



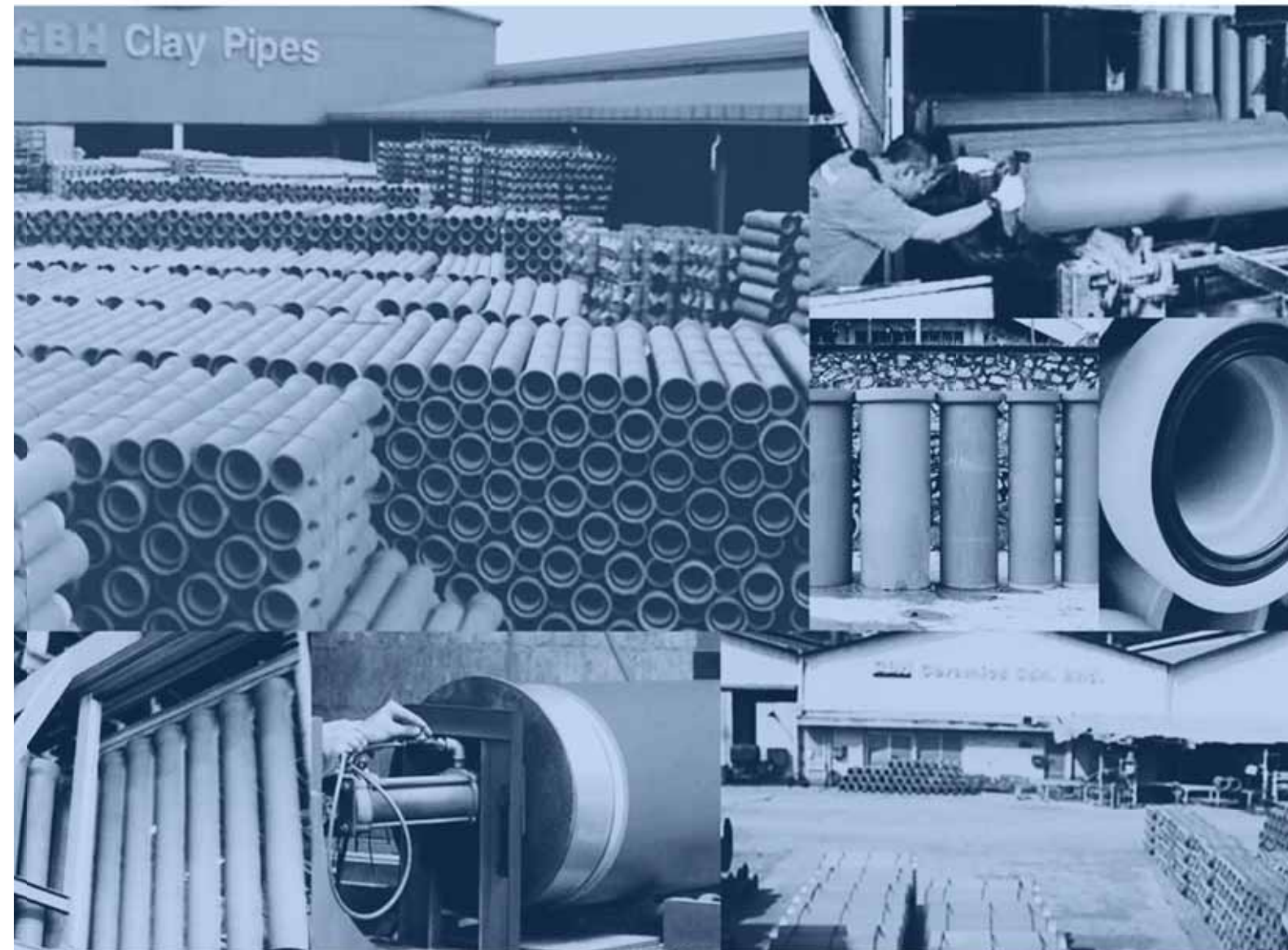
GOH BAN HUAT BERHAD

# 2014/2015 ANNUAL REPORT

[www.gbhgroup.com.my](http://www.gbhgroup.com.my)



**Goh Ban Huat Berhad** (1713-A)  
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# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Sixty-Eighth Annual General Meeting (“68<sup>th</sup> AGM”) of the Company will be held at Bukit Kiara Equestrian and Country Resort, Dewan Perdana, 1<sup>st</sup> Floor, Sports Complex, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Tuesday, 29 September 2015 at 11.00 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 period ended 31 March 2015 together with the Reports of the Directors and Auditors thereon. **Please refer Explanatory Note A**
2. To re-elect the following Directors retiring in accordance with Article 80 of the Company's Articles of Association:
  - (a) En. Aminuddin Yusof Lana; and **Ordinary Resolution 1(a)**
  - (b) Mr. Tang Tat Chun. **Ordinary Resolution 1(b)**
3. To re-appoint the following Directors 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:-
  - (a) Tan Sri Dato' Tan Hua Choon; and **Ordinary Resolution 2(a)**
  - (b) Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd). **Ordinary Resolution 2(b)**
4. To re-appoint PCCO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 3**
5. To approve the payment of Directors' fees of RM146,250 in respect of the financial period ended 31 March 2015, an increase of RM56,500 from the financial year ended 31 December 2013. **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  
27 August 2015

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## 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**

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

### **AUDIT COMMITTEE**

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

### **PRINCIPAL BANKERS**

Malayan Banking Berhad  
OCBC Bank (Malaysia) Berhad

### **NOMINATION COMMITTEE**

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

### **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

### **REMUNERATION COMMITTEE**

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

### **AUDITORS**

PCCO PLT  
*(Chartered Accountants)*  
17, Jalan Ipoh Kecil  
50350 Kuala Lumpur  
Tel: (03) 4042 1177  
Fax: (03) 4041 9216

### **SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**

Dato' Ismail Bin Hamzah  
Fax : (03) 4043 6750

### **STOCK EXCHANGE LISTING**

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

### **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

### **WEBSITE**

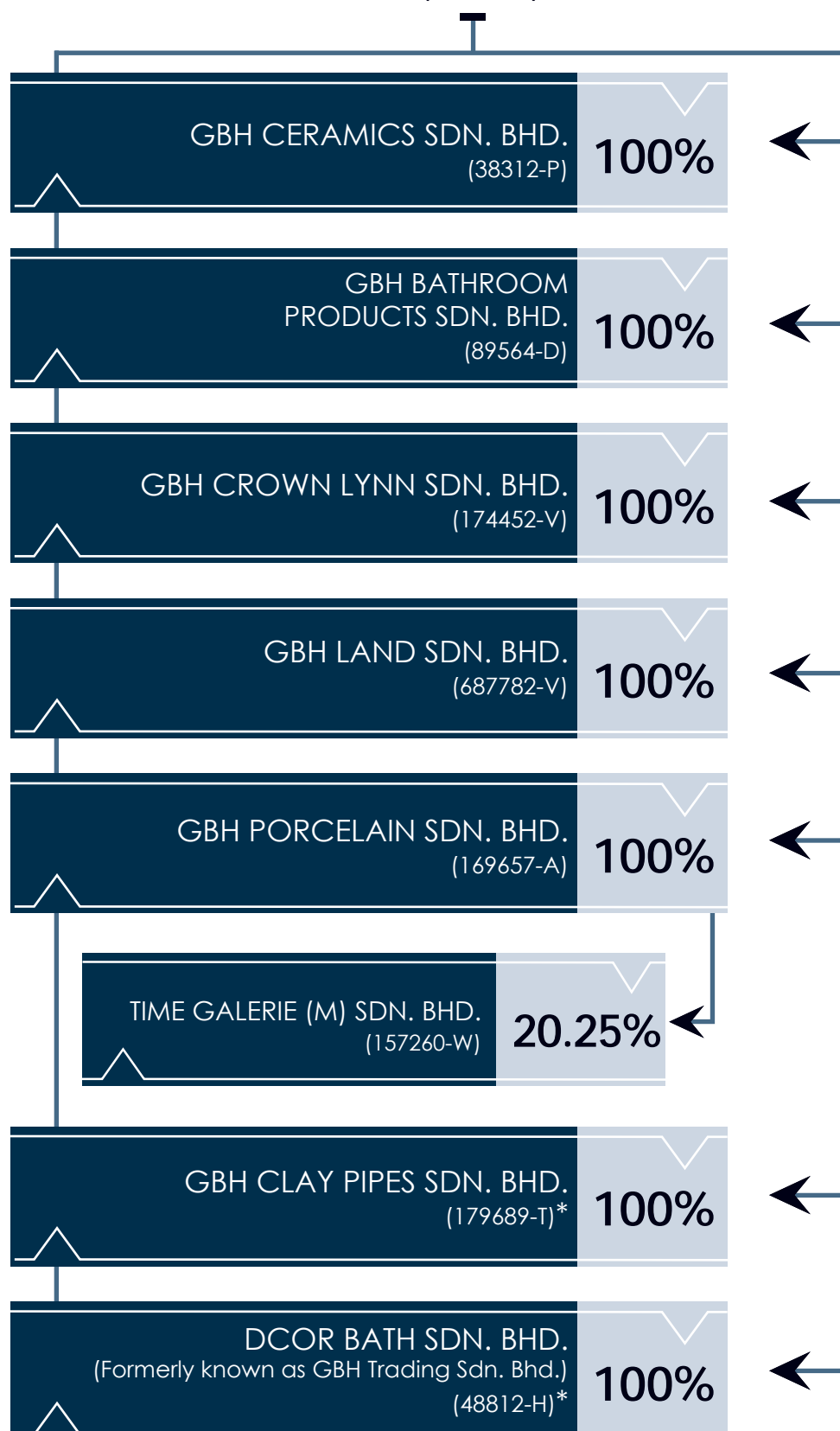
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# CORPORATE STRUCTURE

as at 31 March 2015

## GOH BAN HUAT BERHAD

(1713-A)



\*Dormant Company



# CHAIRMAN'S STATEMENT

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 15 months ended 31 March 2015.

## Change of Financial Year End

The Board had, on 16 April 2015, approved a resolution to change the financial year end of the Group and of the Company from 31 December to 31 March. Accordingly, the Annual Report and the Audited Financial Statements of the Group and the Company hereby presented covers a 15 month period commencing 1 January 2014 and ending 31 March 2015.

## Financial and Performance Review

With the change in the financial year end from 31 December to 31 March, the financial performance overview presented for GBH Group will cover a 15 month financial period from 1 January 2014 to 31 March 2015 (or the 'Current Financial Period').

Revenue for the Group has grown by 46.0% from RM46.63 million in 2013 to RM68.09 million in the current financial period. The Group recorded a profit before tax of RM75.61 million in the current financial period as compared with a profit before tax of RM5.07 million in the preceding financial year; the significant positive impact for the results was mainly attributed to the gain on disposal of six parcels of freehold industrial land and three parcels of leasehold industrial land all in Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, for a total cash consideration of RM192.4 million with total gain amounting to RM76.66 million.

The clay pipes division continued to benefit further from the strong demand from the buoyant infrastructure market. Overall, the revenue for the Manufacturing Business Segment rose by 32.2% from RM39.58 million in 2013 to RM52.33 million in the Current Financial Period. The results of the Manufacturing Business Segment, however, declined from a profit after tax of RM6.60 million in 2013 to a profit after tax of RM5.89 million in the Current Financial Period. The drop in profit was mainly due to the higher cost of production as a result of the increase in utility rates and higher logistics cost.

The revenue from the Trading Business Segment (which consists of our sanitaryware and tableware divisions) improved significantly by 129.2% from RM6.79 million in 2013 to RM15.56 million in the current financial period. Trading revenue has improved due mainly to higher sanitaryware project sales as we continued to build up market share.

# CHAIRMAN'S STATEMENT (CONT'D)

## Prospects

The Board of Directors expects the Group's existing business, which is principally in the ceramic building materials industry, to remain challenging mainly due to intense competition from alternative products and imports from lower-cost manufacturing countries. In addition, profit margins are expected to continue to come under pressure for the foreseeable future in anticipation of increase in natural gas and electricity tariffs. The Sanitaryware Division has shown a growth potential with improved top line revenue following implementation of measures aimed at increasing our market share. Attention will be paid to the feasibility of further growing the Sanitaryware Division business.

Pursuant to the completion of the disposal of the Group's properties in March 2015, the Board is continually and diligently looking for other new business opportunities in addition to the existing businesses to enhance GBH's shareholders value.

## Dividends

The Board of Directors approved the declaration of a first single-tier interim dividend of 12% per ordinary share of RM1.00 each, amounting to RM22.392 million, and a second single-tier interim dividend of 3% per ordinary share of RM1.00 each, amounting to RM5.598 million, both in respect of the financial period ended 31 March 2015, and were paid to the entitled shareholders on 25 May 2015 and 3 July 2015 respectively.

## 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 74 • 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 Jasa Kita Berhad, JKG Land Berhad, Marco Holdings Berhad and FCW Holdings Berhad.

## **Dato' Ismail Bin Hamzah**

Aged 69 • 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 70 • 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.

## PROFILE OF BOARD OF DIRECTORS (CONT'D)

### **Aminuddin Yusof Lana**

Aged 66 • 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 2004.

Currently, he sits on the Board of PDZ Holdings Bhd, Marco Holdings Berhad and Scomi Oiltools International Limited (Bermuda).

### **Tang Tat Chun**

Aged 50 • 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 64 • 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.

## PROFILE OF BOARD OF DIRECTORS (CONT'D)

### Lai Sze Pheng

Aged 54 • 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 48 • 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, JKG Land 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.

# STATEMENT ON CORPORATE GOVERNANCE

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 also acknowledges the importance of Boardroom diversity, including gender, ethnicity and age. The Board considers its current composition with the mix of skills and expertise sufficient and optimum for it to discharge its duties and responsibilities effectively. On gender diversity, Board members are appointed based on their experience, qualifications and suitability for the position, the Nomination Committee does not discriminate against any women candidates. 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 period ended 31 March 2015. The details of attendance of each individual Director are as follows:

Name of Directors	Date of Board Meeting			
	27 Feb 2014	25 Aug 2014	30 Sept 2014	26 Feb 2015
Tan Sri Dato' Tan Hua Choon	√	√	√	√
Dato' Ismail Bin Hamzah	√	√	√	√
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)	√	√	√	√
Encik Aminuddin Yusof Lana	√	√	-	√
Mr Tan Han Chuan	√	√	√	√
Mr Lai Sze Pheng	√	√	√	√
Mr Tang Tat Chun	√	√	√	√
Mr Poh Weng Choon	√	√	√	√

#### Note:

- √ Present
- Absent

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## 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 and approve particular issues and/or 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 19 to 23 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. Such 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 irrespective of gender, ethnicity and age;
  - 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.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## A. BOARD OF DIRECTORS (CONT'D)

### Board Committees (cont'd)

#### (ii) Nomination Committee (cont'd)

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 were two Nomination Committee Meetings held during the financial period ended 31 March 2015 with full attendance of all its members.

#### Re-election

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

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

Directors 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*)



# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## A. BOARD OF DIRECTORS (CONT'D)

### Board Committees (cont'd)

#### (iii) Remuneration Committee (cont'd)

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 were two Remuneration Committee Meetings held during the financial period ended 31 March 2015 with full attendance of all its members.

#### Details of Directors' Remuneration

Details of Directors' remuneration for the financial period ended 31 March 2015, 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	45,000	101,250
Other emoluments	2,500	10,000
Directors' remuneration & other emoluments	658,500	-
Bonus current year	165,590	-
Defined contribution plans	98,760	-
<b>Total</b>	<b>970,350</b>	<b>111,250</b>

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

BAND OF REMUNERATION (RM)	NUMBER OF DIRECTORS	
	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
50,000 and below	1	4
50,001 to 150,000	-	-
150,001 to 200,000	-	-
200,001 to 250,000	-	-
250,001 to 300,000	1	-
300,001 to 350,000	1	-
350,001 to 400,000	1	-

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## A. BOARD OF DIRECTORS (CONT'D)

### Supply of Information

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

Besides, the Board would also be provided with texts of any 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.

### 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 period ended 31 March 2015 are as follows:-

Title	Area of Focus
1. Nominating Committee Programme	Corporate Governance
2. GST Briefing	Taxation

### Corporate Social Responsibility

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

The Group has developed and established occupational safety and health practices to ensure a safe working environment for our employees. 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. The Group does not have diversity policy for its workforce but is committed to provide an environment where all staff, regardless of age, gender, race and religion, will have equal opportunity to perform, excel and work together in achieving organisational goals.

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

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## A. BOARD OF DIRECTORS (CONT'D)

### Corporate Social Responsibility (cont'd)

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 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 support of the local community, the Group has donated RM200,000 for program 'SUMBANGAN PASCA BANJIR-KEMENTERIAN WILAYAH PERSEKUTUAN' to ease the burden of those badly affected by the flood. These were some of the key activities undertaken during the financial period ended 31 March 2015.

## B. SHAREHOLDERS

### Dialogue between Companies and Investors

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

In this respect, the Board observes timely release of quarterly financial results and corporate proposal announcements 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](http://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.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## 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 31 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 24 to 25 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 19 to 23 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 period ended 31 March 2015.

#### 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, 845,800 Warrants 2010/2020 have been exercised.

Save for the above, the Company did not issue any options, warrants or convertible securities during the financial period ended 31 March 2015.

#### 3. Depository Receipt Programme ("DRP")

The Company did not sponsor any DRP during the financial period ended 31 March 2015.

#### 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 period ended 31 March 2015.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## D. OTHER INFORMATION (CONT'D)

### In compliance with Bursa Securities MMLR (cont'd)

#### 5. Non-Audit Fees

Non-audit fees incurred by the Group and by the Company during the financial period ended 31 March 2015 and payable to the external auditors and firm affiliated to the external auditors of the Company amounted to RM38,825.

#### 6. Variation in Results

There were no material variances between the audited results for the financial period ended 31 March 2015 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 period ended 31 March 2015.

#### 8. Profit Guarantee

There was no profit guarantee given by the Company during the financial period ended 31 March 2015.

#### 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 period ended 31 March 2015.

#### 10. Related Party Transactions

The details of the transactions with related parties undertaken by the Group during the financial period ended 31 March 2015 are disclosed in Note 29 to the audited financial statements on pages 78 to 79 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 period ended 31 March 2015.

The Directors consider that in preparing the financial statements for the financial period ended 31 March 2015, 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 period ended 31 March 2015 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.



# AUDIT COMMITTEE REPORT (CONT'D)

## 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.

# AUDIT COMMITTEE REPORT (CONT'D)

## TERMS OF REFERENCE (CONT'D)

### 5. AUTHORITY (CONT'D)

- 5.4 have direct communication channels with the external auditors and internal auditors.
- 5.5 be able to obtain independent professional or other advice.
- 5.6 be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

### 6. FUNCTIONS

The functions of the Audit Committee shall include the following:

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

- the audit plan, its scope and nature;
- the audit report;
- the results of their evaluation of the accounting policies and system of internal controls within the Group; 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.

# AUDIT COMMITTEE REPORT (CONT'D)

## TERMS OF REFERENCE (CONT'D)

### 6. FUNCTIONS (CONT'D)

- 6.6 To review the quarterly results and annual financial statements prior to approval of the Board of Directors, focusing particularly on:
- changes in or implementation of major accounting policies changes;
  - significant and unusual events;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements.
- 6.7 To review and report to the Board any letter of resignation from the external auditors of the Group as well as whether there is any reason (supported by grounds) to believe that the Group's external auditors are not suitable for re-appointment.
- 6.8 To make recommendations concerning the appointment of external auditors and their remuneration to the Board.
- 6.9 To verify that the allocation of options pursuant to Employees' Share Option Scheme of the Company is in accordance with the criteria for allocation established under the scheme at the end of each financial year.
- 6.10 Promptly reporting to Bursa Malaysia Securities Berhad on any matter reported by the Audit Committee to the Board which has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

## SUMMARY OF ACTIVITIES

During the financial period ended 31 March 2015, 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.
- f. Met with the Independent Advisor in respect of the Company's proposal on disposal of lands and tenancy, to review the rationale of the proposal, basis and justification of arriving at total disposal consideration and monthly rental, salient terms of the relevant sale and purchase agreement and tenancy agreement, effects of the proposed disposal and tenancy, risks factors and other considerations.
- g. Reviewed the Group budget and recommended to the Board for adoption.

# AUDIT COMMITTEE REPORT (CONT'D)

## SUMMARY OF ACTIVITIES (CONT'D)

The details of attendance of Audit Committee Members at the Audit Committee Meetings held during the financial period ended 31 March 2015 are as follows:-

Audit Committee Members	Status	No. of Audit Committee Meetings attended
1. Dato' Ismail Bin Hamzah	Chairman, Independent Non-Executive Director	6/6
2. Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)	Independent Non-Executive Director	6/6
3. Aminuddin Yusof Lana	Independent Non-Executive Director	5/6

## 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 period ended 31 March 2015 was RM95,550. The activity of the internal audit function is detailed in the Statement on Risk Management & Internal Control on pages 24 to 25 of this Annual Report.

# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

In compliance with Paragraph 15.26(b) of Bursa Securities Main Market Listing Requirements and the "Statement on Risk Management & Internal Control - Guidelines for Directors of Public Listed Issuers", the Board is pleased to present the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group during the financial year ended 31 March 2015.

## 1. Board's Responsibility

The Board recognises its overall responsibility for the adequacy and effectiveness of the risk management framework and system of internal controls within the Group. However, the Board is equally aware that such systems and processes 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 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 financial year under review and up to the date of approval of the annual report and financial statements.

The main features of the risk management process are as follows:

- Establish the context of risk in relation to the Group's risk appetite;
- Risk identification includes consideration of both internal and external environmental factors;
- Assess the potential impact and likelihood of the risks identified and hence their risk levels;
- Assess the adequacy and effectiveness of existing controls for risk treatment; and
- Monitor and review risk mitigating measures, risk levels and emerging risks.

All the risks identified and mitigating measures 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 meeting. Through these mechanisms, key risks identified in the Business Risk Profile are assessed in a timely manner and control procedures 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 audit 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. System of 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 delegations 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 the key business processes.

# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (CONT'D)

## 3. System of Internal Controls (cont'd)

- 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 pipe manufacturing, has been accredited with ISO9001:2000 international quality system standard. The ISO system provides the Group with improved control of key processes and a foundation for improving quality and customer satisfaction.
- Through the establishment of sound internal control, which includes monitoring reporting systems, the Board reports that the existing system of internal controls is satisfactory. No material losses have occurred during the financial year under review as a result of weakness in internal control. The board together with management continue to take measures to strengthen the control environment.

## 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 system of the Group are operating effectively and adequately, in all material respects, based on the risk management and internal control described above.

## 5. Review of the statement by external auditors

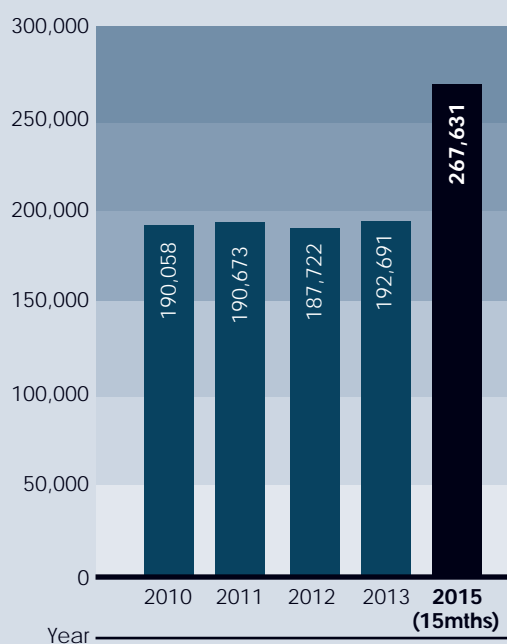
As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management & Internal Control. The External Auditors have reported to the Board that nothing has come to their attention that causes them 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 system and risk management of the Group.



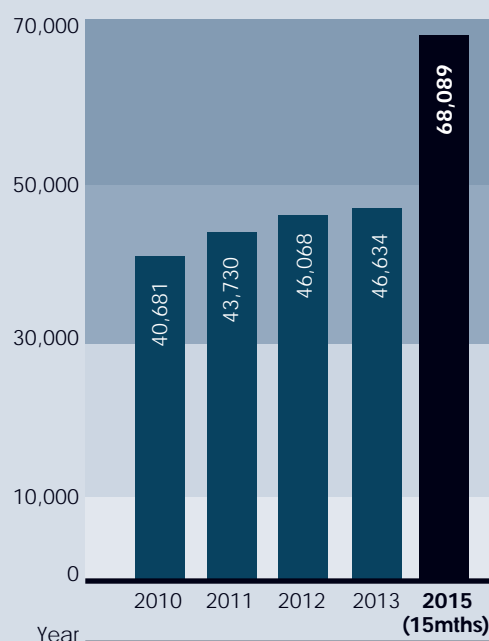
# FINANCIAL HIGHLIGHTS

IN RM ('000)	2010	2011	2012	2013	2015 (15 mths)
Group Turnover	40,681	43,730	46,068	46,634	68,089
Group Profit / (Loss) Before Tax	(4,881)	616	(2,950)	5,065	75,610
Taxation	69	(1)	(1)	(96)	(758)
Group Profit / (Loss) After Tax	(4,812)	615	(2,951)	4,969	74,852
Minority Interest	-	-	-	-	-
Total Comprehensive Income / (Loss) Attributable to Owners of the Parent	(4,812)	615	(2,951)	4,969	74,784
Net Dividend	-	-	-	-	-
Earning / (Loss) Per Share (Sen) - Basic	(3.11)	0.34	(1.59)	2.67	40.26
Gross Dividend Rate Per Share (%)	-	-	-	-	-
Net Assets Per Share (Sen)	102	103	101	104	144
Shareholders' fund	190,058	190,673	187,722	192,691	267,631

**SHAREHOLDERS' FUND  
(RM'000)**



**GROUP TURNOVER  
(RM'000)**



# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

for the financial period from 1 January 2014 to 31 March 2015

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial period from 1 January 2014 to 31 March 2015.

## 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 period.

## CHANGE OF FINANCIAL YEAR END

The Group and the Company have changed its financial year end from 31 December to 31 March.

## RESULTS

	The Group RM	The Company RM
Profit/(loss) for the period	74,851,849	(7,854,205)

## DIVIDENDS

On 21 April 2015, the Board of Directors approved first single-tier interim dividend of 12% per ordinary shares of RM1.00 each in respect of the current financial period and paid on 25 May 2015.

On 28 May 2015, the Board of Directors approved second single-tier interim dividend of 3% per ordinary shares of RM1.00 each in respect of the current financial period and paid on 3 July 2015.

The directors do not recommend any final dividend at the end of the financial period.

## SHARE CAPITAL

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

## RESERVES AND PROVISIONS

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

In accordance with the Company's Articles of Association, Tang Tat Chun and Aminuddin Yusof Lana retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

# DIRECTORS' REPORT (CONT'D)

for the financial period from 1 January 2014 to 31 March 2015

## DIRECTORS (CONT'D)

Tan Sri Dato' Tan Hua Choon and Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd) retire in accordance with Section 129(2) of the Companies Act, 1965 and a resolution will be proposed at the forthcoming Annual General Meeting for their re-appointment as directors 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 period in shares of the Company and its related corporations were as follows:

	No. of ordinary shares of RM1 each		
	As at 1/1/2014	Bought	Sold
<b>The Company</b>			
<b>Direct interests</b>			
Tan Sri Dato' Tan Hua Choon	138,115,680	-	19,000,000

	No. of warrants in the Company		
	As at 1/1/2014	Bought	Sold
<b>The Company</b>			
<b>Direct interests</b>			
Tan Sri Dato' Tan Hua Choon	46,288,190	-	-
-Warrants 2010/2020			

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

The above director by virtue of his shareholdings in the Company is 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 29 of the financial statements of the Company.

Neither at the end of the financial period, nor at anytime during the financial period, 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

# DIRECTORS' REPORT (CONT'D)

for the financial period from 1 January 2014 to 31 March 2015

## STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

- (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 period 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 period.
- (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 period 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 period 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 period 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 period 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: 3 July 2015

# 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 34 to 80 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 March 2015 and of the financial performance and cash flows of the Group and of the Company for the period from 1 January 2014 to 31 March 2015.

In the opinion of the Directors, the information set out in Note 32 on page 80 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 Disclosure 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: 3 July 2015

# 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 34 to 80 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 3 July 2015.

Before me:

Agong Sia (W 460)

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 March 2015 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 period from 1 January 2014 to 31 March 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 80.

### *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 March 2015 and of their financial performance and cash flows for the period from 1 January 2014 to 31 March 2015 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.

# INDEPENDENT AUDITORS' REPORT

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

## Other Reporting Responsibilities

The supplementary information set out in Note 32 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

Kuala Lumpur  
Date: 3 July 2015

**CHUAH SUE YIN**  
No. 2540/04/16 (J)  
Chartered Accountant

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period from 1 January 2014 to 31 March 2015

	NOTE	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
REVENUE	6	68,088,670	46,633,754
COST OF SALES		(50,696,054)	(32,682,151)
GROSS PROFIT		17,392,616	13,951,603
OTHER INCOME		78,502,094	2,890,710
DISTRIBUTION COSTS		(6,284,801)	(3,951,111)
ADMINISTRATION EXPENSES		(10,718,027)	(6,338,617)
OTHER EXPENSES		(3,631,938)	(1,487,130)
SHARE OF PROFITS OF ASSOCIATED COMPANIES		350,224	-
PROFIT BEFORE TAXATION	7	75,610,168	5,065,455
TAXATION	8	(758,319)	(96,503)
PROFIT FOR THE PERIOD/YEAR		74,851,849	4,968,952
OTHER COMPREHENSIVE LOSS FOR THE PERIOD/YEAR NET OF TAX			
- Fair value changes in available-for-sale financial assets		(67,770)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		74,784,079	4,968,952
PROFIT FOR THE PERIOD/YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		74,851,849	4,968,952
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		74,784,079	4,968,952
EARNINGS PER SHARE (sen)			
- basic	9	40.26	2.67
- diluted	9	34.21	2.55

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2015

	NOTE	As at 31/3/2015 RM	As at 31/12/2013 RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	10,802,765	126,609,449
Investment properties	11	366,000	376,000
Intangible assets	12	226,587	396,526
Land use rights	13	-	1,561,335
Associated company	15	14,198,406	-
Other investments	16	21,856,014	55,939
Investment in deposits	17	11,000,000	-
		58,449,772	128,999,249
<b>CURRENT ASSETS</b>			
Inventories	18	9,881,069	9,983,414
Trade and other receivables	19	25,544,629	14,750,217
Tax recoverable		8,069	39,233
Cash and cash equivalents	20	178,545,799	45,719,270
		213,979,566	70,492,134
<b>TOTAL ASSETS</b>		<b>272,429,338</b>	<b>199,491,383</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Share capital	21	185,912,633	185,757,033
Share premium	21	16,395,676	16,358,740
Retained profits/(accumulated losses)		49,610,410	(25,241,439)
Other reserves	22	15,711,784	15,816,490
<b>TOTAL EQUITY</b>		<b>267,630,503</b>	<b>192,690,824</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	24	4,309,694	6,800,559
Taxation		489,141	-
		4,798,835	6,800,559
<b>TOTAL LIABILITIES</b>		<b>4,798,835</b>	<b>6,800,559</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>272,429,338</b>	<b>199,491,383</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 2014 to 31 March 2015

	Attributable to owners of the Parent					
	Share capital RM	Share premium – non distributable RM	Capital reserve – non distributable RM	Warrant reserve – non distributable RM	Fair value adjustment – reserve – non-distributable RM	Retained profits/ (accumulated losses) RM
Balance at 1 January 2013	185,757,033	16,358,740	1,118,356	14,698,134	-	(30,210,391)
Profit for the year	-	-	-	-	-	4,968,952
Total comprehensive income	-	-	-	-	-	4,968,952
Balance at 31 December 2013	185,757,033	16,358,740	1,118,356	14,698,134	-	(25,241,439)
Balance at 1 January 2014	185,757,033	16,358,740	1,118,356	14,698,134	-	(25,241,439)
Issuance of shares – Exercise of Warrants 2010/2020 (Note 21)	155,600	36,936	-	(36,936)	-	-
Profit for the period	-	-	-	-	-	74,851,849
Other comprehensive loss that may be reclassified subsequently to profit or loss: - Fair value changes in available-for-sale financial assets	-	-	-	-	(67,770)	-
	-	-	-	-	(67,770)	-
Total comprehensive income	-	-	-	-	(67,770)	74,851,849
Balance at 31 March 2015	185,912,633	16,395,676	1,118,356	14,661,198	(67,770)	49,610,410
						267,630,503

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 January 2014 to 31 March 2015

	NOTE	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		75,610,168	5,065,455
Adjustments for:			
Allowance for impairment on receivables		-	45,000
Amortisation of intangible assets		169,939	135,951
Amortisation of land use rights		37,294	74,587
Bad debts written off		5,000	964,054
Deposit written back		-	(37,023)
Depreciation of property, plant and equipment		3,366,926	2,456,410
Depreciation of investment property		10,000	8,000
Dividend income		(8,493)	(757)
Impairment loss on property, plant and equipment		-	111,660
Interest income		(1,366,314)	(1,257,693)
Inventories written down		386,278	28,701
Inventories written off		-	207,532
Loss on disposal of an associated company		326,818	-
Profit from disposal of property, plant and equipment		(72,911,560)	(78,438)
Profit from disposal of land use rights		(3,749,603)	-
Profit retained in associated companies		(350,224)	-
Property, plant and equipment written off		38,606	-
Reversal of allowance for impairment on investment in finance lease		-	(49,524)
Reversal of allowance for impairment on receivables		(45,000)	(1,290,282)
Reversal of inventories written down		(470,404)	(429,954)
Unrealised gain on foreign exchange		(80,966)	(5)
Profit before changes in working capital		968,465	5,953,674
Working capital changes:			
Inventories		186,471	(612,230)
Trade and other receivables		(10,673,446)	1,118,409
Trade and other payables		(2,490,865)	(291,567)
Cash (outflows)/inflows from operations		(12,009,375)	6,168,286
Interest received		1,366,314	1,257,693
Tax paid		(270,120)	(116,827)
Tax refunded		32,106	71,709
Net cash (outflows)/inflows from operating activities		(10,881,075)	7,380,861

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

	NOTE	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of other investment		(21,867,845)	-
Dividend received		8,493	734
Proceeds from disposal of property, plant and equipment		187,339,821	131,634
Proceeds from disposal of land use rights		5,273,644	-
Purchase of property, plant and equipment		(2,027,109)	(1,379,287)
Placement of fixed deposits		(11,000,000)	-
Purchase of investment in associated company		(14,175,000)	-
Net cash inflows/(outflows) from investing activities		143,552,004	(1,246,919)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Proceeds from issue of shares – exercise of warrants		155,600	-
Net cash inflows from investing activity		155,600	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		132,826,529	6,133,942
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	20	45,719,270	39,585,328
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	20	178,545,799	45,719,270

## A. SUMMARY OF EFFECT OF ACQUISITION OF SHARES IN A SUBSIDIARY COMPANY

	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
Cash in hand	2	-
Net assets acquired and purchase consideration	2	-
Cash in hand acquired	(2)	-
Net cash flow from acquisition of a subsidiary company	-	-

## B. SUMMARY OF EFFECT OF DISPOSAL OF SHARES IN A SUBSIDIARY COMPANY

	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
Cash in hand	2	-
Cost of investment in a subsidiary company	(2)	-
Net cash flow from disposal of a subsidiary company	-	-

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



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period from 1 January 2014 to 31 March 2015

	NOTE	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
REVENUE	6	192,000	538,979
OTHER INCOME		71,911,856	72,779,028
ADMINISTRATION EXPENSES		(2,301,301)	(1,556,851)
OTHER EXPENSES		(77,394,624)	(5,784,173)
(LOSS)/PROFIT BEFORE TAXATION	7	(7,592,069)	65,976,983
TAXATION	8	(262,136)	(96,044)
(LOSS)/PROFIT FOR THE PERIOD/YEAR		(7,854,205)	65,880,939
OTHER COMPREHENSIVE INCOME FOR THE PERIOD/YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD/YEAR		(7,854,205)	65,880,939
(LOSS)/PROFIT FOR THE PERIOD/YEAR AND TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(7,854,205)	65,880,939

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

# STATEMENT OF FINANCIAL POSITION

as at 31 March 2015

	NOTE	As at 31/3/2015 RM	As at 31/12/2013 RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	371,810	198,799
Investment properties	11	366,000	376,000
Land use rights	13	-	1,561,335
Subsidiary companies	14	23,800,004	30,400,004
Other investments	16	1,220	1,220
Investment in deposits	17	11,000,000	-
		<b>35,539,034</b>	<b>32,537,358</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	19	210,533,073	194,982,550
Tax recoverable		-	29,257
Cash and cash equivalents	20	5,097,275	34,719,910
		<b>215,630,348</b>	<b>229,731,717</b>
<b>TOTAL ASSETS</b>		<b>251,169,382</b>	<b>262,269,075</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Share capital	21	185,912,633	185,757,033
Share premium	21	16,395,676	16,358,740
Retained profits		31,183,690	39,037,895
Other reserves	22	16,918,286	16,955,222
<b>TOTAL EQUITY</b>		<b>250,410,285</b>	<b>258,108,890</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	24	746,093	4,160,185
Taxation		13,004	-
<b>TOTAL LIABILITIES</b>		<b>759,097</b>	<b>4,160,185</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>251,169,382</b>	<b>262,269,075</b>

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

# STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 2014 to 31 March 2015

	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
Balance at 1 January 2013	185,757,033	16,358,740	2,257,088	14,698,134	(26,843,044)
Profit for the year	-	-	-	-	65,880,939
Total comprehensive income	-	-	-	-	65,880,939
Balance at 31 December 2013	185,757,033	16,358,740	2,257,088	14,698,134	39,037,895
Balance at 1 January 2014	185,757,033	16,358,740	2,257,088	14,698,134	39,037,895
Issuance of shares - Exercise of Warrants 2010/2020 (Note 21)	155,600	36,936	-	(36,936)	-
Loss for the period	-	-	-	-	(7,854,205)
Total comprehensive loss	-	-	-	-	(7,854,205)
Balance at 31 March 2015	185,912,633	16,395,676	2,257,088	14,661,198	31,183,690
					250,410,285

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

# STATEMENT OF CASH FLOWS

for the period from 1 January 2014 to 31 March 2015

	NOTE	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit before taxation		(7,592,069)	65,976,983
Adjustments for:			
Allowance for impairment on receivables		-	4,907,377
Amortisation of land use rights		37,294	74,587
Deposit written back		-	(37,023)
Depreciation of property, plant and equipment		178,529	190,468
Depreciation of investment property		10,000	8,000
Dividend income		(275)	(757)
Impairment on investment in subsidiary companies		75,700,000	686,400
Interest income		(1,203,692)	(1,168,423)
Profit from disposal of property, plant and equipment		-	(71,554,185)
Profit from disposal of land used rights		(3,749,603)	-
Reversal of allowance for impairment on receivables		(66,933,167)	-
Loss before changes in working capital		(3,552,983)	(916,573)
Working capital changes:			
Trade and other receivables		(168,391)	329,946
Trade and other payables		(211,715)	34,415
Cash outflows from operations		(3,933,089)	(552,212)
Interest received		1,203,692	1,168,423
Tax paid		(242,545)	(106,766)
Tax refunded		22,671	5,279
Net cash (outflows)/inflows from operating activities		(2,949,271)	514,724
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Placement of fixed deposits		(11,000,000)	-
Proceeds from disposal of investment in a subsidiary company		2	-
Purchase of investment in subsidiary companies		(69,100,002)	-
Dividends received		275	734
Purchase of property, plant and equipment		(351,540)	(9,009)
Proceeds from disposal of property, plant and equipment		-	186,094,760
Proceeds from disposal of land use rights		5,273,643	-
Repayment from/(loan to) subsidiary companies		51,551,035	(186,458,810)
Net cash outflows from investing activities		(23,626,587)	(372,325)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares – exercise of warrants		155,600	-
(Repayment to)/loan from subsidiary companies		(3,202,377)	354,537
Net cash (outflows)/inflows from financing activities		(3,046,777)	354,537
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(29,622,635)	496,936
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	20	34,719,910	34,222,974
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	20	5,097,275	34,719,910

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

# NOTES TO THE FINANCIAL STATEMENTS

for the period from 1 January 2014 to 31 March 2015

## 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 3 July 2015.

### (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 2014, the Group and the Company adopted the following Amendments to published standards mandatory for annual financial periods beginning on or after 1 January 2014:

#### Amendments

Amendments to MFRS 132 – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136 – Recoverable Amount Disclosures For Non-Financial Assets

The adoption of the above new 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
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
Amendments to MFRS 101 Disclosure Initiative	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle as follow:	1 January 2016
• Amendments to MFRS 7	Financial Instruments: Disclosures
• Amendments to MFRS 119	Employee Benefits
• Amendments to MFRS 134	Interim Finance Reporting

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## for the period from 1 January 2014 to 31 March 2015

### 1. BASIS OF PREPARATION (CONT'D)

#### (a) Statement of compliance (cont'd)

##### Amendments (cont'd)

Standards/Amendments	Effective date
Amendments to MFRS 10 – Consolidated Financial Statements and MFRS 128 – Sales or Contribution of Assets between an Investor and its Associates or Joint Venture	1 January 2016
Amendments to MFRS 127 – Equity method in Separate Financial Statements	1 January 2016
Amendments to MFRS 116 and MFRS 138 – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
MFRS 15 – Revenue from Contracts with Customers	1 January 2017
MFRS 9 – Financial Instruments (IFRS 9 as issued by IASB in July 2014) and mandatory effective date of MFRS 9 and transition disclosures	1 January 2018

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

The directors are currently assessing the potential impact of the adoption of this MFRS and anticipate that it may affect the classification and measurement of the Group's and the Company's financial assets and financial liabilities. However it is not practicable at the end of the current reporting period to disclose a reasonable estimate of the effect until a detailed review has been completed.

#### (b) Functional and presentation currency

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

#### (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.

##### 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.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## for the period from 1 January 2014 to 31 March 2015

### 1. BASIS OF PREPARATION (CONT'D)

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

##### Key sources of estimation uncertainty (cont'd)

##### (i) Impairment of trade receivables (cont'd)

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 19.

##### (ii) 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 18.

##### (iii) Impairment of subsidiaries company

In determining the value-in-use of a cash-generating unit, management uses assumptions based upon past experience, current events and reasonably possible future developments. Cash flows are projected and discounted at an appropriate discount rate.

The carrying amount at the reporting date is disclosed in note 14.

### 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.

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.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (a) Basis of consolidation (cont'd)

##### (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 except when an unrealised loss may indicate an impairment loss that requires recognition in 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.

In the separate financial statements of the Company, investments in subsidiaries are measured at cost less any, impairment losses.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (c) Property, plant and equipment (cont'd)

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 is 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 is determined either on "first in, first out" or "weighted average" basis.

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

#### (e) Foreign currencies

For each entity in the Group, transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period. Non-monetary items carried at fair values or at revalued amounts that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their historical rates and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (f) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

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.

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

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.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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 investment properties, inventories, deferred tax assets and financial assets (except those measured at fair value through profit or loss and investment in subsidiaries and associates), 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.

##### (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).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (k) Financial assets (cont'd)

##### (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.

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.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (k) Financial assets (cont'd)

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.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (m) Derivative financial instruments (cont'd)

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 and the Company. 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 and the Company 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 on a straight-line basis over the term of the relevant lease.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental 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 were amortised over the lease periods between 28 years to 72 years.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

### 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 28, including the factors 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.

#### (t) Fair value measurement

For assets, liabilities and equity instruments (whether financial or non-financial items) that require fair value measurement or disclosure, the Company establishes a fair value measurement hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. This fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets, liabilities or equity instruments and the lowest priority to unobservable inputs.

A fair value measurement of an item is classified as a Level 1 measurement if it is estimated using a quoted price in a active market. The active market is the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and for which the Company can enter into a transaction for the asset or liability at the price in that market at the measurement date.

In the absence of Level 1 inputs, a fair value measurement of an item is classified as a Level 2 measurement if it is estimated by an established valuation technique using inputs from the marketplace that are observable for substantially the full term of the asset or liability.

In the absence of both Level 1 and Level 2 inputs, a fair value measurement of an item is classified as a Level 3 measurement if it is estimated by an established valuation technique using unobservable inputs, including internally developed assumptions.

#### (u) Associated company

An associate is an entity over which the Group or Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (u) Associated company (cont'd)

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

#### (v) Dividend

Dividends on ordinary shares are recognised as liabilities when the obligation to pay is established.

The distribution of non-cash assets to owners is recognised as dividend payable when the dividend has been appropriately authorised. The dividend payable is measured at the fair value of the shares to be distributed. At the end of the reporting date and on the settlement date, the Group and the Company review the carrying amount of the dividend payable, with any changes in the fair value of the dividend payable recognised in equity. When the Group and the Company settle the dividend payable, the difference between the carrying amount of the dividend distributed and the carrying amount of the dividend payable is recognised as a separate line item in profit or loss.

### 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), Renmimbi (RMB) 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.

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

##### (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.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## for the period from 1 January 2014 to 31 March 2015

### 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 financial instruments will fluctuate because of changes in market prices.

The Group is exposed to equity price risk arising from its investment in quoted equity instruments and investment fund.

##### Sensitivity analysis for market price risk

At the reporting date, if the market price had been 5% higher, the Group's profit and equity would have been RM1,090,000 higher. A 5% lower market price would have had equal but opposite effect on Group's profit and equity.

#### (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 83% (2013: 71%) 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
<b>GROUP</b>	
<b>As at 31 March 2015</b>	
<b>Non-derivative financial liabilities</b>	
Trade and other payables	4,309,694
Bank guarantee given to a third party	346,000
	<hr/> <hr/>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

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

### (c) Liquidity risk management (cont'd)

	Within 1 year RM
<b>As at 31 December 2013</b>	
<b>Non-derivative financial liabilities</b>	
Trade and other payables	6,800,559
Bank guarantee given to a third party	235,300
	<hr/>
<b>COMPANY</b>	
<b>As at 31 March 2015</b>	
<b>Non-derivative financial liabilities</b>	
Trade and other payables	746,093
Corporate guarantee given to subsidiaries' suppliers	806,500
Bank guarantee given to a third party	346,000
	<hr/>
<b>As at 31 December 2013</b>	
<b>Non-derivative financial liabilities</b>	
Trade and other payables	4,160,185
Corporate guarantee given to subsidiaries' suppliers	668,000
Bank guarantee given to a third party	235,300
	<hr/>

## 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 March 2015, 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.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 5. FINANCIAL INSTRUMENTS BY CATEGORIES AND ITS FAIR VALUE ESTIMATION

### FINANCIAL INSTRUMENTS BY CATEGORIES

GROUP	As at 31/3/2015 RM	As at 31/12/2013 RM
<b>Financial assets</b>		
Loans and receivables		
- Trade and other receivables excluding prepayments	23,720,822	14,699,589
- Cash and cash equivalents	178,545,799	45,719,270
- Investment in deposits	11,000,000	-
Available-for-sale financial assets		
- Unquoted shares at cost less impairment	53,700	53,700
- Transferable club membership at cost less impairment	-	-
- Quoted shares	9,293,900	-
- Investment fund	12,506,175	-
Financial assets at fair value through profit or loss (FVTPL)		
- Quoted shares	2,239	2,239
<b>Financial liabilities</b>		
Other financial liabilities		
- Trade and other payables	4,309,694	6,800,559
<b>COMPANY</b>		
<b>Financial assets</b>		
Loans and receivables		
- Trade and other receivables excluding prepayments	210,505,423	194,961,191
- Cash and cash equivalents	5,097,275	34,719,910
- Investment in deposits	11,000,000	-
Financial assets at fair value through profit or loss (FVTPL)		
- Quoted shares	1,220	1,220
<b>Financial liabilities</b>		
Other financial liabilities		
- Trade and other payables	746,093	4,160,185

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 RM580,000 (2013: RM600,000). 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.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 6. REVENUE

	GROUP		COMPANY	
	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
Sale of goods	67,896,670	46,366,455	-	-
Operating lease – rental income from premises*	192,000	267,299	192,000	538,979
	68,088,670	46,633,754	192,000	538,979

\* 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		COMPANY	
	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
<b>Profit/(loss) before taxation is stated after charging and (crediting):</b>				
Allowance for impairment on receivables	-	45,000	-	4,907,377
Amortisation of intangible assets	169,939	135,951	-	-
Amortisation of land used rights	37,294	74,587	37,294	74,587
Auditors' remuneration				
- current year	205,000	106,500	79,000	41,500
- overprovision in prior year	-	(1,500)	-	(1,500)
Bad debts written off	5,000	964,054	-	-
Cost of inventories charged to expenses##	50,696,054	32,682,151	-	-
Depreciation of investment property	10,000	8,000	10,000	8,000
Depreciation	3,366,926	2,456,410	178,529	190,468
Directors' remuneration				
- fees	146,250	89,750	146,250	89,750
- other emoluments *#	2,088,008	712,512	582,968	444,824
Deposit written back	-	(37,023)	-	(37,023)
FVTPL –Dividend income from quoted shares in Malaysia	(8,493)	(757)	(275)	(757)
Interest income from loans and receivables				
- fixed deposits	(1,270,435)	(1,239,467)	(1,179,749)	(1,168,423)
- investment in finance lease	-	(477)	-	-
- money market	(95,879)	(17,749)	(23,943)	-
Inventories written off	-	141,001	-	-
Impairment on investment in a subsidiary company	-	-	75,700,000	686,400
Impairment loss on property, plant and equipment	-	111,660	-	-
Loss on disposal of an associated company	326,818	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

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

	GROUP		COMPANY	
	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
<b>Profit/(loss) before taxation is stated after charging and (crediting):</b>				
(Gain)/loss on foreign exchange				
- realised	(91,705)	(11,051)	844	-
- unrealised	(80,966)	(5)	-	-
Operating lease - rental of				
- equipment and machinery**	163,736	90,858	-	-
- premises***	2,200,925	1,645,598	218,206	-
- warehouse***	-	33,280	-	-
- showroom***	30,000	27,907	-	-
Profit from disposal of property, plant and equipment	(72,911,560)	(78,438)	-	(71,554,185)
Profit from disposal of land used rights	(3,749,603)	-	(3,749,603)	-
Property, plant and equipment written off	38,606	-	-	-
Reversal of allowance for impairment on investment in finance lease	-	(49,524)	-	-
Reversal of allowance for impairment on receivables	(45,000)	(1,290,282)	(66,933,167)	-
Staff costs*	13,086,461	9,534,982	131,379	321,381

\* Included in staff costs and directors' other emoluments of the Group and of the Company are amounts totalling RM1,288,370 (2013: RM843,400) and RM72,937 (2013: RM77,058) respectively contributed to the Employees' Provident Fund.

\*\* These consist of cancellable and non-cancellable operating leases. For cancellable operating leases either one to two months' notice are required for termination of these agreements.

For non-cancellable operating leases, the lease commitments are disclosed in Note 26 to the financial statements.

\*\*\* These consist of cancellable operating leases whereby either no notice or to two months' notice are required for termination of these agreements.

# The estimated monetary value of other benefits not included in the above received by the directors of the Group and of the Company are amounts totaling RM112,500 (2013: RM19,400) and RM58,750 (2013: RM19,400).

## Cost of inventories charged to expenses includes:

	GROUP	
	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
Inventories written off	-	66,531
Inventories written down	386,278	28,701
Reversal of inventories written down	(470,404)	(429,954)



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 8. TAXATION

	GROUP		COMPANY	
	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
(a) Current Malaysian taxation	187,200	96,000	-	96,000
Underprovision of taxation in prior years	53,174	503	49,270	44
Real Property Gain Tax	517,945	-	212,866	-
	<u>758,319</u>	<u>96,503</u>	<u>262,136</u>	<u>96,044</u>

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

	GROUP		COMPANY	
	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
Accounting profit/(loss)	75,610,168	5,065,455	(7,592,069)	65,976,983
Tax at the applicable tax rate	18,902,542	1,266,365	(1,898,017)	16,494,246
Tax effect of expenses that are not deductible in determining taxable profit	1,655,170	273,545	19,516,725	1,416,070
Tax effect of income that are not included in determining taxable profit	(19,133,574)	(464,436)	(17,670,693)	(17,888,713)
Movement from unrecognised deferred tax assets	(1,236,938)	(979,474)	51,985	74,397
Current tax expense	<u>187,200</u>	<u>96,000</u>	<u>-</u>	<u>96,000</u>

The current corporate tax rate is 25% (2013: 25%). The corporate tax rate will be reduced to 24% in year 2016. Consequently, deferred tax assets in Note 23 are measured using this tax rate.

(c) The Company has unabsorbed capital allowances and unused tax losses of approximately RM3,226,000 (2013: RM6,550,000) available for set off against future taxable income.

(d) The Company is able to distribute its profits by way of dividend.

## 9. EARNINGS PER SHARE

### (a) Basic earnings per share

The basic earnings per share is calculated based on the consolidated profit for the period attributable to owners of the parent of RM74,851,849 (2013: RM4,968,952) and the weighted average of 185,912,633 (2013: 185,757,033) ordinary shares issued and paid up during the financial year.

### (b) Diluted earnings per share

The diluted earnings per share is calculated based on the consolidated profit for the period attributable to owners of the parent of RM74,851,849 (2013: RM4,968,952) and the weighted average of 218,769,602 (2013: 195,183,759) ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Freehold buildings RM	Plant and machinery RM	Equipment, furniture and fittings and motor vehicles RM	Total RM
<b>31 MARCH 2015 GROUP</b>					
<b>At cost</b>					
At 1 January 2014	113,137,229	13,892,692	59,019,470	8,350,634	194,400,025
Additions	-	-	660,433	1,366,676	2,027,109
Disposals	(113,137,229)	(13,885,062)	(2,756,771)	(92,000)	(129,871,062)
Written off	-	-	-	(44,207)	(44,207)
At 31 March 2015	-	7,630	56,923,132	9,581,103	66,511,865
<b>Accumulated depreciation</b>					
At 1 January 2014	-	12,542,831	48,816,140	5,081,556	66,440,527
Charge for the period	-	58,831	2,365,528	942,567	3,366,926
Disposals	-	(12,594,032)	(1,963,616)	(91,999)	(14,649,647)
Written off	-	-	-	(5,601)	(5,601)
At 31 March 2015	-	7,630	49,218,052	5,926,523	55,152,205
<b>Accumulated impairment losses</b>					
At 1 January 2014	-	-	1,333,265	16,784	1,350,049
Disposals	-	-	(793,154)	-	(793,154)
At 31 March 2015	-	-	540,111	16,784	556,895
<b>Net book value</b>					
At 31 March 2015	-	-	7,164,969	3,637,796	10,802,765

	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
<b>31 DECEMBER 2013 GROUP</b>						
<b>At cost</b>						
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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

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

	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
<b>31 DECEMBER 2013 GROUP (CONT'D)</b>						
<b>Accumulated depreciation</b>						
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
<b>Accumulated impairment losses</b>						
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
<b>Net book value</b>						
At 31 December 2013	113,137,229	1,349,861	-	8,870,065	3,252,294	126,609,449
<b>31 MARCH 2015 COMPANY</b>						
<b>At cost</b>						
At 1 January 2014	-	-	-	405,421	10,159	415,580
Addition	-	-	-	349,550	1,990	351,540
At 31 March 2015	-	-	-	754,971	12,149	767,120
<b>Accumulated depreciation</b>						
At 1 January 2014	-	-	-	216,224	557	216,781
Charge for the period	-	-	-	177,091	1,438	178,529
At 31 March 2015	-	-	-	393,315	1,995	395,310
<b>Net book value</b>						
At 31 March 2015	-	-	-	361,656	10,154	371,810

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

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

	Freehold land RM	Freehold buildings RM	Motor vehicle RM	Office equipment RM	Total RM
<b>31 DECEMBER 2013 COMPANY</b>					
<b>At cost</b>					
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
<b>Accumulated depreciation</b>					
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
<b>Net book value</b>					
At 31 December 2013	-	-	189,197	9,602	198,799

## 11. INVESTMENT PROPERTIES

	<b>GROUP AND COMPANY</b>	
	<b>As at 31/3/2015 RM</b>	<b>As at 31/12/2013 RM</b>
<b>Investment properties stated at cost:</b>		
<b>At cost</b>		
At 1 January and 31 March/31 December	400,000	400,000
<b>Accumulated depreciation</b>		
At 1 January	24,000	16,000
Charge for the period/year	10,000	8,000
At 31 March/31 December	34,000	24,000
<b>Net carrying amount</b>		
At 31 March/31 December	366,000	376,000

The investment properties comprise freehold land and buildings.

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

	<b>GROUP AND COMPANY</b>	
	<b>Period from 1/1/2014 to 31/3/2015 RM</b>	<b>Year ended 31/12/2013 RM</b>
Operating lease - rental income	36,000	28,000
Direct operating expenses	5,572	-

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 12. INTANGIBLE ASSETS

	GROUP	
	As at 31/3/2015 RM	As at 31/12/2013 RM
<b>Computer software:</b>		
<b>At cost</b>		
At 1 January and 31 March/31 December	679,757	679,757
<b>Accumulated amortisation</b>		
At 1 January	283,231	147,280
Charge for the period/year	169,939	135,951
At 31 March/31 December	453,170	283,231
<b>Net carrying amount</b>		
At 31 March/31 December	226,587	396,526

## 13. LAND USE RIGHTS

	GROUP AND COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM
<b>Cost</b>		
At 1 January	2,232,620	2,232,620
Disposal	(2,232,620)	-
At 31 March/31 December	-	2,232,620
<b>Accumulated amortisation</b>		
At 1 January	671,285	596,698
Amortisation for the period/year	37,294	74,587
Disposal	(708,579)	-
At 31 March/31 December	-	671,285
<b>Net carrying amount</b>		
At 31 March/31 December	-	1,561,335
<b>Amount to be amortised:</b>		
- Not later than one year	-	74,587
- Later than one year but not later than five years	-	298,348
- Later than five years	-	1,188,400

In prior year, the land use rights amounting to RM1,354,906 have a remaining tenure of 20 years while the remaining land use rights of RM206,429 have a remaining tenure of 64 years.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 14. SUBSIDIARY COMPANIES

	COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM
Shares in unquoted corporations:		
At cost	137,448,113	68,348,113
Impairment losses	(113,648,109)	(37,948,109)
	23,800,004	30,400,004

The subsidiary companies which were incorporated in Malaysia are:

Name of company	Principal activities	Group's equity interests	
		As at 31/3/2015 %	As at 31/12/2013 %
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
Dcor Bath Sdn. Bhd. (formerly known as GBH Trading Sdn. Bhd.)	Dormant	100	100
GBH Clay Pipes Sdn. Bhd.	Dormant	100	100
GBH Land Sdn. Bhd.	Investment holding	100	100

On 1 July 2014, the Company acquired a wholly-owned subsidiary company, Ekspresi Tepat Sdn Bhd., which was incorporated during the year with no commencement of operations. Subsequently on 17 October 2014, this transaction was unwound through disposal of the subsidiary company and there was no gain or loss on disposal on the financial results of the Group and the Company.

The Company subscribed to 69,100,000 shares in existing subsidiary companies.

There is an additional impairment loss of RM75,700,000 for several subsidiary companies and the recoverable amount of these subsidiary companies is based on value in use using a discount rate of 9%.

## 15. ASSOCIATED COMPANY

	GROUP	
	As at 31/3/2015 RM	As at 31/12/2013 RM
Shares in unquoted corporations, at cost	14,175,000	-
Share of acquisition profit	23,406	-
	14,198,406	-

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 15. ASSOCIATED COMPANY

	GROUP	
	As at 31/3/2015 RM	As at 31/12/2013 RM
Share of net assets other than goodwill	7,916,296	-
Goodwill on acquisition	6,282,110	-
	14,198,406	-

The associated company which was incorporated in Malaysia is:

Name of company	Principal activity	Group's equity interests	
		As at 31/3/2015	As at 31/12/2013
Time Galerie (M) Sdn. Bhd.	Retailing of watches, clocks, gifts and other accessories	20.25%	-

The principal place of business is at Lot 6, Jalan Murai 2, Batu Complex, 51100 Kuala Lumpur.

The summarised financial information of the associated company is as flows:

	GROUP	
	As at 31/3/2015 RM	As at 31/12/2013 RM
<b>Assets and liabilities</b>		
Non current assets	448,353	-
Current assets	8,569,394	-
	9,017,747	-
Non current liabilities	-	-
Current liabilities	1,101,451	-
	1,101,451	-
<b>Results</b>		
Revenue	227,804	-
Profit for the year	23,406	-
Total comprehensive income for the year	23,406	-

On 16 July 2014, the Company acquired 35% equity interest in Global Mariner Offshore Services Sdn. Bhd., an associated company through its acquisition of a wholly-owned subsidiary company, Ekpresi Tepat Sdn. Bhd.. Subsequently on 17 October 2014, the acquisition in the associated company was unwound through the disposal of the wholly-owned subsidiary company and there was no gain or loss on disposal. The share of profits from the associated company was RM326,818 for the current financial period.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 16. OTHER INVESTMENTS

	GROUP		COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 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)	-	-
	-	-	-	-
Investment fund	12,506,175	-	-	-
Quoted shares	9,293,900	-	-	-
<b>Financial assets at fair value through profit or loss (FVTPL)</b>				
Quoted shares	2,239	2,239	1,220	1,220
	21,856,014	55,939	1,220	1,220

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

## 17. INVESTMENT IN DEPOSITS

Investment in deposits of the Group and the Company represent fixed deposits placed with a licensed bank made for a period of twenty four months and earn interests at the prevailing long term deposits rate.

## 18. INVENTORIES

	GROUP	
	As at 31/3/2015 RM	As at 31/12/2013 RM
<b>At lower of cost and net realisable value</b>		
Raw materials	177,164	179,169
Consumables	589,681	508,951
Work-in-progress	1,601,292	1,730,233
Finished goods	2,384,591	4,119,928
Goods for resale	5,128,341	3,445,133
	9,881,069	9,983,414

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.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 19. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
Trade receivables	16,962,432	12,892,761	211,145	196,155
Allowance for impairment	(126,215)	(171,215)	(71,021)	(71,021)
	16,836,217	12,721,546	140,124	125,134
Deposits	6,591,969	1,869,472	308,724	205,723
Other receivables	310,936	126,871	67,149	-
Prepayment	1,823,807	50,628	27,650	21,359
Allowance for impairment	(18,300)	(18,300)	(18,300)	(18,300)
	8,708,412	2,028,671	385,223	208,782
Amounts due from subsidiary companies				
- current accounts	-	-	210,007,726	261,558,761
- trade accounts	-	-	-	23,040
Allowance for impairment	-	-	-	(66,933,167)
	-	-	210,007,726	194,648,634
	25,544,629	14,750,217	210,533,073	194,982,550

The currency exposure profile of trade receivables is as follows:

	GROUP		COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
Ringgit Malaysia	16,276,983	11,869,224	211,145	196,155
Singapore Dollar	697,674	1,030,080	-	-
Brunei Dollar	(6,786)	-	-	-
US Dollar	(5,439)	(6,543)	-	-
	16,962,432	12,892,761	211,145	196,155

The currency exposure profile of other receivables is as follows:

	GROUP		COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
Ringgit Malaysia	270,786	126,871	67,149	-
Thai Baht	40,150	-	-	-
	310,936	126,871	67,149	-

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 19. TRADE AND OTHER RECEIVABLES (CONT'D)

The currency exposure profile of deposits is as follows:

	GROUP		COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
Ringgit Malaysia	6,051,186	1,869,472	308,724	205,723
Renmimbi	316,657	-	-	-
US Dollar	224,126	-	-	-
	<u>6,591,969</u>	<u>1,869,472</u>	<u>308,724</u>	<u>205,723</u>

Trade receivables of the Company are non-interest bearing and generally on 30 days terms. There is no credit term given to 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 current amounts due from subsidiary companies are non-interest bearing and repayable upon demand.

No other receivables for the Group and the Company are past due nor impaired at the reporting date.

Ageing analysis of trade receivables:

	GROUP	
	As at 31/3/2015 RM	As at 31/12/2013 RM
Neither past due nor impaired	12,519,187	10,612,342
1 to 30 days past due not impaired	2,713,818	1,603,436
31 to 60 days past due not impaired	696,157	305,400
61 to 90 days past due not impaired	789,245	84,233
91 to 120 days past due not impaired	26	15,001
More than 120 days past due not impaired	117,784	101,134
	<u>4,317,030</u>	<u>2,109,204</u>
Impaired	126,215	171,215
	<u>16,962,432</u>	<u>12,892,761</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 19. TRADE AND OTHER RECEIVABLES (CONT'D)

Ageing analysis of trade receivables:

	COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM
Neither past due nor impaired	24,000	24,000
1 to 30 days past due not impaired	-	-
31 to 60 days past due not impaired	-	-
61 to 90 days past due not impaired	-	-
91 to 120 days past due not impaired	-	-
More than 120 days past due not impaired	116,124	101,134
	116,124	101,134
Impaired	71,021	71,021
	211,145	196,155

### 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	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
Trade receivables - nominal amounts	126,215	171,215	71,021	71,021
Amounts due from subsidiary companies – nominal amounts	-	-	-	66,933,167
Deposits – nominal amounts	18,300	18,300	18,300	18,300
Allowance for impairment	(144,515)	(189,515)	(89,321)	(67,022,488)
	-	-	-	-

Movement in allowance for impairment:

GROUP	Trade receivables RM	Deposits RM
<b>31 March 2015</b>		
At 1 January 2014	171,215	18,300
Reversal of impairment	(40,000)	-
Written off	(5,000)	-
At 31 March 2015	126,215	18,300

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 19. TRADE AND OTHER RECEIVABLES (CONT'D)

### GROUP (CONT'D)

	Trade receivables RM	Deposits RM
<b>31 December 2013</b>		
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	<u>171,215</u>	<u>18,300</u>

### COMPANY

	Trade receivables RM	Deposits RM	Amounts due from subsidiary companies – current accounts RM
<b>31 March 2015</b>			
At 1 January 2014	71,021	18,300	66,933,167
Reversal	-	-	(66,933,167)
At 31 March 2015	<u>71,021</u>	<u>18,300</u>	<u>-</u>
<b>31 December 2013</b>			
At 1 January 2013	71,021	18,300	62,025,790
Additions	-	-	4,907,377
At 31 December 2013	<u>71,021</u>	<u>18,300</u>	<u>66,933,167</u>

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.

## 20. CASH AND CASH EQUIVALENTS

	<b>GROUP</b>		<b>COMPANY</b>	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
Cash in hand	3,033	8,487	-	-
Bank balances	5,655,374	9,949,166	597,275	1,259,909
Short term deposits with a licensed bank	172,887,392	35,761,617	4,500,000	33,460,001
	<u>178,545,799</u>	<u>45,719,270</u>	<u>5,097,275</u>	<u>34,719,910</u>

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 RM2,366,427 (2013: RM2,286,316) pledged to licensed bank for banking facilities granted to the Company.

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 21. SHARE CAPITAL AND SHARE PREMIUM

	GROUP AND COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM
<b>Ordinary shares of RM1 each</b>		
<b>Authorised</b>	300,000,000	300,000,000
<b>Issued and fully-paid up</b>		
At 1 January	185,757,033	185,757,033
Issuance of shares:		
- Exercise of Warrants 2010/2020	155,600	-
At 31 March/31 December	185,912,633	185,757,033

During the financial year, the issued and fully-paid up ordinary share capital of the Company was increased from RM185,757,033 to RM185,912,633 by way of issuance of 155,600 ordinary shares of RM1.00 each arising from the exercise of Warrants 2010/2020 at the exercise price of RM1.00 per share.

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	
	As at 31/3/2015 RM	As at 31/12/2013 RM
<b>Share premium</b>		
At 1 January	16,358,740	16,358,740
Transfer from warrant reserve upon exercise of Warrants 2010/2020	36,936	-
At 31 March/31 December	16,395,676	16,358,740

## 22. OTHER RESERVES

	GROUP		COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
<b>Non-distributable</b>				
Capital reserve	1,118,356	1,118,356	2,257,088	2,257,088
Warrant reserve				
At 1 January	14,698,134	14,698,134	14,698,134	14,698,134
Transferred to share premium account upon exercise of Warrants 2010/2020	(36,936)	-	(36,936)	-
At 31 March/31 December	14,661,198	14,698,134	14,661,198	14,698,134
Fair value adjustment reserve	(67,770)	-	-	-
	15,711,784	15,816,490	16,918,286	16,955,222

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

### 22. OTHER RESERVES (CONT'D)

#### Warrant reserve

Each 2010/2020 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. Each said 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.

Warrants 2010/2020 exercised during the year resulted in 155,600 new ordinary shares being issued at RM1.00. The weighted average quoted price of shares of the Company at the time when the warrants were exercised was RM2.16.

The number of outstanding warrants as at 31 March 2015 is 61,763,393 (2013: 61,918,993).

### 23. DEFERRED TAXATION

The amounts of deferred tax assets that are not recognised in the statement of financial position are as follows:

	GROUP		COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
Unused tax losses	18,505,131	19,935,562	762,640	1,507,614
Unabsorbed capital allowances	4,327,276	5,938,072	710	131,503
Unabsorbed reinvestment allowances	5,581,423	5,813,982	-	-
Inventories written down	829,862	885,472	-	-
Others	16,517	16,519	2,352	2,236
	<u>29,260,209</u>	<u>32,589,607</u>	<u>765,702</u>	<u>1,641,353</u>

### 24. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
Trade payables	2,032,615	3,508,272	650	2,750
Other payables and accruals	2,277,079	3,292,287	372,405	582,020
Amounts due to subsidiary companies – current accounts	-	-	373,038	3,575,415
	<u>4,309,694</u>	<u>6,800,559</u>	<u>746,093</u>	<u>4,160,185</u>

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.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 24. TRADE AND OTHER PAYABLES (CONT'D)

The currency exposure profile of trade payables is as follows:

	GROUP		COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
Ringgit Malaysia	2,017,415	3,668,070	650	2,750
Sterling Pound	2,966	2,719	-	-
EURO	-	32,153	-	-
Australian Dollar	-	(74)	-	-
US Dollar	12,234	(170,670)	-	-
Renminbi	-	(23,926)	-	-
	<u>2,032,615</u>	<u>3,508,272</u>	<u>650</u>	<u>2,750</u>

The currency exposure profile of other payables and accruals is as follows:

	GROUP		COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
Ringgit Malaysia	2,219,206	3,292,287	372,405	582,020
US Dollar	57,873	-	-	-
	<u>2,277,079</u>	<u>3,292,287</u>	<u>372,405</u>	<u>582,020</u>

## 25. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
Approved but not contracted for: Property, plant and equipment	-	1,802,731	-	354,801

## 26. OPERATING LEASE ARRANGEMENTS

	GROUP	
	As at 31/3/2015 RM	As at 31/12/2013 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	16,636	21,600
Between two to five years	1,920	22,200
	<u>18,556</u>	<u>43,800</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

### 27. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
<b>Secured</b>				
Corporate guarantee given to subsidiaries' suppliers	-	-	806,500	668,000
Bank guarantee given to a third party	346,000	235,300	346,000	235,300

The contingent liabilities are secured by a subsidiary company's short term deposits with a licensed bank as disclosed in note 20 to the financial statements.

### 28. 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 investment holding (including 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.



## 28. SEGMENT INFORMATION (CONT'D)

## (a) Business segments (cont'd)

	Manufacturing				Trading				Properties				Adjustments and eliminations				Per consolidated financial statements			
	Period from		Period from		Period from		Period from		Period from		Period from		Period from		Period from		Period from		Period from	
	1/1/2014 to	Year ended	1/1/2014 to	Year ended	1/1/2014 to	Year ended	1/1/2014 to	Year ended	1/1/2014 to	Year ended	1/1/2014 to	Year ended	1/1/2014 to	Year ended	1/1/2014 to	Year ended	1/1/2014 to	Year ended	1/1/2014 to	Year ended
	31/3/2015	31/12/2013	31/3/2015	31/12/2013	31/3/2015	31/12/2013	31/3/2015	31/12/2013	31/3/2015	31/12/2013	31/3/2015	31/12/2013	31/3/2015	31/12/2013	31/3/2015	31/12/2013	31/3/2015	31/12/2013	31/3/2015	31/12/2013
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>REVENUE AND EXPENSES</b>																				
<b>Revenue</b>																				
External customers	52,333,613	39,576,917	15,563,057	6,789,538	192,000	267,299	1,137,528	271,680	-	-	-	-	-	-	68,088,670	46,633,754				
Inter-segment sales	-	-	59,437	34,077	1,137,528	271,680	(1,196,965)	(305,757)	A						-	-				
<b>Total revenue</b>	<b>52,333,613</b>	<b>39,576,917</b>	<b>15,622,494</b>	<b>6,823,615</b>	<b>1,329,528</b>	<b>538,979</b>	<b>(1,196,965)</b>	<b>(305,757)</b>							<b>68,088,670</b>	<b>46,633,754</b>				
<b>Results</b>																				
Interest income	(39,272)	(15,616)	(112,142)	(73,654)	(1,214,900)	(1,168,423)	-	-	-	-	(1,366,314)	(1,257,693)								
Dividend income	(8,218)	-	-	-	(275)	(757)	-	-	-	-	(8,493)	(757)								
Amortisation of land use rights	-	-	-	-	37,294	74,587	-	-	-	-	37,294	74,587								
Amortisation of intangible assets	133,711	106,968	36,228	28,983	-	-	-	-	-	-	169,939	135,951								
Depreciation of property, plant and equipment	2,901,132	2,190,266	73,713	65,767	392,081	200,377	-	-	-	-	3,366,926	2,456,410								
Depreciation of investment properties	-	-	-	-	10,000	8,000	-	-	-	-	10,000	8,000								
Other material non-cash income	(80,966)	(34,234)	(124,126)	(378,584)	-	-	-	-	-	-	(205,092)	(412,818)								
Segment profit/(loss)	5,894,545	6,598,527	(1,009,055)	824,141	(10,365,609)	(5,684,655)	80,264,198	3,230,939	C		74,784,079	4,968,952								
<b>Total Assets</b>	<b>30,934,652</b>	<b>34,646,956</b>	<b>16,337,356</b>	<b>12,128,594</b>	<b>249,246,426</b>	<b>190,628,922</b>	<b>(24,089,096)</b>	<b>(37,913,089)</b>	<b>D</b>		<b>272,429,338</b>	<b>199,491,383</b>								
<b>Assets</b>																				
Additions to non-current assets (property, plant and equipment and intangible assets)	907,661	1,245,359	32,870	124,919	1,086,578	9,009	-	-	-	-	2,027,109	1,379,287								

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 28. SEGMENT INFORMATION (CONT'D)

### NOTES

A Inter-segment revenues are eliminated on consolidation.

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

	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
Bad debts written off	5,000	964,054
Unrealised gain on foreign exchange	(80,966)	(5)
Reversal of inventories written down	(470,404)	(429,954)
Inventories written down	386,278	28,701
Reversal of allowance for impairment on receivables	(45,000)	(1,290,282)
Allowance for impairment of receivables	-	45,000
Reversal of allowance for impairment on investment in finance lease	-	(49,524)
Impairment loss on property, plant and equipment	-	111,660
Inventories written off	-	207,532
	<u>(205,092)</u>	<u>(412,818)</u>

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

	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
Share of profits of associated companies	350,224	-
Results of non-reportable segment	1,215,342	(7,527)
Inter-segment elimination	78,698,632	3,238,466
	<u>80,264,198</u>	<u>3,230,939</u>

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

	As at 31/3/2015 RM	As at 31/12/2013 RM
Investment in subsidiaries	(23,800,004)	(30,400,004)
Non-reportable segment's total	37,593,931	3,395,420
Inter-segment balance	(37,883,023)	(10,908,505)
	<u>(24,089,096)</u>	<u>(37,913,089)</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 28. SEGMENT INFORMATION (CONT'D)

### NOTES (CONT'D)

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

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

	As at 31/3/2015 RM	As at 31/12/2013 RM
Malaysia	65,075,244	44,297,340
Other	3,013,426	2,336,414
	68,088,670	46,633,754

There is no single customer that contributed 10% or more of the Group's revenue for the period from 1 January 2014 to 31 March 2015 and year ended 31 December 2013.

## 29. RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 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 FCW Industries Sdn. Bhd., a company in which Tan Sri Dato' Tan Hua Choon, a director of the Company has interest	2,080,752	1,576,549	-	-
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	429,307	302,084	44,675	69,093
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)	(45,000)	(45,000)
Operating lease - Rental income received from subsidiary companies	-	-	-	(271,680)
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	(111,000)	(136,943)	(111,000)	(136,943)

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 29. RELATED PARTY TRANSACTIONS (CONT'D)

	GROUP		COMPANY	
	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
Operating lease – rental expense charged by a subsidiary company	-	-	218,206	-
Purchase of products from SH Timber Sdn. Bhd. a company in which a person connected to a director has interest	78,613	-	-	-
Disposal of properties to Keladi Maju Berhad, a company in which certain directors of the Company have interests for a total consideration of	192,369,465	-	5,323,143	-

## 30. DIVIDEND PER SHARE

	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
First single-tier interim dividend of 12% per ordinary shares of RM1.00 each (2013: Nil)	22,392,340	-
Second single-tier interim dividend of 3% per ordinary shares of RM1.00 each (2013: Nil)	5,598,085	-
	27,990,425	-
Dividend per share	0.15	-

On 21 April 2015, the Board of Directors approved first single-tier interim dividend of 12% per ordinary shares of RM1.00 each.

On 28 May 2015, the Board of Directors approved second single-tier interim dividend of 3% per ordinary shares of RM1.00 each.

## 31. 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	
	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM	Period from 1/1/2014 to 31/3/2015 RM	Year ended 31/12/2013 RM
Short term employee benefits (including monetary value of benefits in kind)	2,346,758	821,662	787,968	553,974

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the period from 1 January 2014 to 31 March 2015

## 32. SUPPLEMENTARY INFORMATION

	GROUP		COMPANY	
	As at 31/3/2015 RM	As at 31/12/2013 RM	As at 31/3/2015 RM	As at 31/12/2013 RM
Total retained profits/ (accumulated losses) of the Company and its subsidiaries				
- Realised	(93,922,197)	(89,644,227)	31,183,690	39,037,895
- Unrealised	80,966	5	-	-
	(93,841,231)	(89,644,222)	31,183,690	39,037,895
Total share of retained profits from associated companies				
- Realised	350,224	-	-	-
Add: Consolidation adjustments	143,101,417	64,402,783	-	-
Total retained profits/ (accumulated losses) as per consolidated financial statements/ financial statements	49,610,410	(25,241,439)	31,183,690	39,037,895

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.

# ANALYSIS OF SHAREHOLDINGS

as at 21 July 2015

## A. SHARE CAPITAL

Authorised Share Capital	RM300,000,000 (300,000,000 ordinary shares of RM1.00 each)
Issued & Paid-Up Share Capital	RM186,602,833 (186,602,833 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	90	1,797	0.00
100 - 1,000	305	217,092	0.12
1,001 - 10,000	725	3,208,821	1.72
10,001 - 100,000	210	6,488,485	3.48
100,001 to less than 5% of issued shares	29	57,570,958	30.85
5% and above of issued shares	3	119,115,680	63.83
	1,362	186,602,833	100.00

## C. THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Tan Sri Dato' Tan Hua Choon	53,897,097	28.88
2.	Tan Sri Dato' Tan Hua Choon	41,452,983	22.21
3.	Tan Sri Dato' Tan Hua Choon	23,765,600	12.74
4.	Gan Lock Yong @ Gan Choon Hur	8,883,400	4.76
5.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Huey Peng	8,000,000	4.29
6.	Neoh Poh Lan	7,449,700	3.99
7.	Ong Poh Lin	7,416,700	3.97
8.	Lim Siew Sooi	6,754,200	3.62
9.	Chew Huat Heng	3,800,000	2.04
10.	Ong Wee Shyong	2,443,300	1.31
11.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for How Yoke Kam	2,158,900	1.16
12.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt An for Bank of Singapore Limited	1,500,000	0.80
13.	Chew Boon Seng	1,301,058	0.70
14.	Ong Har Hong	1,152,900	0.62
15.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Koh Kin Lip (MY0502)	1,000,000	0.54
16.	Fang See Khung	926,600	0.50
17.	Fang Kon Wing	875,600	0.47

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

as at 21 July 2015

### C. THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholders	No. of Shares	%
18.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Rickoh Corporation Sdn Bhd	715,500	0.38
19.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Eng Huat	658,400	0.35
20.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeong Sin Khong	467,900	0.25
21.	Lee Pui Inn	300,800	0.16
22.	Goh Leong Chuan	270,000	0.14
23.	Yau Teck Kong	227,800	0.12
24.	RHB Nominees (Tempatan) Sdn Bhd RHB Asset Management Sdn Bhd for Ignatius Chan Keng Hock	190,000	0.10
25.	Lim Thiam Sang	171,500	0.09
26.	Leong Liew Geok	160,000	0.09
27.	Cheong Kui Lan	155,600	0.08
28.	Sin Len Moi	144,000	0.08
29.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Foo Howe Kean	120,000	0.06
30.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tang Chong Hee	112,400	0.06

**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	119,115,680	63.83

### E. DIRECTORS' INTERESTS IN SHARES

Name of Directors	Direct Interest		Deemed Interest	
	No. of Shares	% of holdings	No. of Shares	% of holdings
Tan Sri Dato' Tan Hua Choon	119,115,680	63.83	-	-

# ANALYSIS OF WARRANT HOLDINGS

as at 21 July 2015

## A. WARRANTS 2010/2020

Issued	61,918,993
Exercised to date	845,800
Outstanding	61,073,193
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	2,196	0.00
100 - 1,000	134	103,787	0.17
1,001 - 10,000	287	1,250,070	2.05
10,001 - 100,000	82	2,328,450	3.81
100,001 to less than 5% of issued warrants	17	11,100,500	18.18
5% and above of issued warrants	3	46,288,190	75.79
	583	61,073,193	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	29.42
2.	Tan Sri Dato' Tan Hua Choon	14,255,200	23.34
3.	Tan Sri Dato' Tan Hua Choon	14,067,291	23.03
4.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for How Yoke Kam	1,641,500	2.69
5.	Neoh Poh Lan	1,517,500	2.48
6.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Eng Huat	1,307,500	2.14
7.	Ong Poh Lin	1,132,800	1.85
8.	Chew Huat Heng	1,100,000	1.80
9.	Ong Wee Shyong	810,100	1.33
10.	Lee Pui Inn	702,900	1.15
11.	Ng Chai Yong	658,400	1.08
12.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sow Huey Shan	615,000	1.01
13.	Ong Har Hong	384,300	0.63
14.	Hou Kok Chung	360,000	0.59
15.	Sin Len Moi	296,500	0.49



## ANALYSIS OF WARRANT HOLDINGS (CONT'D)

as at 21 July 2015

### C. THIRTY LARGEST WARRANT HOLDERS (CONT'D)

No.	Name of Warrant Holders	No. of Warrants	%
16.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeong Sin Khong	138,200	0.23
17.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Chi Fei	110,000	0.18
18.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Eg Kaa Chee	109,900	0.18
19.	Chai Koon Khow	108,900	0.18
20.	Lim Mooi Tean	107,000	0.18
21.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fong Kok Sang	88,000	0.14
22.	A. Selvakumar A/L M. Arunasalam	80,000	0.13
23.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chai Ngew	80,000	0.13
24.	Lok Wei Seong	75,000	0.12
25.	Yap Zhi Chau	60,000	0.10
26.	Dan Yoke Pyng	59,900	0.10
27.	Quek Ngee Meng	57,000	0.09
28.	Chin Swee Kee @ Chin Kuen Kee	56,000	0.09
29.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mok E. King	51,000	0.08
30.	Kew Chin Fah	50,000	0.08

**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

Name of Directors	Direct Interest		Deemed Interest	
	No. of Warrants	% of holdings	No. of Warrants	% of holdings
Tan Sri Dato' Tan Hua Choon	46,288,190	75.79	-	-

# 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
Lot no: 0021928	268	Freehold	Shoplot	14	366,000	1998

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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-Eighth Annual General Meeting ("68<sup>th</sup> AGM") of the shareholders of the Company to be held at Bukit Kiara Equestrian and Country Resort, Dewan Perdana, 1<sup>st</sup> Floor, Sports Complex, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Tuesday, 29 September 2015 at 11.00 a.m. or any adjournment thereof.

My/our proxy shall vote as follows:

Ordinary Business	FOR	AGAINST
Ordinary Resolution No. 1 (a)		
Ordinary Resolution No. 1 (b)		
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 \_\_\_\_\_ 2015.

### Notes:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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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**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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