	-	-
Transferable club membership,				
At cost	15,000	15,000	-	-
Impairment loss	(15,000)	(15,000)	-	-
	-	-	-	-
Financial assets at fair value through profit or loss (FVTPL)				
Quoted shares	2,239	2,239	1,220	1,220
	55,939	55,939	1,220	1,220

Included in the unquoted shares is an amount of RM56,700 representing a share in a golf club.

16. INVENTORIES

	GROUP 2013 RM	GROUP 2012 RM
At cost		
Raw materials	179,169	392,272
Consumables	508,951	531,608
Work-in-progress	1,730,233	637,862
Finished goods	2,615,957	2,285,020
Goods for resale	3,312,093	2,968,800
	8,346,403	6,815,562
At net realisable value		
Goods for resale	133,040	159,496
Finished goods	1,503,971	2,202,405
	9,983,414	9,177,463

Inventories are written down based on the experience and judgment of the management team on the basis that they reflect expected selling prices for such inventories. Obsolete inventories are written off. Reversal of inventories written down was due to the inventories were sold above their carrying amounts.

17. TRADE AND OTHER RECEIVABLES

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Trade receivables	12,892,761	15,004,048	196,155	464,363
Allowance for impairment	(171,215)	(1,416,497)	(71,021)	(71,021)
	12,721,546	13,587,551	125,134	393,342
Other receivables	126,871	186,773	-	-
Deposits	1,869,472	1,750,238	205,723	290,501
Allowance for impairment	(18,300)	(18,300)	(18,300)	(18,300)
Investment in finance lease (Note 25)	-	-	-	-
Prepayment	50,628	31,607	21,359	21,359
	2,028,671	1,950,318	208,782	293,560
Amounts due from subsidiary companies				
- current accounts	-	-	261,558,761	75,099,951
- trade accounts	-	-	23,040	-
Allowance for impairment	-	-	(66,933,167)	(62,025,790)
	-	-	194,648,634	13,074,161
	14,750,217	15,537,869	194,982,550	13,761,063

17. TRADE AND OTHER RECEIVABLES (CONT'D)

The currency exposure profile of trade receivables is as follows:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Ringgit Malaysia	11,869,224	14,263,317	196,155	464,363
Singapore Dollar	1,030,080	700,422	-	-
Brunei Dollar	-	32,501	-	-
US Dollar	(6,543)	7,808	-	-
	12,892,761	15,004,048	196,155	464,363

There is no credit term given to the trade receivables and trade amounts due from subsidiary companies of the Company.

Trade receivables of the Group are non-interest bearing and generally are on 30 days to 90 days terms.

The trade amounts due from subsidiary companies are neither past due nor impaired.

The amounts due from subsidiary companies are non-interest bearing and repayable upon demand.

No other receivables are past due nor impaired at the reporting date.

Ageing analysis of trade receivables:

	GROUP	
	2013 RM	2012 RM
Neither past due nor impaired	10,612,342	10,009,379
1 to 30 days past due not impaired	1,603,436	2,212,896
31 to 60 days past due not impaired	305,400	581,366
61 to 90 days past due not impaired	84,233	200,528
91 to 120 days past due not impaired	15,001	150,839
More than 120 days past due not impaired	101,134	432,543
	2,109,204	3,578,172
Impaired	171,215	1,416,497
	12,892,761	15,004,048

Ageing analysis of trade receivables:

	COMPANY	
	2013 RM	2012 RM
Neither past due nor impaired	24,000	40,814
1 to 30 days past due not impaired	-	73,767
31 to 60 days past due not impaired	-	39,288
61 to 90 days past due not impaired	-	19,457
91 to 120 days past due not impaired	-	19,634
More than 120 days past due not impaired	101,134	200,382
	101,134	352,528
Impaired	71,021	71,021
	196,155	464,363

17. TRADE AND OTHER RECEIVABLES (CONT'D)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment records with the Group and the Company and losses have occurred infrequently.

The Group's and the Company's trade and other receivables and amounts due from subsidiary companies that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired GROUP		Individually impaired COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Trade receivables - nominal amounts	171,215	1,416,497	71,021	71,021
Amounts due from subsidiary companies – nominal amounts	-	-	66,933,167	62,025,790
Deposits – nominal amounts	18,300	18,300	18,300	18,300
Allowance for impairment	(189,515)	(1,434,797)	(67,022,488)	(62,115,111)
	-	-	-	-

Movement in allowance for impairment:

GROUP	Trade receivables RM	Deposits RM
2013		
At 1 January 2013	1,416,497	18,300
Additions	45,000	-
Reversal of impairment	(326,228)	-
Written off	(964,054)	-
At 31 December 2013	171,215	18,300

	Trade receivables RM	Other receivables and deposits RM
2012		
At 1 January 2012	677,294	109,894
Additions	885,903	-
Reversal of impairment	(137,712)	(55,594)
Written off	(8,988)	(36,000)
At 31 December 2012	1,416,497	18,300

17. TRADE AND OTHER RECEIVABLES (CONT'D)

COMPANY

2013	Trade receivables RM	Deposits RM	Amounts due from subsidiary companies – current accounts RM
At 1 January 2013	71,021	18,300	62,025,790
Additions	-	-	4,907,377
At 31 December 2013	71,021	18,300	66,933,167

2012	Trade receivables RM	Deposits RM	Amounts due from subsidiary companies – current accounts RM
At 1 January 2012	174,092	18,300	62,718,242
Additions	-	-	1,408
Reversal of impairment	(103,071)	-	(693,860)
At 31 December 2012	71,021	18,300	62,025,790

Trade receivables that were impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

Deposits that were impaired at the reporting date relate to deposits that may not be recoverable.

The amounts due from subsidiary companies were impaired at the reporting date as the subsidiary companies may not have the financial capability to make repayment.

18. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash in hand	8,487	4,756	-	-
Bank balances	9,949,166	4,416,960	1,259,909	1,280,895
Short term deposits with a licensed bank	35,761,617	35,163,612	33,460,001	32,942,079
	45,719,270	39,585,328	34,719,910	34,222,974

Deposits are neither past due nor impaired and are placed with or entered into with reputable licensed banks.

Included in Group's short term deposits with a licensed bank, there is fixed deposit of RM2,291,386 (2012: RM2,221,533) pledged to licensed bank for banking facilities granted to the Company.

Fixed deposits of the Group and Company are made for period of between one month to six months respectively and earn interest at the prevailing short term deposit rate.

19. SHARE CAPITAL AND SHARE PREMIUM

	GROUP AND COMPANY	
	2013 RM	2012 RM
Ordinary shares of RM1 each		
Authorised	300,000,000	300,000,000
Issued and fully-paid up	185,757,033	185,757,033

The holders of ordinary shares are entitled to receive dividend as and when declared by the Company.

All ordinary shares carry one vote per share without restriction and rank equally with regard to the distribution of Company's residual assets.

	GROUP AND COMPANY	
	2013 RM	2012 RM
Share premium		
At 1 January and 31 December	16,358,740	16,358,740

20. OTHER RESERVES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Non-distributable				
Capital reserve	1,118,356	1,118,356	2,257,088	2,257,088
Warrant reserve	14,698,134	14,698,134	14,698,134	14,698,134
	15,816,490	15,816,490	16,955,222	16,955,222

Warrant reserve

The 61,918,993 warrants were issued on 8 April 2010 pursuant to the Renounceable Two-call Rights Issue of the Company. Each 2010/2020 warrant in issue entitles the warrant holders to subscribe for new ordinary shares in the Company at an exercise price of RM1.00 per ordinary share at any time during the exercise period in accordance with the deed poll.

The said warrants were admitted, listed and quoted on the main market of Bursa Malaysia Securities Berhad on 13 April 2010 and will expire on 7 April 2020.

The number of outstanding warrants as at 31 December 2013 is 61,918,993 (2012: 61,918,993).

21. DEFERRED TAXATION

The components of deferred tax liabilities and assets that are recognised during the financial year are as follows:

	GROUP	
	2013 RM	2012 RM
Deferred tax liabilities:		
Capital allowances in excess of depreciation	-	27,326
Deferred tax assets:		
Unused tax losses	-	(27,326)
	-	-

21. DEFERRED TAXATION (CONT'D)

The amounts of deferred tax assets that are not recognised in the balance sheet are as follows:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Unused tax losses	19,935,562	19,370,154	1,507,614	1,563,540
Unabsorbed capital allowances	5,938,072	7,633,032	131,503	390,642
Unabsorbed reinvestment allowances	5,813,982	5,813,982	-	-
Inventories written down	885,472	985,784	-	-
Others	16,519	17,540	2,236	-
	32,589,607	33,820,492	1,641,353	1,954,182

22. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Trade payables	3,508,272	3,382,999	2,750	13,215
Other payables and accruals	3,292,287	3,746,150	582,020	574,163
Amounts due to subsidiary companies – current accounts	-	-	3,575,415	3,220,878
	6,800,559	7,129,149	4,160,185	3,808,256

Credit terms of trade payables range from 30 days to 90 days.

The amounts due to subsidiary companies and other payables are unsecured, non-interest bearing and repayable on demand.

The currency exposure profile of trade payables is as follows:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Ringgit Malaysia	3,668,070	3,209,831	2,750	13,215
Sterling Pound	2,719	2,980	-	-
EURO	32,153	-	-	-
Australian Dollar	(74)	-	-	-
US Dollar	(170,670)	170,188	-	-
Renminbi	(23,926)	-	-	-
	3,508,272	3,382,999	2,750	13,215

23. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Approved but not contracted for:				
Property, plant and equipment	1,802,731	1,581,750	354,801	-

24. OPERATING LEASE ARRANGEMENTS

	GROUP	
	2013 RM	2012 RM
The future minimum lease payments payable under non-cancellable operating leases contracted for as at the reporting date but not recognised as payable are as follows:		
Within one year	21,600	23,085
Between two to five years	22,200	43,800
	43,800	66,885

25. OTHER RECEIVABLE

	GROUP	
	2013 RM	2012 RM
Investment in finance lease		
Minimum rental receivables:		
Gross investment in finance lease		
Within 1 year	-	50,000
Less: Future finance charges	-	(476)
	-	49,524
Less: Allowance for impairment	-	(49,524)
Present value	-	-

In prior years, a subsidiary company has entered into a finance lease with Ceramic Formers Sdn. Bhd. to lease certain of its plant and equipment in 2010. The lease term is 3 years. The rate of interest for the finance lease is about 4.25% per year. The lease is on a fixed repayment basis.

This lease does not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

Investment in finance lease was individually impaired at the prior year's reporting date as the debtor was in financial difficulty and has defaulted on payments.

Movement in allowance for impairment:

GROUP	RM
2013	
At 1 January 2013	49,524
Reversal of impairment	(49,524)
At 31 December 2013	-
2012	
At 1 January 2012	333,344
Reversal of impairment	(283,820)
At 31 December 2012	49,524

26. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Secured				
Corporate guarantee given to subsidiaries' suppliers	-	-	668,000	750,000
Bank guarantee given to a third party	235,300	347,800	235,300	347,800

The contingent liabilities are secured by a subsidiary company's short term deposits with a licensed bank as disclosed in note 18 to the financial statements.

27. SEGMENT INFORMATION

(a) Business segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

(i) Manufacturing segment which is in the business of manufacturing and trading of ceramic pipes;
(ii) Trading segment which is in the business of trading of ceramic wares and ceramic tableware; and
(iii) Properties segment which is rental income.

Management monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

	Manufacturing		Trading		Properties		Adjustments and eliminations			Per consolidated financial statements	
	2013	2012	2013	2012	2013	2012	2013	2012		2013	2012
	RM	RM	RM	RM	RM	RM	RM	RM	Notes	RM	RM
REVENUE AND EXPENSES											
Revenue											
External customers	39,576,917	38,765,270	6,789,538	4,763,769	267,299	2,539,326	-	-		46,633,754	46,068,365
Inter-segment sales	-	5,088	34,077	-	271,680	414,720	(305,757)	(419,808)	A	-	-
Total revenue	39,576,917	38,770,358	6,823,615	4,763,769	538,979	2,954,046	(305,757)	(419,808)		46,633,754	46,068,365

27. SEGMENT INFORMATION (CONT'D)

(a) Business segments (cont'd)

	Manufacturing		Trading		Properties		Adjustments and eliminations			Per consolidated financial statements	
	2013	2012	2013	2012	2013	2012	2013	2012		2013	2012
	RM	RM	RM	RM	RM	RM	RM	RM	Notes	RM	RM
Results											
Interest income	(15,616)	(4,259)	(73,654)	(72,548)	(1,168,423)	(1,134,380)	-	-		(1,257,693)	(1,211,187)
Dividend income	-	-	-	-	(757)	(176)	-	-		(757)	(176)
Depreciation	2,190,266	2,339,615	65,767	44,800	200,377	199,711	-	-		2,456,410	2,584,126
Amortisation of land use rights	-	-	-	-	74,587	74,587	-	-		74,587	74,587
Amortisation on intangible assets	106,968	123,003	28,983	12,948	-	-	-	-		135,951	135,951
Amortisation on								-			
investment properties	-	-	-	-	8,000	8,000	-	-		8,000	8,000
Other material non-cash (income)/expenses	(34,234)	1,032,708	(378,584)	(880,175)	-	(103,071)	-	-	B	(412,818)	49,462
Segment profit/(loss)	6,598,527	(126,372)	824,141	1,683,841	(5,684,655)	(392,069)	3,230,939	(4,116,443)	C	4,968,952	(2,951,043)
Total Assets	34,646,956	34,333,311	12,128,594	8,587,811	160,228,918	196,036,207	(7,513,085)	(44,106,308)	D	199,491,383	194,851,021
Assets											
Additions to non-current assets (property, plant and equipment and intangible assets)	1,245,359	1,829,143	124,919	100,476	9,009	8,069	-	-		1,379,287	1,937,688

27. SEGMENT INFORMATION (CONT'D)

NOTES

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash (income)/expenses consist of the following items:

	2013 RM	2012 RM
Bad debts written off	964,054	-
Unrealised (gain)/loss on foreign exchange	(5)	15,625
Reversal of inventories written down	(429,954)	(2,150,026)
Inventories written down	28,701	2,821
Reversal of allowance for impairment on receivables	(1,290,282)	(193,306)
Allowance for impairment of receivables	45,000	885,903
Property, plant and equipment written off	-	2,640
Reversal of allowance for impairment on investment in finance lease	(49,524)	(283,820)
Impairment loss on property, plant and equipment	111,660	1,238,389
Inventories written off	207,532	531,236
	(412,818)	49,462

C Reconciling items of total reportable segments' (loss)/profit to the Group's profit/(loss) for the year:

	2013 RM	2012 RM
Results of non-reportable segment	(7,527)	715,253
Inter-segment elimination	3,238,466	(4,831,696)
	3,230,939	(4,116,443)

D Reconciling items of total reportable segments' to the Group's assets:

	2013 RM	2012 RM
Non-reportable segment's total	3,395,420	3,398,553
Inter-segment balance	(10,908,505)	(47,504,861)
	(7,513,085)	(44,106,308)

The Group's non-current assets are located in Malaysia

The Group's revenue from external customers by location for customers:

	2013 RM	2012 RM
Malaysia	44,297,340	42,574,207
Other	2,336,414	3,494,158
	46,633,754	46,068,365

There is no single customer that contributed 10% or more of the Group's revenue for the years ended 31 December 2013 and 31 December 2012.

27. SEGMENT INFORMATION (CONT'D)

The current trading segment comprises the trading results of a subsidiary company in ceramic tablewares. In previous years, these results were reported in the manufacturing segment as this subsidiary had also engaged in manufacturing. However the manufacturing activity had ceased in December 2012.

The current properties segment comprises the results of a subsidiary company in investment holding. In previous years, these results were reported in the non-reportable segment as this subsidiary was dormant.

The comparative information for the above segments have not been restated as it is impracticable to do so and the cost to develop it would be excessive. There is also no financial effect to the Group's loss for the year ended 31 December 2012.

28. RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Disposal of property, plant and equipment to a subsidiary company for a total consideration of	-	-	186,088,681	-
Operating lease - 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	-	3,575,000	-	3,575,000
Operating lease – 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	1,576,549	2,325,000	-	-
Insurance premium paid to Fleet Insurance Agency Sdn. Bhd., a company wholly-owned by a related company in which Tan Sri Dato' Tan Hua Choon is a director of the said company	302,084	343,377	69,093	106,093
Operating lease – Rental income charges to Federal Telecommunication Sdn Bhd., a company in which Tan Sri Dato' Tan Hua Choon, a director of the Company has interest	(45,000)	-	(45,000)	-
Operating lease - Rental income received from subsidiary companies	-	-	(271,680)	(414,720)
Management fee charged to Federal Telecommunication Sdn Bhd., a company in which Tan Sri Dato' Tan Hua Choon, a director of the Company has interest	(136,943)	-	(136,943)	-

29. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The key management personnel comprises directors having authority and responsibility for planning, directing and controlling the financial and operating policies of the Group entities and Company either directly or indirectly.

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Short term employee benefits (including directors)	821,662	1,267,835	553,974	398,400

30. SUPPLEMENTARY INFORMATION

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Total retained profits/ (accumulated losses) of the Company and its subsidiaries				
- Realised	(89,644,227)	(162,897,974)	39,037,895	(26,843,044)
- Unrealised	5	(15,625)	-	-
	(89,644,222)	(162,913,599)	39,037,895	(26,843,044)
Add: Consolidation adjustments	64,402,783	132,703,208	-	-
Total retained profits/ (accumulated losses) as per consolidated financial statements/ financial statements	(25,241,439)	(30,210,391)	39,037,895	(26,843,044)

This supplementary information is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

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	86	1,735	0.00
100 - 1,000	292	206,633	0.11
1,001 - 10,000	589	2,499,652	1.35
10,001 - 100,000	159	4,629,975	2.49
100,001 to less than 5% of issued shares	21	40,303,358	21.70
5% and above of issued shares	3	138,115,680	74.35
	1,150	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	7,449,700	4.01
5.	How Yoke Kam	7,158,900	3.85
6.	Lee Pui Inn	5,300,800	2.85
7.	Ong Poh Lin	4,127,700	2.22
8.	Chew Huat Heng	3,800,000	2.05
9.	Ong Wee Shyong	2,443,300	1.32
10.	Gan Lock Yong @ Gan Choon Hur	1,883,400	1.01
11.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sow Gek Pong (MLK)	1,628,000	0.88
12.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Eng Huat	1,526,000	0.82
13.	Chew Boon Seng	1,301,058	0.70
14.	Ong Har Hong	1,152,900	0.62
15.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeong Sin Khong	509,900	0.27
16.	Tan Chong Pen	429,000	0.23
17.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pheng Yin Huah (8080339)	300,000	0.16
18.	Goh Leong Chuan	270,000	0.15
19.	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Foo Howe Kean	240,000	0.13
20.	Sang Lee Company Sdn Bhd	210,000	0.11
21.	Chua Tong Hin Hardware Sdn Bhd	168,000	0.09
22.	Leong Liew Geok	160,000	0.09
23.	Sin Len Moi	144,000	0.08

C. THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholders	No. of Shares	%
24.	Cheong Kui Lan	100,700	0.05
25.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Meng (E-SS2)	96,000	0.05
26.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Loh Chai Keong (MY1638)	92,000	0.05
27.	Liew Thong	84,000	0.05
28.	Tham Kin Foong (John)	83,200	0.04
29.	Lai Nyia	80,000	0.04
30.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Chan Sai Kim (M96019)	73,200	0.04

Remarks:

The shareholding of each person are disclosed herein without aggregating the shares from different securities accounts belonging to the same person.

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

	Direct Interest		Deemed Interest	
Name of Directors	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 to date	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 Exercise Rights represented by such holder's warrant.

B. DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	No. of Warrants	%
1 - 99	60	2,266	0.00
100 - 1,000	174	130,217	0.21
1,001 - 10,000	281	1,109,070	1.79
10,001 - 100,000	82	2,653,350	4.29
100,001 to less than 5% of issued warrants	25	11,735,900	18.95
5% and above of issued warrants	3	46,288,190	74.76
	625	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.	How Yoke Kam	1,641,500	2.65
5.	Neoh Poh Lan	1,476,200	2.38
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.	Lee Pui Inn	634,800	1.03
10.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Eng Huat	626,900	1.01
11.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sow Huey Shan (MLK)	615,000	0.99
12.	Sin Len Moi	431,200	0.70
13.	Hou Kok Chung	415,500	0.67
14.	Ong Har Hong	384,300	0.62
15.	Yong Kim Moi	282,100	0.46
16.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Christina Loh Yoke Lin (8111756)	280,000	0.45
17.	Lee Sing Hong	250,000	0.40
18.	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kian Aik (740028152)	226,300	0.37

C. THIRTY LARGEST WARRANT HOLDERS (CONT'D)

No.	Name of Warrant Holders	No. of Warrants	%
19.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Mun Tong (REM 872)	200,000	0.32
20.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Kim Ser	195,700	0.32
21.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheong Kuang Huang	159,700	0.26
22.	Chai Koon Khow	143,900	0.23
23.	Yong Mun Tong	143,000	0.23
24.	Tan Chong Pen	141,000	0.23
25.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeong Sin Khong	138,200	0.22
26.	Lim Mooi Tean	130,000	0.21
27.	Teh Kean Ming	127,000	0.21
28.	Loh Tze Yee	126,500	0.20
29.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pheng Yin Huah (8080339)	100,000	0.16
30.	Lim Phee Lin	100,000	0.16

Remarks:

The warrant holding of each person are disclosed herein without aggregating the warrants from different securities accounts belonging to the same person.

D. DIRECTORS' INTERESTS IN WARRANTS

	Direct Interest		Deemed Interest	
Name of Directors	**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.

LIST OF GROUP PROPERTIES

LOCATION / ADDRESS ALL MUKIM OF BATU, FEDERAL TERRITORY KUALA LUMPUR	LAND AREA (SQ. FT.)	TENURE	EXISTING USE	APPROXIMATE AGE OF BUILDING (YEARS)	NET BOOK VALUE OF PROPERTIES IN EXISTINGS STATE (RM)	DATE OF ACQUISITION (A)/ REVALUATION (R)
Lot no : 46260 (formerly known as Lot P.T. no: 555)	7,797.240	Leasehold (Expiring 05/09/2033)	Storage Yard	37	264,772	2004 (R)
Lot no : 46262 (formerly known as Lot P.T no: 556)	32,147.280	Leasehold (Expiring 05/09/2033)	Storage Yard	32	1,090,132	2004 (R)
Lot no: 46261 (formerly known as Lot P.T no: 6049)	2,962.080	Leasehold (Expiring 27/08/2077)	Storage Yard	37	206,430	2004 (R)
Lot no: 1470	170,749.640	Freehold	Factory Land & Building	36	34,203,222	2009 (R)-(Land) 1989 (R)-(Building)
Lot no: 2983	43,472.880	Freehold	Factory Land & Building	61	8,905,362	2009 (R)-(Land) 1989 (R)-(Building)
Lot no: 3680	58,980.240	Freehold	Office Building & Residential Bungalow	61	12,639,058	1989 (R)
Lot no: 2984	283,750.360	Freehold	Factory Land & Building	61	57,393,706	2009 (R)-(Land) 1989 (R)-(Building)
Lot no: 4397	5,924.160	Freehold	Storage Yard	61	1,184,000	2009 (R)
Lot no: 38755	1,002.600	Freehold	Access Road	67	199,200	2009 (R)
Lot no: 0021928	268	Freehold	Shoplot	12	376,000	1998 (A)

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GOH BAN HUAT BERHAD

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

PROXY FORM

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-Seventh Annual General Meeting ("67th 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 Monday, 30 June 2014 at 10.30 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(a)		
Ordinary Resolution No. 2(b)		
Ordinary Resolution No. 3		
Ordinary Resolution No. 4		

CDS Account No.	
No. of shares held	

____
Signature(s)/Common Seal

Signed this________day of____________________ 2014.

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment(s) shall be invalid.

2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it shall be entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. Where an authorised nominee or an exempt authorised nominee appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

5. Depositors whose names appear in the Record of Depositors on a date not less than three (3) market days before the Annual General Meeting shall be entitled to attend and vote at the Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf.

6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

7. The Proxy Form shall be deposited with the Company's Share Registrars, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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STAMP

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

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