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Alex Goh Tai Seng  
Chairman of the Board

4	NOTICE OF FIFTY-EIGHTH ANNUAL GENERAL MEETING	

NOTICE IS HEREBY GIVEN THAT the Fifty-Eighth Annual General Meeting of the Company will be held at Bunga Kenanga, Level 3, Pan Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Tuesday, 28 June 2005 at 3.00 p.m. for the following purposes:

AGENDA

- 1 To receive the Audited Financial Statements for the year ended 31 December 2004 together with the Directors’ and Auditors’ Reports thereon. Resolution 1
- 2 To approve the payment of Directors’ fees for the year ended 31 December 2004. Resolution 2
- 3 To re-elect the following Directors who are retiring in accordance with Article 80 of the Company’s Articles of Association:

a) Mr. Goh Tai Seng Resolution 3

b) Brig. Jen (Rtd) Dato’ Mior Azam Bin Mior Safi Resolution 4

c) Haji Mohamed Amin Bin Haji Mohamed Resolution 5
- 4 To re-elect Mr. Yap Koon who is retiring in accordance with Article 87 of the Company’s Articles of Association. Resolution 6
- 5 To re-appoint Messrs Ernst & Young, the retiring Auditors, and to authorise the Board of Directors to fix their remuneration. Resolution 7

6 SPECIAL BUSINESS

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

Authority For Directors To Allot And Issue Shares  
“THAT subject always to the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued capital of the Company at the time of issue and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.” Resolution 8

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

By Order of the Board  
GOH BAN HUAT BERHAD

Ng Yim Kong  
Company Secretary

6 June 2005



Notes

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

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution Pursuant To Authority For Directors To Allot And Issue Shares

The proposed Resolution 8 under item 6 above, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, authority to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued capital of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

## STATEMENT ACCOMPANYING NOTICE OF FIFTY-EIGHTH ANNUAL GENERAL MEETING

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

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

- i) Mr. Goh Tai Seng (Resolution 3)
- ii) Brig. Jen (Rtd) Dato' Mior Azam Bin Mior Safi (Resolution 4)
- iii) Haji Mohamed Amin Bin Haji Mohamed (Resolution 5)

In accordance with Article 87 of the Company's Articles of Association

- i) Mr. Yap Koon (Resolution 6)

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

There were four (4) Board of Directors' Meetings held during the financial year ended 31 December 2004 as follows:

### Date of Board of Directors' Meeting

27 February 2004  
28 May 2004  
26 August 2004  
29 November 2004

Attendance for each Director in the Board of Directors' Meetings held during the financial year ended 31 December 2004 is shown below :

<u>Name of Directors</u>	<u>Attendance</u>
Mr. Goh Tai Seng	3/4
Mr. Goh Tai He	4/4
Dato' Haji Mohd Sarit Bin Hj Yusoh	4/4
Mr. Tan Ah Cheun	4/4
Haji Mohamed Amin Bin Haji Mohamed	4/4
Encik W Shalihudin Bin W Ibrahim	4/4
Brig. Jen (Rtd) Dato' Mior Azam Bin Mior Safi	4/4
Mr. Yap Koon (Appointed as Director w.e.f. 28 April 2005)	N/A
Dato' Haji Mohd Yusof Bin Haji Mohamed	NIL
(Alternate Director to Haji Mohamed Amin Bin Haji Mohamed)	

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

<u>Date of Meeting</u>	<u>Time</u>	<u>Place</u>
28 June 2005	3.00 p.m.	Bunga Kenanga, Level 3 Pan Pacific Hotel Kuala Lumpur Jalan Putra, 50746 Kuala Lumpur

- 4 Details of Directors standing for re-election as in Resolutions 3, 4 and 5 of the Fifty-Eighth Annual General Meeting of the Company are as follows:

Directors to retire pursuant to Article 80 of the Company's Articles of Associations are:

### Goh Tai Seng

61, a Malaysian, is a Non-Independent Executive Director and is the Chairman of Goh Ban Huat Berhad (GBH). He joined GBH in 1968 and have gained over 33 years of all round experience in ceramic manufacturing and management of GBH's affairs. He was appointed Chairman of GBH on 1 September 1987. He is also a director of GBH's subsidiaries and several other private companies including Ceramtec Sdn Bhd, a substantial shareholder of GBH. He is related to Mr. Goh Tai He, the Group Managing Director. He has no personal interest in any business arrangement involving the company, except, that he is deemed to derive to a benefit from supply of raw materials to subsidiary companies in GBH. He attended four (4) of four (4) Board Meetings held in the financial year ended 31 December 2004. He had no convictions for any offences within the past 10 years.

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

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



## Sanitary Ware



Forces Headquarters. He was appointed Director on 24 September 2001. He is also a director in several other private companies. He does not have any family relationship with any Director and/or major shareholder of GBH, nor personal interest in any business arrangement involving the company. He attended four (4) of four (4) Board Meetings held in the financial year ended 31 December 2004. He had no convictions for any offences within the past 10 years.

### Haji Mohamed Amin Bin Haji Mohamed

66, a Malaysian, is an Independent Non-Executive Director. He has more than 28 years of working experience with a leading finance and public share issuing house in Malaysia. He was appointed Director on 9 December 1988. He is also a director of two subsidiaries of GBH. He is related to Dato' Haji Mohd Yusof Bin Haji Mohamed (Alternate Director), notwithstanding that,

he does not have any family relationship with any other Director and/or major shareholder of GBH, nor personal interest in any business arrangement involving the company. He attended four (4) of four (4) Board Meetings held in the financial year ended 31 December 2004. He had no convictions for any offences within the past 10 years.

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

Please refer to the Directors' Profile on pages 12 and 13.



8	AUDIT COMMITTEE REPORT	

The Audit Committee is pleased to present the Audit Committee Report for the financial year ended 31 December 2004.

COMPOSITION OF AUDIT COMMITTEE

Dato’ Haji Mohd Sarit Bin Haji Yusoh  
(Chairman of Audit Committee)  
Independent Non-Executive Director

Haji Mohamed Amin Bin Haji Mohamed  
Independent Non-Executive Director

Yap Koon  
(Appointed as Director w.e.f. 28 April 2005)  
Independent Non-Executive Director

Goh Tai He  
Non-Independent Executive Director

TERMS OF REFERENCE

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

MEMBERSHIP

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

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

ATTENDANCE AT MEETINGS

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

The company secretary shall be the secretary of the Committee.

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

AUTHORITY

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

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

DUTIES

The duties of the Committee shall be:

- To consider the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal
- To discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved
- To review the quarterly and annual financial statements before submission to the board, focusing particularly on:
  - any changes in accounting policies and practices
  - major judgmental areas
  - significant adjustments resulting from the audit
  - compliance with accounting standards
  - compliance with stock exchange and legal requirements
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary)



- To review the internal audit programme, consider the major findings of internal audit investigations and management's response, and ensure co-ordination between the internal and external auditors
- To keep under review the effectiveness of internal control systems, and in particular review the external auditor's management letter and management's response
- To consider other topics, as defined

#### REPORTING PROCEDURES

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

#### MEETINGS AND ATTENDANCE IN FINANCIAL YEAR 2004

During the financial year ended 31 December 2004, the committee held a total of four (4) meetings, respectively on 27 February 2004, 28 May 2004, 26 August 2004 and 29 November 2004.

Name	Attendance	%
Dato' Haji Mohd Sarit Bin Haji Yusoh	4/4	100
Haji Mohamed Amin Bin		
Haji Mohamed	4/4	100
Goh Tai He	4/4	100
Yap Koon	N/A	–

#### ACTIVITIES OF THE COMMITTEE DURING THE YEAR

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

- review the quarterly and year end financial statements
- review reports of the external auditors
- review the audit scope and plan of the external auditors
- review status of Employee Share Option Scheme (ESOS) and private placement proposals

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

#### AUDIT AND CONTROL FUNCTIONS

The company does not have an internal audit department. The activities and operations of the Group is located principally in the area of Segambut, Kuala Lumpur and the management team of the Group is closely supervised in its day to day operations by the Executive Directors, who are present during committee meetings, to address all queries raised by the committee. It is the intention of the company to set up an internal audit unit during the course of the 2005 financial year.

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

10	CORPORATE INFORMATION	

BOARD OF DIRECTORS

Mr. Goh Tai Seng  
Chairman and Executive Director

Mr. Goh Tai He  
Managing Director

Mr. Tan Ah Cheun  
Executive Director

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

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

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

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

Mr. Yap Koon  
Independent & Non-Executive Director

Dato’ Haji Mohd Yusof Bin Haji Mohamed  
Alternate Director

AUDIT COMMITTEE

CHAIRMAN

Dato’ Haji Mohd Sarit Bin Hj Yusoh

MEMBERS

Mr. Goh Tai He  
Haji Mohamed Amin Bin Haji Mohamed  
Mr. Yap Koon

SECRETARY

Ng Yim Kong (LS 0008343)

REGISTERED OFFICE AND BUSINESS ADDRESS

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

AUDITORS

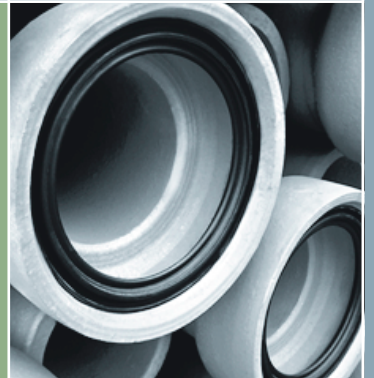
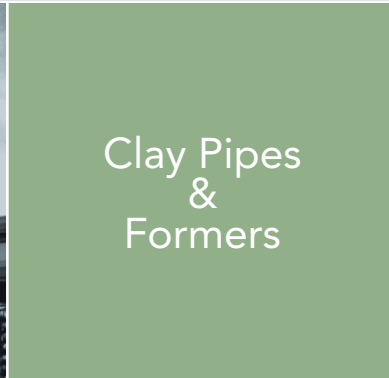
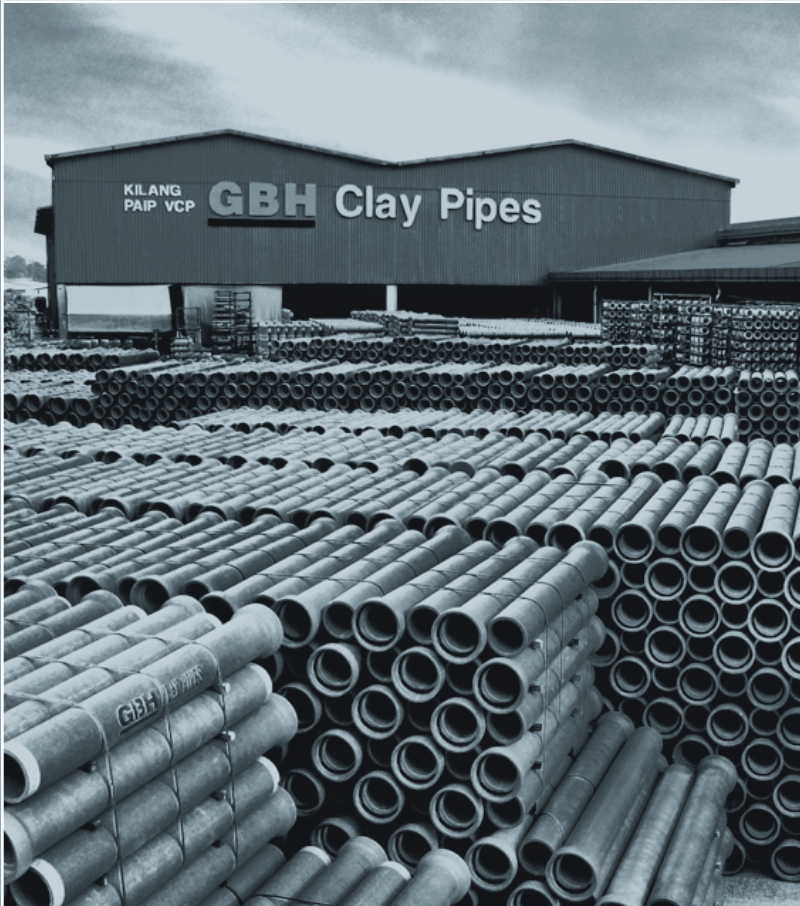
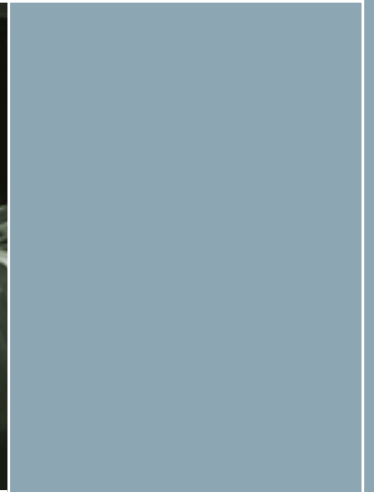
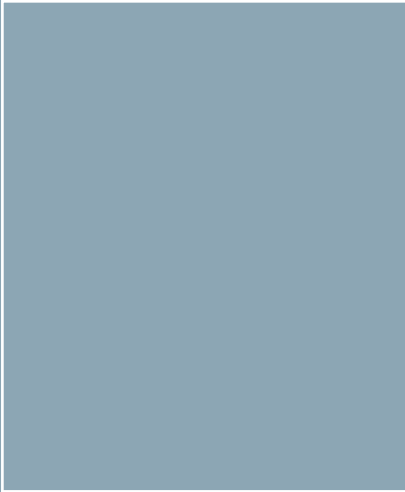
Ernst & Young  
Chartered Accountants  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara, 50490  
Kuala Lumpur.

PRINCIPAL BANKERS

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

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

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



#### SHARE REGISTRARS

Symphony Share Registrars Sdn Bhd  
(formerly known as Malaysian Share Registration Services Sdn. Bhd.)  
Level 26, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
T 03-2721 2222  
F 03-2721 2530 / 03-2721 2531

#### STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
Main Board

12	DIRECTORS' INFORMATION	

**GOH TAI SENG**

61, a Malaysian, is a Non-Independent Executive Director and is the Chairman of Goh Ban Huat Berhad (GBH). He joined GBH in 1968 and have gained over 33 years of all round experience in ceramic manufacturing and management of GBH’s affairs. He was appointed Chairman of GBH on 1 September 1987. He is also a director of GBH’s subsidiaries and several other private companies including Ceramtec Sdn Bhd, a substantial shareholder of GBH. He is related to Mr. Goh Tai He, the Group Managing Director.He has no personal interest in any business arrangement involving the company, except, that he is deemed to derive to a benefit from supply of raw materials to subsidiary companies in GBH. He attended three (3) of four (4) Board Meetings held in the financial year ended 31 December 2004. He had no convictions for any offences within the past 10 years.

**MR GOH TAI HE**

58, a Malaysian, is a Non-Independent Executive Director and is the Group Managing Director of Goh Ban Huat Berhad (GBH). He holds a Bachelor of Science (Chemistry) degree from La Trobe University, Victoria, Australia and joined GBH in 1972. Since, he was actively involved in the management of GBH and was instrumental in setting up the highly mechanised ceramic pipe plant. He was appointed Group Managing Director on 1 September 1987. He is a member of the Audit Committee. He is also a director of GBH’s subsidiaries and several other private companies. He is related to Mr. Goh Tai Seng, the Chairman of GBH and related to Directors of Ceramtec Sdn Bhd, a substantial shareholder of GBH. He has no personal interest in any business arrangement involving the company. He attended four (4) of four (4) Board Meetings held in the financial year ended 31 December 2004. He had no convictions for any offences within the past 10 years.

**MR TAN AH CHEUN**

58, a Malaysian, is a Non-Independent Executive Director and the Group General Manager of Goh Ban Huat Berhad (GBH). He holds a Bachelor of Commerce (Honours) degree from University of Melbourne, Australia and joined GBH in 1988.

He was appointed as an Executive Director of GBH on 9 December 1988. He is also a Director of all GBH’s subsidiaries. He is a member of the SIRIM sponsored Technical Committee on Sanitary Ware as well as the Technical Committee on Public Toilets. Prior to joining GBH, he was engaged in the banking and finance industry for some 16 years. He does not have any family relationship with any Director and / or major shareholder of GBH, nor personal interest in any business arrangement involving the Company. He attended four (4) of four (4) Board Meetings held in the financial year ended 31 December 2004. He has no convictions for any offences within the past 10 years.

**DATO’ HAJI MOHD SARIT BIN HAJI YUSOF**

54, a Malaysian, is an Independent Non-Executive Director. He graduated from University of Malaya in 1975, with a Bachelor of Economics (Honours) degree and completed his Masters of Arts (Economics) from University of Philippines in 1977. He was with Petroliaam Nasional Berhad (Petronas) from 1977 to 1981 and joined Perbadanan Nasional Berhad (Pernas) in 1981. He was appointed Director on 28 February 1994. In addition he is also a Director of other public companies, namely, Kurnia Setia Berhad, Khee San Berhad and Kwantas Corporation Berhad and several other private companies. He does not have any family relationship with any Director and/or major shareholder of GBH, nor personal interest in any business arrangement involving the company. He attended four (4) of four (4) Board Meetings held in the financial year ended 31 December 2004. He had no convictions for any offences within the past 10 years.

**HAJI MOHAMED AMIN BIN HAJI MOHAMED**

66, a Malaysian, is an Independent Non-Executive Director. He has more than 28 years of working experience with a leading finance and public share issuing house in Malaysia. He was appointed Director on 9 December 1988. He is also a director of two subsidiaries of GBH. He is related to Dato’ Haji Mohd Yusof Bin Haji Mohamed (Alternate Director), notwithstanding that, he does not have any family relationship with any other Director and/or major shareholder of GBH, nor personal interest in any business arrangement involving the company. He attended

four (4) of four (4) Board Meetings held in the financial year ended 31 December 2004. He had no convictions for any offences within the past 10 years.

#### **DATO' HAJI MOHD YUSOF BIN HAJI MOHAMED**

(Alternate Director to Haji Mohamed Amin Bin Haji Mohamed)

63, a Malaysian, is an Independent Non-Executive Director. He graduated from University of Malaya in 1966, with a Bachelor of Arts (Economics and Islamic Studies) and completed his Masters of Science (Economics) from University of Kentucky in 1978. He was in Government service, holding various positions from 1966 until his retirement in 1977. Thereafter, he held the post of Controller of the Selangor Royal Household on contractual basis till 1999. He was appointed Director on 24 November 1999. He is also a director in several other private companies. He is related to Haji Mohamed Amin Bin Haji Mohamed, notwithstanding that, he does not have any family relationship with any other Director and/or major shareholder of GBH, nor personal interest in any business arrangement involving the company. He attended none (0) of four (4) Board Meetings held in the financial year ended 31 December 2004. He had no convictions for any offences within the past 10 years.

#### **YAP KOON**

53, a Malaysian, is an Independent Non-Executive Director. He was invited to join the Board on 28 April, 2005 and was also appointed to be a member of the Audit Committee. He is a Certified Public Accountant and is a member of the Malaysian Institute of Accountants since January 29, 1988. He started his working experience in 1975 and since then has worked for two substantial Malaysian conglomerates, firstly involved in the automobile assembly and distribution industry, and secondly, involved in the diversified activities of a conglomerate. He was employed as Financial Control Manager in the first job and as Chief Accountant in the second job where he was later promoted as General Manager – Finance. In the second job he was redesignated to be General Manager – Operations in the employer's China operations. Currently, he works as a freelance Financial Consultant. He does not have any family relationship

with any Director and / or major shareholder of GBH, nor any personal interest in any business arrangement involving the Company. He had no convictions for any offences within the last 10 years.

#### **WAN SHALIHUDIN BIN WAN IBRAHIM**

43, a Malaysian, is a Non-Independent Non-Executive Director. He has fifteen (15) years experience in automotive industries. He was involved in National Economic Action Committee (NEAC) forum in 1998 and his proposal on "Revitalisation of Automotive Industry" was accepted and implemented into policies by the Government. He was appointed Director on 28 November 2000. He is also a director in several other private companies. He is a substantial shareholder of the company, holding 4,597,000 shares or 7.42% of the existing paid up capital of the company. Notwithstanding, he does not have any family relationship with any Director of GBH, nor personal interest in any business arrangement involving the company. He attended four (4) of four (4) Board Meetings held in the financial year ended 31 December 2004. He had no convictions for any offences within the past 10 years.

#### **BRIG JEN (RTD) DATO' MIOR AZAM BIN MIOR SAFI**

60, a Malaysian, is a Non-Independent Non-Executive Director. He holds a Diploma in Management Science and held the position of Director of Defence Logistics Planning with Malaysian Armed Forces Headquarters, with a rank of Colonel, from 1996 to 1999. He retired in 2000, with the rank of Brig. Gen. as Assistant Chief of Staff, Defence Logistics at Malaysian Armed Forces Headquarters. He was appointed Director on 24 September 2001. He is also a director in several other private companies. He does not have any family relationship with any Director and/or major shareholder of GBH, nor personal interest in any business arrangement involving the company. He attended four (4) of four (4) Board Meetings held in the financial year ended 31 December 2004. He had no convictions for any offences within the past 10 years.



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

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

BOARD OF DIRECTORS

The Board has eight (8) members plus one (1) alternate director representing a diverse range of experience and industry comprising of a Executive Chairman, two (2) Executive Directors, five (5) Non Executive Directors and an Alternate Director. The profiles of Directors are set out in Directors' Information, page 12 in this Annual Report.

A total of four (4) Board Meetings were held during the financial year ended 31 December 2003, details of which are as follows:

Date of Meeting	Time	Place
27 February 2004	11.00 a.m.	Kuala Lumpur
28 May 2004	11.25 a.m.	Kuala Lumpur
26 August 2004	4.00 p.m.	Kuala Lumpur
29 November 2004	4.00 p.m.	Kuala Lumpur

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

SUPPLY OF INFORMATION

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

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

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

APPOINTMENTS TO THE BOARD

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

RE-ELECTION

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

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

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

DIRECTOR'S REMUNERATION

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

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

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

In RM'000	Fees	Salaries	Bonus	Other Emoluments	Total
Executive Directors	-	579	24	41	644
Non Executive Directors	23	-	-	-	23

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

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM200,001 to RM250,000	2	-
RM150,001 to RM200,000	1	-
Below RM50,000	-	5

## SHAREHOLDERS

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

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

## FINANCIAL REPORTING

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

## INTERNAL CONTROLS

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

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

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

## RELATIONSHIP WITH THE AUDITORS

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

## COMPLIANCE WITH THE CODE

Save for the following, the Group has in all material aspect complied with the Principles and Best Practices of Corporate Governance.

- Set-up Internal Audit Department to strengthen the structure and framework of existing internal controls.
- Formation of a Nomination Committee and a Remuneration Committee within the Board of Directors.

## SANCTIONS AND / OR PENALTIES

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

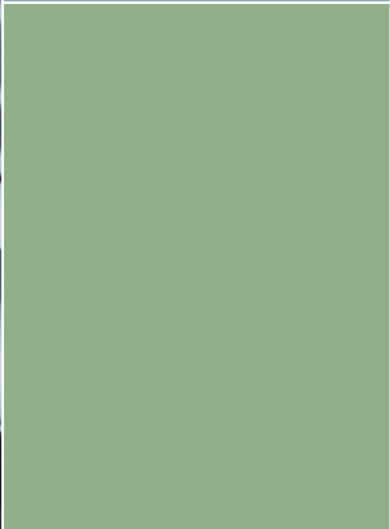
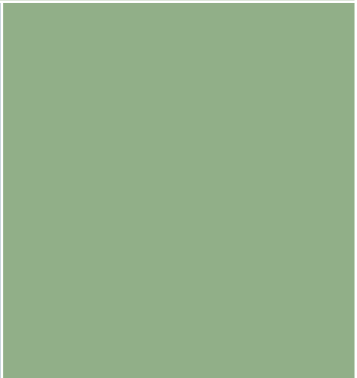
Further, the Company was also found to be in breach of sub-regulation 4(1) of the Securities Industry (Compliance with approved Accounting Standards) Regulations 1999 by the Suruhanjaya Sekuriti on May 17, 2005 pursuant to the release of its unaudited fourth quarter of 2004 results on February 28, 2005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



16	STATEMENT ON DIRECTOR'S RESPONSIBILITIES	

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the Group at the end of the financial year and the profit or loss of the company and the Group for the financial year. As required by the Act and the Listing Requirements of Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad), the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Act.

The Directors consider that in preparing the financial statements for the year ended 31 December 2004 set out on pages 26 to 56, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates. The Directors have responsibility for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the company and the Group which enable them to ensure that the financial statements comply with the Act. The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



Beauty & Craftsmanship



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20	DIRECTORS' REPORT	

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2004.

PRINCIPAL ACTIVITIES

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

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

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

RESULTS

In RM	GROUP	COMPANY
(Loss)/Profit for the year	(29,789,025)	129,963,940

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the intercompany gain on sale of properties at company level disclosed in Note 6 to the financial statements.

DIVIDEND

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

DIRECTORS

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

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

DIRECTORS' BENEFITS

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

## DIRECTORS' REPORT (cont'd)

### DIRECTORS' BENEFITS (cont'd)

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 8 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 29 to the financial statements.

### DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1 Each			
	1 January 2004	Bought	Sold	31 December 2004
<b>The Company</b>				
<b>Direct Interest</b>				
Goh Tai Seng	315,322	–	–	315,322
Goh Tai Hee @ Goh Tai He	200,004	80,892	–	280,896
Tan Ah Cheun	1,176,125	–	–	1,176,125
Haji Mohamed Amin Bin Haji Mohamed	7,000	–	–	7,000
W Shalihudin Bin W Ibrahim	4,597,000	–	–	4,597,000
<b>Deemed Interest</b>				
Goh Tai Seng	21,293,068	–	–	21,293,068
Goh Tai Hee @ Goh Tai He	21,293,068	–	–	21,293,068

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

### EMPLOYEE SHARE OPTION SCHEME ("ESOS")

Pursuant to the Scheme, which commenced on 15 December 2000, options to subscribe for 6,191,000 ordinary shares of RM1.00 each in the Company were granted to eligible executive employees and full-time Executive Directors of the Group. No options have been exercised up to the date of this report.

The main features of the ESOS are as follows:

- Eligible persons are all employees and full-time Executive Directors of the Group who have been confirmed in the employment of the Group for at least one year before the offer date.
- The total number of shares to be offered under the Scheme shall not exceed 10% of the issued share capital of the Company.
- The maximum entitlement of eligible employees and full-time Directors under the ESOS ranges from 72,000 to 500,000 ordinary shares.
- The price at which the Grantee is entitled to subscribe for the new shares shall be set based on five days weighted average market price preceding the offer date, subject to a discount of not more than 10% if any or the par value of the shares, whichever is higher.

**EMPLOYEE SHARE OPTION SCHEME ("ESOS") (cont'd)**

- e) The Scheme shall continue to be in force for a period of five years commencing from 15 December 2000.

Information with respect to the number of options granted under the ESOS is as follows:

	Number of Share Options	
	2004	2003
At 1 January	<b>6,191,000</b>	6,191,000
Granted	–	–
At 31 December	<b>6,191,000</b>	6,191,000

Details of share options granted during the financial year:

Exercise Period In RM	Exercise Price	Number of Share Options	
		2004	2003
17 January 2002 -15 December 2005	1.03	–	–

The terms of share options outstanding as at the end of the financial year are as follows:

Exercise Period In RM	Exercise Price	Number of Share Options Outstanding	
		2004	2003
4 January 2001 -15 December 2005	1.11	<b>4,534,000</b>	6,051,000
17 January 2002 -15 December 2005	1.03	<b>334,000</b>	140,000
12 February 2004 -15 December 2005	1.00	<b>969,000</b>	–

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders and their holdings.

**OTHER STATUTORY INFORMATION**

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



	<div>23</div> <div>DIRECTORS' REPORT (cont'd)</div>

OTHER STATUTORY INFORMATION (cont'd)

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

CORPORATE GOVERNANCE AND SYSTEM OF INTERNAL CONTROLS

The directors of the Group in cognisance of the need to achieve continous improvements in the systems and procedures relating to corporate governance, internal controls and the Group's reporting obligations, propose to implement key appointments and measures as outlined below:

- on 28 April 2005, the Company had announced the appointment of Mr Yap Koon, a member of the Malaysian Institute of Accountants as an additional Independent Non-Executive Director. In addition, the Company's Board of Directors had also appointed Mr Yap Koon as a member of the Audit Committee.
- to appoint a professionally experienced and appropriately qualified Internal Audit Manager who would directly report to the Audit Committee and who would be given the responsibility to implement an effective system of internal controls to assist the Board to manage and mitigate against operational, financial and reporting risks.

AUDITORS

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

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

GOH TAI HEE @ GOH TAI HE                      TAN AH CHEUN

Kuala Lumpur, Malaysia  
5 May 2005

STATEMENT  
BY DIRECTORS  
PURSUANT TO SECTION  
169 (15) OF THE  
COMPANIES ACT, 1965

We, GOH TAI HEE @ GOH TAI HE and TAN AH CHEUN, being two of the directors of GOH BAN HUAT BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 26 to 56 are drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2004 and of the results and the cash flows of the Group and of the Company for the year then ended.

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

GOH TAI HEE @ GOH TAI HE

TAN AH CHEUN

Kuala Lumpur, Malaysia  
5 May 2005

STATUTORY  
DECLARATION  
PURSUANT TO SECTION  
169 (16) OF THE  
COMPANIES ACT, 1965

I, LOW KOK YUNG, being the Officer primarily responsible for the financial management of GOH BAN HUAT BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 26 to 56 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the  
abovenamed **LOW KOK YUNG**  
at Kuala Lumpur in the Federal Territory  
on 5 May 2005

**LOW KOK YUNG**

Before me,

REPORT OF  
THE AUDITORS  
TO THE MEMBERS OF  
GOH BAN HUAT BERHAD  
(Incorporated in Malaysia) -1713 A

We have audited the accompanying financial statements set out on pages 26 to 56. These financial statements are the responsibility of the Company's directors.

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

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

In our opinion:

- a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:
  - i) the financial position of the Group and of the Company as at 31 December 2004 and of the results and the cash flows of the Group and of the Company for the year then ended; and
  - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

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

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

Without qualifying our opinion, we draw attention to the prior year adjustment disclosed in Notes 17 and 26 for the recognition of provisions for bad and doubtful debts, for which our report in the prior year had been qualified.

**ERNST & YOUNG**  
AF : 0039  
CHARTERED ACCOUNTANTS

Kuala Lumpur, Malaysia  
5 May 2005

**YEO ENG SENG**  
No. 1212/12/06 (J)  
PARTNER

# INCOME STATEMENTS

For the year ended  
31 December 2004

In RM	Note	GROUP		COMPANY	
		2004	2003	2004	2003
Revenue	4	<b>49,480,309</b>	53,224,729	<b>2,525,310</b>	1,882,387
Cost of sales	5	<b>(36,186,511)</b>	(30,332,285)	–	–
Gross profit		<b>13,293,798</b>	22,892,444	<b>2,525,310</b>	1,882,387
Other operating income		<b>329,463</b>	74,424	<b>136,087,699</b>	4,132,234
Distribution expenses		<b>(4,180,969)</b>	(4,691,353)	–	–
Administrative expenses		<b>(6,719,426)</b>	(5,382,828)	<b>(1,313,849)</b>	(426,391)
Other operating expenses		<b>(25,922,275)</b>	(12,034,166)	<b>(1,161,906)</b>	(953,666)
(Loss)/Profit from operations	6	<b>(23,199,409)</b>	858,521	<b>136,137,254</b>	4,634,564
Finance costs, net	9	<b>(5,732,386)</b>	(5,886,623)	<b>(5,710,043)</b>	(3,880,214)
(Loss)/Profit before taxation		<b>(28,931,795)</b>	(5,028,102)	<b>130,427,211</b>	754,350
Taxation	10	<b>(857,230)</b>	(1,961,403)	<b>(463,271)</b>	(396,302)
(Loss)/Profit for the year		<b>(29,789,025)</b>	(6,989,505)	<b>129,963,940</b>	358,048
(Loss)/Profit per share (sen):					
Basic	11	<b>(48)</b>	(11)		
Diluted	11	<b>(49)</b>	(12)		

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

**BALANCE  
SHEETS**  
As At  
31 December 2004

In RM	Note	GROUP		COMPANY	
		2004	2003	2004	2003
NON-CURRENT ASSETS					
Property, plant and equipment	12	241,759,281	107,740,597	4,645,155	33,645,561
Investments	13	2,068,328	2,068,330	1,205,213	1,205,213
Interest in subsidiaries	14	–	–	289,115,205	131,375,520
Goodwill on consolidation		305,620	305,620	–	–
Expenditure carried forward	15	20,999	40,999	–	–
		244,154,228	110,155,546	294,965,573	166,226,294
CURRENT ASSETS					
Inventories	16	20,174,868	38,566,091	–	–
Trade receivables	17	15,444,631	19,134,608	99,732	711,536
Other receivables	18	1,919,424	3,273,994	707,238	1,423,871
Cash and bank balances	19	986,265	435,937	6,423	3,777
		38,525,188	61,410,630	813,393	2,139,184
CURRENT LIABILITIES					
Short term borrowings	20	51,017,653	50,766,918	51,017,653	50,766,918
Trade payables	21	18,679,295	14,327,929	330,924	11,608
Other payables	22	7,807,353	8,591,425	1,810,586	2,169,699
Tax payable		3,315,100	2,515,337	1,834,875	1,336,604
		80,819,401	76,201,609	54,994,038	54,284,829
NET CURRENT LIABILITIES		(42,294,213)	(14,790,979)	(54,180,645)	(52,145,645)
		201,860,015	95,364,567	240,784,928	114,080,649
FINANCED BY:					
Share capital	24	61,919,011	61,919,011	61,919,011	61,919,011
Reserves		115,171,204	5,376,094	156,482,617	26,518,677
Shareholders' equity		177,090,215	67,295,105	218,401,628	88,437,688
Long term borrowings	20	20,932,749	24,192,410	20,932,749	24,192,410
Deferred taxation	25	3,837,051	3,877,052	1,450,551	1,450,551
		201,860,015	95,364,567	240,784,928	114,080,649

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

STATEMENT  
OF CHANGES  
IN EQUITYFor the year ended  
31 December 2004

## CONSOLIDATED

In RM	Note	Share Capital	Share Premium	Revaluation Reserves	Capital Reserves	Accumulated Losses	Total
At 1 January 2003		61,919,011	16,966,462	195,931	1,118,356	(5,915,150)	74,284,610
Net loss for the year		–	–	–	–	(6,989,505)	(6,989,505)
At 31 December 2003		61,919,011	16,966,462	195,931	1,118,356	(12,904,655)	67,295,105
At 1 January 2004							
As previously stated		61,919,011	16,966,462	195,931	1,118,356	(2,851,824)	77,347,936
Prior year adjustments	26	–	–	–	–	(10,052,831)	(10,052,831)
At 1 January 2004 (as restated)		61,919,011	16,966,462	195,931	1,118,356	(12,904,655)	67,295,105
Revaluation surplus		–	–	139,584,135	–	–	139,584,135
Net loss for the year		–	–	–	–	(29,789,025)	(29,789,025)
At 31 December 2004		61,919,011	16,966,462	139,780,066	1,118,356	(42,693,680)	177,090,215

## COMPANY

In RM		Share Capital	Share Premium	Revaluation Reserves	Capital Reserves	Retained Profits (Note 27)	Total
At 1 January 2003		61,919,011	16,966,462	195,931	2,257,088	6,741,148	88,079,640
Net profit for the year		–	–	–	–	358,048	358,048
At 31 December 2003		61,919,011	16,966,462	195,931	2,257,088	7,099,196	88,437,688
At 1 January 2004		61,919,011	16,966,462	195,931	2,257,088	7,099,196	88,437,688
Net profit for the year		–	–	–	–	129,963,940	129,963,940
At 31 December 2004		61,919,011	16,966,462	195,931	2,257,088	137,063,136	218,401,628

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

# CASH FLOW STATEMENTS

For the year ended  
31 December 2004

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
<b>Cash Flows From Operating Activities</b>				
(Loss)/profit before taxation	<b>(28,931,795)</b>	(5,028,102)	<b>130,427,211</b>	754,350
Adjustment for:				
Amortisation of expenditure carried forward	<b>20,000</b>	20,000	–	–
Bad debts written off	<b>234,353</b>	17,071	–	17,071
Depreciation and impairment	<b>8,785,834</b>	4,818,067	<b>662,468</b>	631,759
Interest expense	<b>5,732,386</b>	5,886,623	<b>5,710,043</b>	3,880,214
Provision for doubtful debts	<b>3,784,137</b>	11,052,831	<b>691,102</b>	–
Provision for slow moving stocks	<b>693,577</b>	–	–	–
Inventory write downs	<b>15,918,912</b>	–	–	–
Net unrealised foreign exchange losses	–	132,375	–	–
Gain on disposal of property, plant and equipment	<b>(123,491)</b>	(29,777)	<b>(130,575,062)</b>	–
Operating profit before working capital changes	<b>6,113,913</b>	16,869,088	<b>6,915,762</b>	5,283,394
Inventories	<b>1,778,734</b>	(2,190,774)	–	–
Receivables	<b>1,024,840</b>	2,503,276	<b>637,335</b>	6,603,033
Payables	<b>3,567,293</b>	(1,768,790)	<b>15,203</b>	(578,823)
Cash generated from operating activities	<b>12,484,780</b>	15,412,800	<b>7,568,300</b>	11,307,604
Income tax paid	<b>(96,250)</b>	(1,017,080)	<b>(20,000)</b>	(70,000)
Interest paid	<b>(5,732,386)</b>	(5,886,623)	<b>(5,710,043)</b>	(3,880,214)
Net cash generated from operating activities	<b>6,656,144</b>	8,509,097	<b>1,838,257</b>	7,357,390

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



# CASH FLOW STATEMENTS (cont'd) For the year ended 31 December 2004

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
<b>Cash Flows From Investing Activities</b>				
Proceeds from disposal of property, plant and equipment	<b>123,500</b>	30,000	<b>158,913,000</b>	–
Net change in intercompany balances	–	–	<b>(157,739,685)</b>	
Purchase of property, plant and equipment	<b>(3,220,390)</b>	(2,064,513)	–	(153,545)
Net cash (used in)/generated from investing activities	<b>(3,096,890)</b>	(2,034,513)	<b>1,173,315</b>	(153,545)
<b>Cash Flows From Financing Activities</b>				
Repayment of revolving credits	<b>(2,415,992)</b>	(979,078)	<b>(2,415,992)</b>	(979,078)
Repayment of term loans	<b>(2,683,510)</b>	(3,019,279)	<b>(2,683,510)</b>	(3,019,279)
Drawdown of trade line	–	509,585	–	509,585
Drawdown of banker's acceptance	<b>1,602,943</b>	–	<b>1,602,943</b>	–
Repayment of bankers' acceptances	–	(2,844,659)	–	(2,844,659)
Repayment of hire purchase	<b>(21,660)</b>	–	<b>(21,660)</b>	–
Net drawdown of hire purchase payables	–	118,000	–	118,000
Net cash used in financing activities	<b>(3,518,219)</b>	(6,215,431)	<b>(3,518,219)</b>	(6,215,431)
Net increase/(decrease) in cash and cash equivalents	<b>41,035</b>	259,153	<b>(506,647)</b>	988,414
Cash and cash equivalents at beginning of year	<b>(35,306,108)</b>	(35,565,261)	<b>(35,738,268)</b>	(36,726,682)
Cash and cash equivalents at end of year (Note 19)	<b>(35,265,073)</b>	(35,306,108)	<b>(36,244,915)</b>	(35,738,268)

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

## 1 CORPORATE INFORMATION

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

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

The numbers of employees in the Group and in the Company at the end of the financial year were 447 (2003: 514) and Nil (2003: Nil) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 5 May 2005.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Preparation

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

### b) Basis of Consolidation

#### i) Subsidiaries

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

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

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

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

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2    SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c)    Goodwill	<p>Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.</p> <p>Goodwill is stated at cost. The policy or the recognition and measurement of impairment losses is in accordance with Note 2(m). Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet. Goodwill is not amortised unless in the opinion of the directors that there is no continuing value, in which case the goodwill is written off to the consolidated income statement to the extent of the diminution in value.</p>										
d)    Property, Plant and Equipment and Depreciation	<p>Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m).</p> <p>Freehold and leasehold land is stated at valuation less impairment losses. Revaluations are made at least once in every five years based on a valuation by an independent valuer on an open market value basis. Any revaluation increase is credited to equity as a revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is recognised in the income statement to the extent of the decrease previously recognised. A revaluation decrease is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised as an expense. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.</p> <p>Freehold land and capital work-in-progress are not depreciated. Leasehold land is depreciated over the remaining periods of the respective leases which range from 30 years to 74 years. Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:</p> <table> <tr> <td>Freehold buildings</td><td>2% - 5%</td></tr> <tr> <td>Plant and machinery</td><td>5% - 10%</td></tr> <tr> <td>Factory equipment and fittings</td><td>10%</td></tr> <tr> <td>Furniture, fittings and equipment</td><td>10% - 20%</td></tr> <tr> <td>Motor vehicles</td><td>10% - 20%</td></tr> </table> <p>Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.</p>	Freehold buildings	2% - 5%	Plant and machinery	5% - 10%	Factory equipment and fittings	10%	Furniture, fittings and equipment	10% - 20%	Motor vehicles	10% - 20%
Freehold buildings	2% - 5%										
Plant and machinery	5% - 10%										
Factory equipment and fittings	10%										
Furniture, fittings and equipment	10% - 20%										
Motor vehicles	10% - 20%										

## 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### e) Investments in Subsidiaries

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

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

### f) Inventories

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

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

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

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

### g) Foreign Currencies

#### i) Foreign currency transactions

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

All exchange rate differences are taken to the income statement.

#### ii) Foreign entities

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### g) Foreign Currencies (cont'd)

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

In RM	2004	2003
Australian Dollar	<b>2.96</b>	2.93
Great Britain Pound	<b>7.32</b>	6.28
New Zealand Dollar	<b>2.73</b>	2.20
Singapore Dollar	<b>2.33</b>	2.24
United States Dollar	<b>3.83</b>	3.83

### h) Income Tax

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

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

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

### i) Expenditure Carried Forward

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### j) Cash and Cash Equivalents

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

### k) Leases

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

#### i) Finance leases

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

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

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

#### ii) Operating leases

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

### l) Revenue Recognition

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

#### i) Sale of goods

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

#### ii) Rental income

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### m) Impairment of Assets

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

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

The Directors have considered the carrying value as at 31 December 2004 of the assets of the Group and are satisfied that no further impairment loss in value are required to be made.

### n) Employee Benefits

#### i) Short term benefits

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

#### ii) Defined contribution plans

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

#### iii) Equity compensation benefits

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

### o) Financial Instruments

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

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



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## 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### o) Financial Instruments (cont'd)

#### i) Other Non-Current Investments

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

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

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

#### ii) Trade Receivables

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

#### iii) Trade Payables

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

#### iv) Interest-Bearing Borrowings

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

#### v) Equity Instruments

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

## 3 CORPORATE GOVERNANCE AND SYSTEM OF INTERNAL CONTROLS

The Board's intention to improve the Group's Corporate Governance and System of Internal Controls, inter-alia, by way of new key appointments and measures, is outlined in the Director's Report.

## 4 REVENUE

Revenue of the Company comprise income from rental of properties.

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

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

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
Rental income	<b>2,202,750</b>	1,586,707	<b>2,525,310</b>	1,882,387
Sale of goods	<b>47,277,559</b>	51,638,022	–	–
	<b>49,480,309</b>	53,224,729	<b>2,525,310</b>	1,882,387

## 5 COST OF SALES

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

## 6 (LOSS)/PROFIT FROM OPERATIONS

(Loss)/Profit from operations is stated:

After charging:

	GROUP		COMPANY	
In RM	2004	2003	2004	2003
Staff costs (Note 7)	12,131,799	12,496,415	–	–
Executive directors' remuneration (Note 8)	808,503	639,757	–	–
Non-executive directors' remuneration (Note 8)	23,000	20,500	23,000	20,500
Auditors' remuneration	72,000	72,000	15,000	15,000
Amortisation of expenditure carried forward	20,000	20,000	–	–
Depreciation (Note 12)	8,785,834	4,818,067	662,468	631,759
Bad debts written off	234,353	17,071	–	17,071
Provision for doubtful debts	3,784,137	11,052,831	691,102	–
Inventory write downs	15,918,912	–	–	–
Provision for slow moving stocks	693,577	–	–	–
Rental of equipment and machinery	80,254	198,638	–	–
Rental of forklifts	473,624	303,180	–	–
Rental of premises	249,360	79,600	–	–
Net unrealised foreign exchange losses	–	132,375	–	–
After (crediting):				
Gain on disposal of property, plant and equipment	–	(29,777)	–	–
Gain on disposal of motor vehicle	(123,491)	–	–	–
Gain on foreign exchange	(9,574)	(13,608)	–	–
Gain on disposal of property to subsidiary	–	–	(130,575,062)	–

## 7 STAFF COSTS

	GROUP		COMPANY	
In RM	2004	2003	2004	2003
Wages and salaries	7,345,268	7,184,623	–	–
Social security costs	113,928	118,863	–	–
Short term accumulating compensated balances	(9,175)	66,640	–	–
Pension costs - defined contribution plans	867,623	926,315	–	–
Other staff related expenses	3,814,155	4,199,974	–	–
	12,131,799	12,496,415	–	–

The details of directors' remuneration of the Group and of the Company are disclosed in Note 8.

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## 8 DIRECTORS' REMUNERATION

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
<b>Directors of the Company</b>				
Executive:				
Salaries and other emoluments	578,760	548,142	–	–
Bonus	24,116	45,679	–	–
Pension costs - defined contribution plans	41,228	45,936	–	–
	644,104	639,757	–	–
Non-executive:				
Fees	23,000	20,500	23,000	20,500
Total	667,104	660,257	23,000	20,500
<b>Other Directors:</b>				
Executive:				
Salaries and other emoluments	157,824	–	–	–
Bonus	6,575	–	–	–
	164,399	–	–	–
Total	831,503	660,257	23,000	20,500
<b>Analysis excluding benefits-in-kind:</b>				
Total executive directors' remuneration excluding benefits-in-kind (Note 7)	644,104	639,757	–	–
Other non-executive directors' remuneration	164,399	–	–	–
Directors' fees	23,000	20,500	23,000	20,500
Total directors' remuneration excluding benefits-in-kind	831,503	660,257	23,000	20,500

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

	Number of Directors	
	2004	2003
Executive Directors:		
RM150,000 - RM200,000	1	1
RM200,001 - RM250,000	2	2
Non-Executive Directors:		
Below RM50,000	5	5

## 9 FINANCE COSTS, NET

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
Interest expense on:				
bankers' acceptances	<b>471,206</b>	475,623	<b>471,206</b>	475,623
bank overdrafts	<b>2,690,707</b>	2,849,769	<b>2,690,707</b>	1,751,265
term loans	<b>2,544,050</b>	2,419,133	<b>2,544,050</b>	1,536,681
revolving credits	–	116,305	–	116,305
hire purchase interest	<b>4,080</b>	340	<b>4,080</b>	340
trust receipts	<b>22,343</b>	25,453	–	–
	<b>5,732,386</b>	5,886,623	<b>5,710,043</b>	3,880,214

## 10 TAXATION

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
Income tax: Malaysian income tax	<b>646,330</b>	1,346,518	<b>347,000</b>	344,487
Underprovided in prior years: Malaysian income tax	<b>250,901</b>	223,853	<b>116,271</b>	164,941
	<b>897,231</b>	1,570,371	<b>463,271</b>	509,428
Deferred tax: (Note 25) Relating to origination and reversal of temporary difference	–	390,614	–	(113,126)
Adjustment for prior years	<b>(40,001)</b>	418	–	–
	<b>(40,001)</b>	391,032	–	(113,126)
	<b>857,230</b>	1,961,403	<b>463,271</b>	396,302

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2003:28%) of the estimated assessable profit for the year.

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**10 TAXATION (cont'd)**

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

In RM	2004	2003
<b>GROUP</b>		
Loss before taxation	<b>(28,931,795)</b>	(5,028,102)
Taxation at Malaysian statutory rate of 28% (2003: 28%)	<b>(8,100,903)</b>	(1,407,868)
Effect of expenses not deductible for tax purposes	<b>707,631</b>	778,377
Effect of utilisation of previously unrecognised unabsorbed capital allowances	–	(448,169)
(Over)/Underprovision of deferred tax in prior years	<b>(40,001)</b>	418
Underprovision of income tax expense in prior years	<b>250,901</b>	223,853
Deferred tax assets not recognised during the year	<b>8,039,602</b>	2,814,792
Tax expense for the year	<b>857,230</b>	1,961,403

In RM	2004	2003
<b>COMPANY</b>		
Profit before taxation	<b>130,427,211</b>	754,350
Taxation at Malaysian statutory rate of 28% (2003: 28%)	<b>36,519,619</b>	211,218
Effect of income not subject to tax	<b>(36,561,017)</b>	–
Effect of expenses not deductible for tax purposes	<b>388,398</b>	20,143
Underprovision of income tax expense in prior years	<b>116,271</b>	164,941
Tax expense for the year	<b>463,271</b>	396,302

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

	GROUP	
In RM	2004	2003
Unabsorbed tax losses	<b>54,249,804</b>	36,539,217
Unutilised capital allowances	<b>41,023,676</b>	39,230,381
Unutilised reinvestment allowances	<b>23,255,928</b>	23,243,348

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

## 11 LOSS PER SHARE

### a) Basic

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

	GROUP	
	2004	2003
Net loss for the year (RM)	<b>(29,789,025)</b>	(6,989,505)
Weighted average number of ordinary shares in issue	<b>61,919,011</b>	61,919,011
Basic loss per share (sen)	<b>(48)</b>	(11)

### b) Diluted

For the purpose of calculating diluted loss per share, the net loss for the year and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effect of the share options (ESOS) granted to employees:

	GROUP	
	2004	2003
Net loss for the year (RM)	<b>(29,789,025)</b>	(6,989,505)
Weighted average number of ordinary shares in issue	<b>61,919,011</b>	61,919,011
Effect of dilution:		
Adjustment for share options	—	—
Adjusted weighted average number of ordinary shares in issue and issuable	<b>61,919,011</b>	61,919,011
Diluted loss per share (sen)	<b>(48)</b>	(11)

The effect on the basic earnings per share for the current financial year arising from the assumed conversion of the share options is anti-dilutive. Accordingly, the diluted earnings per share is presented as equal to basic earnings per share.

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## 12 PROPERTY, PLANT AND EQUIPMENT

In RM	Freehold land	Long term leasehold land	Short term leasehold land	Buildings	Plant and machinery	Equipment & motor vehicles	Capital work in progress	Total
<b>GROUP</b>								
<b>Cost/Valuation</b>								
At 1 January 2004	41,241,430	72,262	970,795	34,917,903	86,204,902	13,734,374	–	177,141,666
Additions	–	–	–	–	–	1,390	3,219,000	3,220,390
Revaluation surplus	138,025,950	179,258	1,378,927	–	–	–	–	139,584,135
Revaluation adjustment	–	(15,600)	(353,022)	–	–	–	–	(368,622)
Disposals/written off	–	–	–	–	–	(973,726)	–	(973,726)
At 31 December 2004	179,267,380	235,920	1,996,700	34,917,903	86,204,902	12,762,038	3,219,000	318,603,843
Representing:								
At cost	–	–	–	17,590,490	86,204,902	12,762,038	3,219,000	119,776,430
At valuation - 2004	179,267,380	235,920	1,996,700	–	–	–	–	181,500,000
At valuation - 1989	–	–	–	17,327,413	–	–	–	17,327,413
	179,267,380	235,920	1,996,700	34,917,903	86,204,902	12,762,038	3,219,000	318,603,843
<b>Accumulated Depreciation</b>								
At 1 January 2004	–	13,957	330,964	16,259,512	41,175,590	11,621,046	–	69,401,069
Charge for the year (Note 6)	–	1,643	22,058	927,580	7,409,025	425,528	–	8,785,834
Revaluation adjustment	–	(15,600)	(353,022)	–	–	–	–	(368,622)
Disposals	–	–	–	–	–	(973,719)	–	(973,719)
At 31 December 2004	–	–	–	17,187,092	48,584,615	11,072,855	–	76,844,562
<b>Net Book Value</b>								
At 31 December 2004	179,267,380	235,920	1,996,700	17,730,811	37,620,287	1,689,183	3,219,000	241,759,281
At 31 December 2003	41,241,430	58,305	639,831	18,658,391	45,029,312	2,113,328	–	107,740,597
<b>Depreciation charge for 2003 (Note 6)</b>								
	–	1,642	22,064	927,498	3,364,624	502,239	–	4,818,067



## 12 PROPERTY, PLANT AND EQUIPMENT (cont'd)

In RM	Freehold land	Long term leasehold land	Short term leasehold land	Buildings	Motor vehicles	Total
<b>COMPANY</b>						
<b>Cost/Valuation</b>						
At 1 January 2004	27,663,505	72,262	970,795	18,941,546	153,545	47,801,653
Additions	–	–	–	–	–	–
Disposals	(27,663,505)	(72,262)	(970,795)	–	–	(28,706,562)
At 31 December 2004	–	–	–	18,941,546	153,545	19,095,091
Representing:						
At cost	–	–	–	1,614,132	153,545	1,767,677
At valuation - 1989	–	–	–	17,327,414	–	17,327,414
	–	–	–	18,941,546	153,545	19,095,091
<b>Accumulated Depreciation</b>						
At 1 January 2004	–	13,957	330,964	13,811,171	–	14,156,092
Charge for the year (Note 6)	–	1,643	22,060	608,055	30,710	662,468
Disposals	–	(15,600)	(353,024)	–	–	(368,624)
At 31 December 2004	–	–	–	14,419,226	30,710	14,449,936
<b>Net Book Value</b>						
At 31 December 2004	–	–	–	4,522,320	122,835	4,645,155
At 31 December 2003	27,663,505	58,305	639,831	5,130,375	153,545	33,645,561
Depreciation charge for 2003 (Note 6)	–	1,642	22,064	608,053	–	631,759

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

As at 31 December 2004, the registered ownership of the subject freehold and leasehold lands remain with the respective vendor companies. However, the directors are of the view that the beneficial ownership of the subject lands have passed to GBH Ceramics Sdn Bhd on the date of the sale and purchase agreement in May 2004.

Freehold and leasehold lands were revalued in 2003 by Mr. Nagalingam T., a Registered Valuer (V461) with City Valuers & Consultants Sdn Bhd. The valuation was made on the basis of open market values on existing use bases. The directors adopted the valuation of lands in 2004 accounts giving rise to a surplus on revaluation of RM139.6 million.

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

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## 12 PROPERTY, PLANT AND EQUIPMENT (cont'd)

- b) The Group and the Company are unable to disclose the carrying amounts of the revalued buildings had they been carried at cost, due to the absence of historical records.
- c) Included in property, plant and equipment of the Group and of the Company is motor vehicle with a net book value of RM122,835 (2003: RM153,545) which is acquired under hire purchase instalment plan.
- d) All assets of the Group and of the Company have been pledged to financial institutions for bank facilities granted to the Company.
- e) Included in the plant and machinery of the Group are clay pipes making machines acquired in 1991 and 1993 which are not in use. The Directors have considered the carrying value of these machines of the Group as at 31 December 2004 and have effected an additional depreciation charge to the income statement to reflect the impairment loss. The net book value of these machines is RM2,248,720 after impairment (2003: RM6,487,753).

## 13 INVESTMENTS

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
At cost:				
Transferable club membership	202,995	202,995	170,000	170,000
Investment properties	1,804,413	1,804,413	1,032,993	1,032,993
Unquoted shares in Malaysia	55,000	55,002	–	–
Quoted shares in Malaysia	5,920	5,920	2,220	2,220
	2,068,328	2,068,330	1,205,213	1,205,213
Market value of quoted shares in Malaysia	2,210	3,520	1,140	2,370

## 14 INTEREST IN SUBSIDIARIES

In RM	COMPANY	
	2004	2003
Unquoted shares at cost	30,848,115	30,848,115
Amount due from subsidiaries	263,453,901	106,708,069
Amount due to subsidiaries	(5,186,811)	(6,180,664)
	289,115,205	131,375,520

The amounts due from/(to) subsidiaries are unsecured and have no fixed term of repayment. Amount due from subsidiaries bear NIL (2003: 6% to 8%) interest per annum.

#### 14 INTEREST IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows:

Name of the Subsidiaries	Country of Incorporation	Equity Interest Held (%)		Principal Activities
		2004	2003	
GBH Ceramics Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of vitrified clay pipes
GBH Trading Sdn. Bhd.	Malaysia	100	100	General trading of ceramic wares, tap wares, pipes and general bathroom wares
GBH Bathroom Products Sdn. Bhd.	Malaysia	100	100	Manufacture and trading of ceramic wares
GBH Porcelain Sdn. Bhd.	Malaysia	100	100	Manufacture and trading of formers
GBH Crown Lynn Sdn. Bhd.	Malaysia	100	100	Manufacture and trading of ceramic tablewares
GBH Clay Pipes Sdn. Bhd.	Malaysia	100	100	Manufacture and trading of vitrified clay pipes
GBH Australia Pty. Ltd.	Australia	100	100	Dormant

All the subsidiaries of the Group are audited by Ernst & Young except for GBH Australia Pty. Ltd., which has not commenced operations.

#### 15 EXPENDITURE CARRIED FORWARD

In RM	GROUP	
	2004	2003
At cost:		
Development expenditure	121,000	121,000
Less: Accumulated amortisation	(100,001)	(80,001)
	20,999	40,999

#### 16 INVENTORIES

In RM	GROUP	
	2004	2003
Cost:		
Raw materials	2,789,339	1,138,819
Work-in-progress	1,678,648	1,340,757
Finished goods	16,052,263	34,690,707
Maintenance inventories	150,296	1,241,504
Consumables	197,899	154,304
	20,868,445	38,566,091
Provision for slow moving stocks	(693,577)	—
	20,174,868	38,566,091

Stocks valued at net realisable value included above were Nil (2003: RM15,978,125).

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## 17 TRADE RECEIVABLES

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
Trade receivables	<b>32,920,133</b>	32,825,973	<b>790,834</b>	711,536
Less: Provision for doubtful debts	<b>(17,475,502)</b>	(13,691,365)	<b>(691,102)</b>	–
	<b>15,444,631</b>	19,134,608	<b>99,732</b>	711,536

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

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

The provision for doubtful debts of the Group as at 31 December 2004 is stated at RM17,475,502. This includes RM10,052,831 that had arisen in the previous year, but which had not been recognised in the financial statements of the previous year. The Auditors had qualified their report on the financial statements of the previous year, concerning the adequacy of provision for doubtful debts.

The directors have, for the purposes of the current financial statements, recognised the additional extent of doubtful debts arising in the previous year, i.e. RM10,052,831, through a prior year adjustment. Accordingly, the provision for doubtful debts of the Group as at 31 December 2003 of RM13,691,365 as stated above, is after restatement from the amount of RM3,638,534 that had been previously reported in the prior year's financial statements.

## 18 OTHER RECEIVABLES

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
Deposits	<b>608,335</b>	521,359	<b>254,662</b>	254,662
Prepayments	<b>613,196</b>	1,527,342	<b>452,576</b>	1,169,209
Sundry receivables	<b>697,893</b>	1,224,076	–	–
Tax recoverable	–	1,217	–	–
	<b>1,919,424</b>	3,273,994	<b>707,238</b>	1,423,871

## 19 CASH AND CASH EQUIVALENTS

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
Cash and bank balances	<b>986,265</b>	435,937	<b>6,423</b>	3,777
Less: Bank overdrafts (Note 20)	<b>(36,251,338)</b>	(35,742,045)	<b>(36,251,338)</b>	(35,742,045)
Cash and cash equivalents	<b>(35,265,073)</b>	(35,306,108)	<b>(36,244,915)</b>	(35,738,268)

## 20 BORROWINGS

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
<b>Short Term Borrowings</b>				
Secured:				
Bank overdrafts	36,251,338	35,742,045	36,251,338	35,742,045
Bankers' acceptances	8,635,718	7,032,775	8,635,718	7,032,775
Term loans	5,222,944	4,668,793	5,222,944	4,668,793
Trade line	509,585	509,585	509,585	509,585
Hire purchase payables (Note 23)	24,340	24,000	24,340	24,000
	50,643,925	47,977,198	50,643,925	47,977,198
Unsecured				
Revolving credits	373,728	2,789,720	373,728	2,789,720
	373,728	2,789,720	373,728	2,789,720
	51,017,653	50,766,918	51,017,653	50,766,918
<b>Long Term Borrowings</b>				
Secured:				
Hire purchase payables (Note 23)	72,000	94,000	72,000	94,000
Term loans	20,860,749	24,098,410	20,860,749	24,098,410
	20,932,749	24,192,410	20,932,749	24,192,410
<b>Total Borrowings</b>				
Bank overdrafts (Note 19)	36,251,338	35,742,045	36,251,338	35,742,045
Bankers' acceptances	8,635,718	7,032,775	8,635,718	7,032,775
Revolving credits	373,728	2,789,720	373,728	2,789,720
Term loans	26,083,693	28,767,203	26,083,693	28,767,203
Trade line	509,585	509,585	509,585	509,585
Hire purchase payables (Note 23)	96,340	118,000	96,340	118,000
	71,950,402	74,959,328	71,950,402	74,959,328
<b>Maturity of borrowings (excluding hire purchase):</b>				
Within one year	50,993,313	50,742,918	50,993,313	50,742,918
More than 1 year and less than 2 years	9,959,512	9,349,431	9,959,512	9,349,431
More than 2 years and less than 5 years	10,901,237	14,748,979	10,901,237	14,748,979
5 years or more	—	—	—	—
	71,854,062	74,841,328	71,854,062	74,841,328

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## 20 BORROWINGS (cont'd)

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

In %	GROUP		COMPANY	
	2004	2003	2004	2003
Bank overdrafts	<b>7.70</b>	7.70	<b>7.70</b>	7.70
Revolving credits	<b>5.20</b>	5.20	<b>5.20</b>	5.20
Bankers' acceptances	<b>6.25</b>	6.50	<b>6.25</b>	6.50
Term loans	<b>7.50</b>	7.70	<b>7.50</b>	7.70

The secured bank borrowings are secured by the following:

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

## 21 TRADE PAYABLES

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
Trade payables	<b>18,679,295</b>	14,327,929	<b>330,924</b>	11,608

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

Included in trade payables is an amount of RM395,848 (2003: Nil) due to Ceramtec Sdn Bhd, a substantial shareholder of the Company. This amount is unsecured, interest free and has no fixed term of repayment.

## 22 OTHER PAYABLES

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
Due to directors	<b>499,371</b>	12,000	<b>10,000</b>	10,000
Accruals	<b>3,019,202</b>	2,949,323	<b>904,119</b>	1,251,639
Sundry payables	<b>4,288,780</b>	5,630,102	<b>896,467</b>	908,060
	<b>7,807,353</b>	8,591,425	<b>1,810,586</b>	2,169,699

Included in sundry payables is an amount of RM129,793 (2003: Nil) due to Ceramtec Sdn Bhd, a substantial shareholder of the Company. This amount is unsecured, interest free and has no fixed term of repayment.

## 23 HIRE PURCHASE PAYABLES

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
Minimum payments:				
not later than 1 year	28,080	28,080	28,080	28,080
later than one year and not later than 2 years	28,080	28,080	28,080	28,080
later than 2 years and not later than 5 years	56,160	81,900	56,160	81,900
	112,320	138,060	112,320	138,060
Less: Future finance charges	(15,980)	(20,060)	(15,980)	(20,060)
Present value	96,340	118,000	96,340	118,000
Analysed as:				
Due within 12 months (Note 20)	24,340	24,000	24,340	24,000
Due after 12 months (Note 20)	72,000	94,000	72,000	94,000
	96,340	118,000	96,340	118,000

## 24 SHARE CAPITAL

In RM	Number of Ordinary Shares of RM1 Each		Amount	
	2004	2003	2004	2003
Authorised:				
At 31 December	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid:				
At 31 December	61,919,011	61,919,011	61,919,011	61,919,011

The main features of the ESOS and the details of the options granted are disclosed in the Directors' Report.

## 25 DEFERRED TAXATION

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
At 1 January	3,877,052	3,486,020	1,450,551	1,563,677
Recognised in the income statement (Note 10)	(40,001)	391,032	–	(113,126)
At 31 December	3,837,051	3,877,052	1,450,551	1,450,551

Presented after appropriate offsettings as follows:

Deferred tax assets	(1,088,640)	(1,088,640)	(498,293)	(498,293)
Deferred tax liabilities	4,925,691	4,965,692	1,948,844	1,948,844
	3,837,051	3,877,052	1,450,551	1,450,551



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## 25 DEFERRED TAXATION (cont'd)

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

### Deferred Tax Liabilities of the Group:

In RM	Accelerated Capital Allowances	Revaluation of Buildings	Total
At 1 January 2004	2,982,448	1,983,244	4,965,692
Recognised in the income statement (Note 10)	–	(40,001)	(40,001)
At 31 December 2004	2,982,448	1,943,243	4,925,691
At 1 January 2003	2,862,856	2,067,098	4,929,954
Recognised in the income statement (Note 10)	119,592	(83,854)	35,738
At 31 December 2003	2,982,448	1,983,244	4,965,692

### Deferred Tax Assets of the Group:

In RM	Accelerated Depreciation	Tax Losses and Unabsorbed Capital Allowances	Other Payables	Total
At 1 January 2004	(498,293)	–	(590,347)	(1,088,640)
Recognised in the income statement (Note 10)	–	–	–	–
At 31 December 2004	(498,293)	–	(590,347)	(1,088,640)
At 1 January 2003	(463,421)	(390,166)	(590,347)	(1,443,934)
Recognised in the income statement (Note 10)	(34,872)	390,166	–	355,294
At 31 December 2003	(498,293)	–	(590,347)	(1,088,640)

### Deferred Tax Liabilities of the Company:

In RM	Accelerated Capital Allowances	Revaluation of Buildings	Total
At 1 January 2004	5,600	1,943,244	1,948,844
Recognised in the income statement (Note 10)	–	–	–
At 31 December 2004	5,600	1,943,244	1,948,844
At 1 January 2003	–	2,027,098	2,027,098
Recognised in the income statement (Note 10)	5,600	(83,854)	(78,254)
At 31 December 2003	5,600	1,943,244	1,948,844

## 25 DEFERRED TAXATION (cont'd)

Deferred Tax Assets of the Company:

In RM	Accelerated Depreciation
At 1 January 2004	(498,293)
Recognised in the income statement (Note 10)	–
At 31 December 2004	(498,293)
At 1 January 2003	(463,421)
Recognised in the income statement (Note 10)	(34,872)
At 31 December 2003	(498,293)

## 26 PRIOR YEAR ADJUSTMENT

The directors have recognised the adjustments for provisions for bad and doubtful trade receivables that should have been applied to the financial statements for the year ended 31 December 2003 which was the subject of the auditor's qualification in the 2003 financial statements. The effect of this on (accumulated losses)/retained profits are as follows:

In RM	GROUP		COMPANY	
	2004	2003	2004	2003
Effects on (accumulated losses)/retained profit:				
At 1 January, as previously stated	(2,851,824)	(5,915,150)	6,741,148	6,741,148
Effects of provision for doubtful debts (Note 17)	(10,052,831)	–	–	–
At 1 January, as restated	(12,904,655)	(5,915,150)	6,741,148	6,741,148

## 27 RETAINED PROFITS

As at 31 December 2004, the Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 to frank the payment of dividends amounting to RM19,800,000 out of its retained profits. The Company can distribute tax exempt dividend from its estimated tax exempt account up to approximately RM3,500,000 (2003: RM3,500,000).

For the year 2003, the Company has sufficient tax credit to distribute all its retained profits by way of dividends without incurring additional tax liability.

## 28 LEASE COMMITMENTS

Future minimum rentals under non-cancellable operating leases are as follows as of 31 December:

In RM	GROUP	
	2004	2003
Within one year	303,180	303,180
After one year but not more than five years	108,837	412,017

## 29 SIGNIFICANT RELATED PARTY TRANSACTIONS

In RM	2004	2003
<b>a) GROUP</b>		
Purchase of raw materials from Ceramtec Sdn. Bhd., a corporate shareholder of the Company, in which certain Directors of the Company have substantial interest	<b>395,848</b>	–
Rental of machinery paid to Ceramtec Sdn. Bhd., a corporate shareholder of the Company, in which certain Directors of the Company have substantial interest	–	52,257
Purchase of property, plant and equipment from Ceramtec Sdn. Bhd., a corporate shareholder of the Company, in which certain Directors of the Company have substantial interest	<b>950,000</b>	–
Rental of premises paid to Goh Nam Huat Realty Sdn. Bhd., a company in which there are certain common Directors	<b>249,360</b>	121,000
<b>b) COMPANY</b>		
Sale of Properties	<b>158,913,000</b>	–
Interest income receivable from subsidiaries	<b>5,332,918</b>	4,111,510
Purchase from subsidiaries	–	5,742
Rental income receivable from subsidiaries,	<b>322,560</b>	295,680

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

## 30 FINANCIAL INSTRUMENTS

### a) Financial Risk Management Objectives and Policies

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

### b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The information on effective interest rates of financial liabilities are disclosed in Note 20.

### c) Foreign Exchange Risk

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

### 30 FINANCIAL INSTRUMENTS (cont'd)

#### c) Foreign Exchange Risk (cont'd)

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

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

Functional currency of Group companies In RM	Great Britain Pound	New Zealand Dollar	Singapore Dollar	United States Dollar	Total
At 31 December 2004:					
Trade Receivables					
Ringgit Malaysia	–	–	686,280	1,382,296	2,068,576
Trade Payables					
Ringgit Malaysia	107,884	439,044	51,695	1,168,368	1,766,991
At 31 December 2003:					
Trade Receivables					
Ringgit Malaysia	–	–	676,461	1,803,056	2,479,517
Trade Payables					
Ringgit Malaysia	107,884	305,740	704	610,020	1,024,348

#### d) Liquidity Risk

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

#### e) Credit Risk

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

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

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### 30 FINANCIAL INSTRUMENTS (cont'd)

#### f) Fair Values

The carrying amounts of the financial assets and financial liabilities as reflected in the balance sheet approximate their respective net fair values except for amounts due from subsidiaries of RM263,453,901 (2003: RM106,708,069) due to lack of fixed repayment terms.

### 31 SEGMENT INFORMATION

#### a) Business Segments:

The Group operates predominantly in two business segments:

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

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

In RM	Manufacturing		Properties		Eliminations		Consolidated	
	2004	2003	2004	2003	2004	2003	2004	2003
<b>REVENUE AND EXPENSES</b>								
Revenue								
External sales	<b>47,277,559</b>	51,638,022	<b>2,202,750</b>	1,586,707	–	–	<b>49,480,309</b>	53,224,729
Inter-segment sales	–	–	<b>322,560</b>	295,680	<b>(322,560)</b>	(295,680)	–	–
Total revenue	<b>47,277,559</b>	51,638,022	<b>2,525,310</b>	1,882,387	<b>(322,560)</b>	(295,680)	<b>49,480,309</b>	53,224,729
Results								
Profit/(loss) from operations	<b>(23,329,821)</b>	300,628	<b>229,274</b>	523,054	<b>(98,862)</b>	34,839	<b>(23,199,409)</b>	858,521
Finance cost	<b>(5,355,261)</b>	(6,117,919)	<b>(377,125)</b>	231,296	–	–	<b>(5,732,386)</b>	(5,886,623)
Taxation	<b>(393,959)</b>	(1,565,101)	<b>(463,271)</b>	(396,302)	–	–	<b>(857,230)</b>	(1,961,403)
Profit/(loss) after taxation	<b>(29,079,041)</b>	(7,382,392)	<b>(611,122)</b>	358,048	<b>(98,862)</b>	34,839	<b>(29,789,025)</b>	(6,989,505)
<b>ASSETS AND LIABILITIES</b>								
Segment assets	<b>276,829,148</b>	165,421,964	<b>5,850,268</b>	6,144,212	–	–	<b>282,679,416</b>	171,566,176
Segment liabilities	<b>100,162,265</b>	99,302,609	<b>5,426,936</b>	4,968,462	–	–	<b>105,589,201</b>	104,271,071

### 31 SEGMENT INFORMATION (cont'd)

#### a) Business Segments:

In RM	Manufacturing		Properties		Eliminations		Consolidated	
	2004	2003	2004	2003	2004	2003	2004	2003
OTHER INFORMATION								
Depreciation and impairment	8,123,366	4,186,308	662,468	631,759	–	–	8,785,834	4,818,067
Amortisation of expenditure carried forward	20,000	20,000	–	–	–	–	20,000	20,000
Non-cash expenses other than depreciation and amortisation	19,836,386	11,175,429	691,102	17,071	–	–	20,527,488	11,192,500

#### b) Geographical Segments:

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

### 32 COMPARATIVES

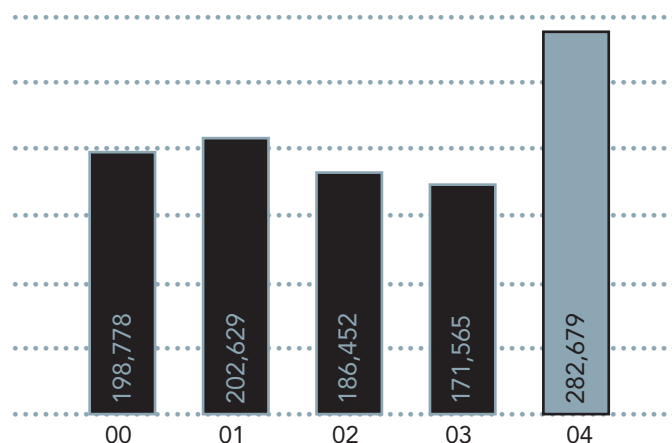
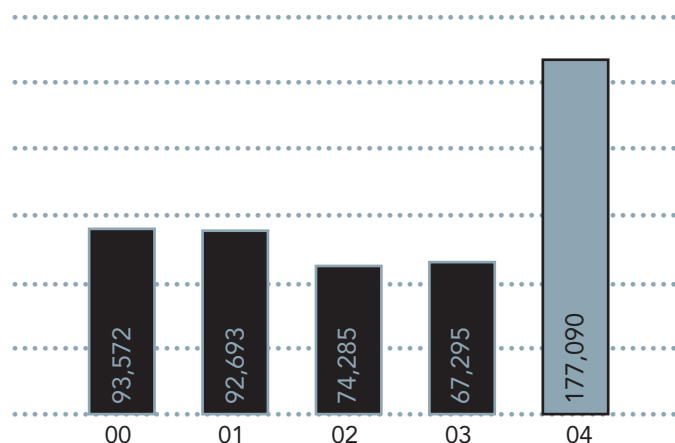
The presentation and classification of items in the current year financial statements have been consistent with the previous financial year except that certain comparative amounts have been restated as a result of the prior year adjustment as disclosed in Note 26.

The comparative figures for 2003 for the Group have therefore been restated and the significant affected accounts are as follows:

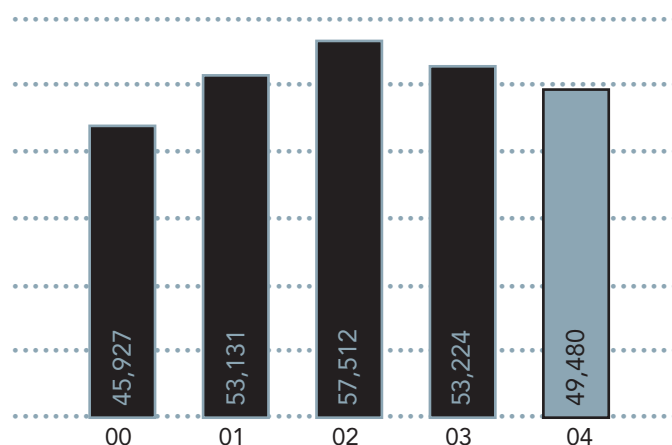
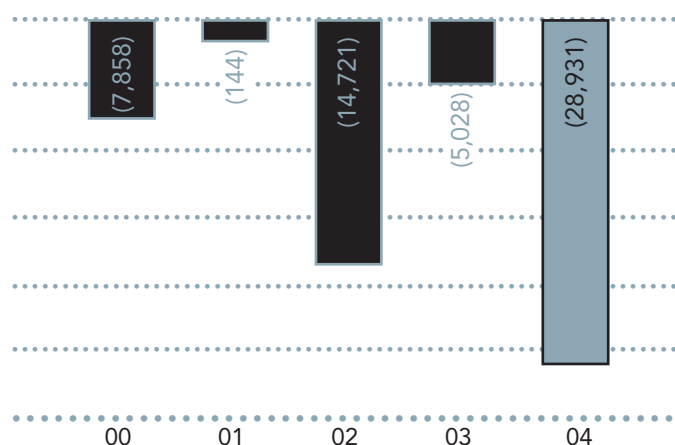
GROUP In RM	As Restated	Adjustments	As Previously Stated
a) Income statement			
Other operating expenses	12,034,166	10,052,831	1,981,335
Profit/(loss) from operations	858,521	(10,052,831)	10,911,352
(Loss)/profit for the year	(6,989,505)	(10,052,831)	3,063,326
(Loss)/profit per share			
- basic (sen)	(11) sen	–	5 sen
- diluted (sen)	(11) sen	–	5 sen
b) Balance Sheet			
Trade receivables	19,134,608	(10,052,831)	29,187,439
Reserves	5,376,094	(10,052,831)	15,428,925

In RM'000	2000	2001	2002	2003	2004
Group Turnover	45,927	53,131	57,512	53,224	<b>49,480</b>
Group Profit/(Loss) Before Tax	(7,858)	(144)	(14,721)	(5,028)	<b>(28,931)</b>
Taxation	(577)	(736)	(1,648)	(1,961)	<b>(857)</b>
Profit/(Loss) After Tax	(8,435)	(880)	(16,369)	(6,989)	<b>(29,789)</b>
Minority Interest	—	—	—	—	—
Profit/(Loss) Attributable to Shareholder	(8,435)	(880)	(16,369)	(6,989)	<b>(29,789)</b>
Net Dividend	—	—	—	—	—
Net Earning/(Loss) Per Share (Sen)	(13.80)	(1.42)	(26.44)	(11)	<b>(48)</b>
Gross Dividend Rate Per Share (%)	—	—	—	—	—

TOTAL ASSETS (IN RM'000)



REVENUE (IN RM'000)





SUMMARISED  
BALANCE SHEETSFor the year ended  
31 December 2000  
to 31 December 2004

In RM'000	2000	2001	2002	2003	2004
Property, Plant and Equipment	115,973	112,780	110,494	107,741	<b>241,759</b>
Other Investments	2,085	2,085	2,068	2,068	<b>2,068</b>
Goodwill On Consolidation	265	265	305	305	<b>305</b>
Net Current Assets/(Liabilities)	3,196	9,464	(6,725)	(14,791)	<b>(42,294)</b>
	121,519	124,594	106,142	95,364	<b>201,860</b>
Financed By:					
Share Capital	61,919	61,919	61,919	61,919	<b>61,919</b>
Share Premium	16,966	16,966	16,966	16,966	<b>16,966</b>
Reserves	14,687	13,808	(4,601)	(11,590)	<b>98,205</b>
	93,572	92,693	74,284	67,295	<b>177,090</b>
Deferred And Long Term Liabilities	27,947	31,901	31,858	28,069	<b>24,770</b>
	121,519	124,594	106,142	95,364	<b>201,860</b>
Share Capital	61,919	61,919	61,919	61,919	<b>61,919</b>
Shareholders' Fund	93,572	92,693	74,285	67,295	<b>177,090</b>
Net Tangible Assets Per Share (RM)	1.51	1.49	1.19	1.08	<b>2.86</b>

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ANALYSIS OF SHAREHOLDINGS

Authorised Share Capital : RM100,000,000.00 (100,000,000 Ordinary Shares of RM1.00 each)

Issued and fully paid-up Share Capital : RM61,919,011.00 (61,919,011 Ordinary Shares of RM1.00 each)

Class of Shares : Ordinary Shares of RM1.00 each

Voting Rights : One Vote per Ordinary Share held

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 3 MAY 2005

Category	No. of Shareholders	No. of Share	%
1 - 99	58	1,704	0.00
100 - 1,000	977	862,307	1.39
1,001 - 10,000	1,184	4,546,552	7.34
10,001 – 100,000	181	5,211,969	8.42
100,001 - 3,095,949 *	32	14,291,411	23.08
3,095,950 and above **	4	37,005,068	59.77
Total	2,436	61,919,011	100.00

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

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 3 MAY 2005

No	Shareholders' Name	No. Shareholders	%
1	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Ceramtec Sdn Bhd)	11,420,286	18.44
2	Lembaga Tabung Angkatan Tentera	11,260,000	18.19
3	Ceramtec Sdn Bhd	9,872,782	15.94
4	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For W Shalihudin Bin W Ibrahim)	4,452,000	7.19
5	Lim Siew Sooi	1,405,300	2.27
6	Mayban Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Ong Huey Peng)	1,370,600	2.21
7	Goh Soon Eng	1,244,254	2.01
8	Tan Ah Cheun	1,176,125	1.90
9	Tan Guat Poh	1,078,000	1.74
10	Chew Boon Seng	990,700	1.60
11	Lau Siew Kian	800,000	1.29
12	Wong Hok Yim	563,000	0.91
13	Tan Lai Ming	500,000	0.81
14	Tan Han Chuan	440,000	0.71
15	Goh Tye Nam	419,629	0.68

60	ANALYSIS OF SHAREHOLDINGS (cont'd)	

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 3 MAY 2005 (cont'd)

No	Shareholders' Name	No. Shares	%
16	Goh Tai Seng	315,322	0.51
17	Cartaban Nominees (Asing) Sdn Bhd (Credit Agricole (Suisse) SA For Suckchai Nganthavee)	286,000	0.46
18	Goh Leong Chuan	280,000	0.45
19	Alpha Dynamics Sdn Bhd	261,250	0.42
20	Chan Wan Moi	259,000	0.42
21	Ong Huey Peng	251,000	0.41
22	The Taos Investments Ltd	243,900	0.39
23	Chua Shiok Hoon	235,000	0.38
24	Chen Seong Fook	218,500	0.35
25	Goh Tye Nam	213,827	0.35
26	Goh Tai He	200,004	0.32
27	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Sow Gek Pong)	200,000	0.32
28	Bryan Nicholas Lee Mun Hei	185,000	0.30
29	Tan Chong Pen	176,000	0.28
30	Yap Shing @ Yap Sue Kim	165,000	0.27
	Total	50,482,479	81.52

OPTIONS ALLOCATED TO THE DIRECTORS PURSUANT TO THE EMPLOYEES' SHARE OPTION SCHEME AS AT 3 MAY 2005

Names	Granted	%	Exercised as at	
			3 May 2005	%
Goh Tai Seng	500,000	8.07	–	–
Goh Tai He	500,000	8.07	–	–
Tan Ah Cheun	500,000	8.07	–	–

SUBSTANTIAL SHAREHOLDERS AS AT 3 MAY 2005

No Substantial Shareholders		Direct No. Of Shares	%	Indirect No. Of Shares	%
1	Lembaga Tabung Angkatan Tentera	11,260,000	18.19	-	-
2	Ceramtec Sdn Bhd	21,293,068	34.39	-	-
3	Goh Tai Seng	315,322	0.51	21,293,068	34.39 *
4	Goh Tai He	280,896	0.45	21,293,068	34.39 *
5	Goh Tye Nam	633,456	1.02	21,293,068	34.39 *
6	W Shalihudin Bin W Ibrahim	4,452,000	7.19	-	-

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

DIRECTORS' SHAREHOLDINGS AS AT 3 MAY 2005

No Substantial Shareholders		Direct No. Of Shares	%	Indirect No. Of Shares	%
1	Mr. Goh Tai Seng	315,322	0.51	21,293,068	34.39 *
2	Mr. Goh Tai He	280,896	0.45	21,293,068	34.39 *
3	Mr. Tan Ah Cheun	1,176,125	1.90	-	-
4	Dato' Haji Mohd Sarit Bin Hj Yusoh	-	-	-	-
5	Haji Mohamed Amin Bin Haji Mohamed	7,000	0.01	-	-
6	Encik W Shalihudin Bin W Ibrahim	4,452,000	7.19	-	-
7	Mr. Yap Koon	-	-	-	-
8	Brig. Jen (Rtd) Dato' Mior Azam Bin Mior Safi	-	-	-	-
9	Dato' Haji Mohd Yusof Bin Haji Mohamed	-	-	-	-
(Alternate Director to Haji Mohamed Amin Bin Haji Mohamed)					

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

62	PARTICULARS OF GROUP PROPERTIES	

The Properties included under Land as at 31 December 2004 are indicated below.

Location/Address				Approximate Age of Buildings (Years)	NBV of Properties In existing state (RM)
All Mukim of Batu Federal Territory Kuala Lumpur	Land Area (Sq Meter)	Tenure	Existing Use		
Lot 46260 (formerly known as Lot P.T. 555)	706	Leasehold (Expiring 05/09/2033)	Storage Yard	32	390,200
Lot 46261 (formerly known as Lot P.T. 556)	2,831	Leasehold (Expiring 05/09/2033)	Storage Yard	27	235,920
Lot 46262 (formerly known as Lot P.T. 6049)	260	Leasehold (Expiring 27/08/2077)	Storage Yard	32	1,606,500
Lot 1470	15,862	Freehold	Factory Land & Building	31	34,150,000
Lot 2983	4,044	Freehold	Factory Land & Building	56	8,703,200
Lot 3680	5,481	Freehold	Office Building & Resident Bungalow	56	11,797,200
Lot 2984	26,362	Freehold	Factory Land & Building & Warehouse for Rental	56	57,371,580
Lot 4397	545	Freehold	Factory Land & Building & Warehouse for Rental	56	1,184,000
Lot 38755	93	Freehold	Access Road	62	199,200
Lot 4722	1,898	Freehold	Warehouse for Rental	36	2,041,900
Lot 32661	38,307	Freehold	Warehouse for Rental	36	41,233,300
Lot P.T. 15519	23,446	Freehold	Factory Land & Building	11	22,587,000
	119,835				181,500,000

PROXY FORM

I/We (Full Name In Capital Letter)

of (Address)

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

the Chairman of the meeting or

NRIC NOof (Address)

or failing whom (Full Name)

NRIC NOof (Address)

as my/our Proxy to vote for me/us and on my/our behalf at the Fifty-Eighth Annual General Meeting of the Company to be held at Bunga Kenanga, Level 3, Pan Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Tuesday, 28 June 2005 at 3.00 p.m. and at any adjournment thereof.

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

No.	Resolutions	For	Against
1	Resolution 1		
2	Resolution 2		
3	Resolution 3		
4	Resolution 4		
5	Resolution 5		
6	Resolution 6		
7	Resolution 7		
8	Resolution 8		

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

Dated thisDay of2005Number of shares held :

[Signature/Common Seal of Member]

NOTES:

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

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Stamp

The Company Secretary  
**GOH BAN HUAT BERHAD**  
238 Jalan Segambut  
51200 Kuala Lumpur  
Malaysia

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