

■ Notice of Fifty-Fifth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifty-Fifth 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 Friday, 28 June 2002 at 3.00 pm for the following purposes:

AGENDA

Ordinary Business

- 1 To receive the Audited Financial Statements for the year ended 31 December 2001 together with the Directors' and Auditors' Reports thereon. *Resolution 1*
- 2 To approve the payment of Directors' fees of RM15,000.00 for the year ended 31 December 2001 *Resolution 2*
- 3 To re-elect the following Directors who are retiring in accordance with Article 80 of the Company's Articles of Association:
 - 3.1 Mr. Goh Tai Seng *Resolution 3*
 - 3.2 Haji Mohamed Amin Bin Haji Mohamed *Resolution 4*
- 4 To-elect the following Director who is retiring in accordance with Article 87 of the Company's Articles of Association:
 - 4.1 Brig. Jen (Rtd) Dato' Mior Azam Bin Mior Safi *Resolution 5*
- 5 To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Board of Directors to fix their remuneration. *Resolution 6*

6 As Special Business

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

Ordinary Resolution

- Authority to allot and issue shares in general pursuant to Section 132D of the Companies Act, 1965 *Resolution 7*

"THAT, subject always to the approvals of the relevant authorities, the Directors be and are hereby empowered 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 in their absolute discretion 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 share capital of the Company at the time of issue and the Directors are hereby further empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

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

By Order of the Board

LIM PHOOI KEE MIA 2759
NG YIM KONG LS 0008343
Company Secretaries

Kuala Lumpur, 4 June 2002

Notes

- 1 A member of the Company entitled to attend and vote at the Fifty-Fifth Annual General Meeting is entitled to appoint a proxy/proxies, to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149 (1) (b) of the Companies Act 1965 need not be complied with.
- 2 Where a member appoints two or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- 3 The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- 4 The instrument appointing a proxy must be deposited at 238, Jalan Segambut, 51200 Kuala Lumpur at least forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof.

Explanatory note on special business of the Agenda

- 5 The Ordinary Resolution proposed under item 6 is in line with the Company's expansion plan which may involve the issue of new shares. Under Section 132D of the Companies Act, 1965, the Directors would have to call for a general meeting to approve the issue of new shares even though the number of shares involved is less than 10% of the issued share capital of the Company for the time being. In order to avoid any delay and costs involved in convening a general meeting, it is thus considered appropriate to seek the shareholders' approval for Directors of the Company to issue shares in the Company up to an aggregate amount of not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company and also to empower Directors to obtain approval from the Kuala Lumpur Stock Exchange for the listing of and quotation for additional shares issued. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

■ Statement Accompanying Notice of Fifty-Fifth Annual General Meeting

Pursuant to paragraph 8.28 (2) of the Kuala Lumpur Stock Exchange Listing Requirements, appended hereunder are:

1 Place, date and time of the Fifty-Fifth Annual General Meeting

Date of Meeting	Time	Place
28 June 2002	3.00pm	Bunga Kenanga, Level 3, Pan Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur

2 A total of four Board of Directors’ Meetings were held during the financial year ended 31 December 2001. The place, date and time of the Board of Directors Meetings are as follows:

Date of Meeting	Time	Place
27 February 2001	4.00pm	Kuala Lumpur
29 May 2001	4.00pm	Kuala Lumpur
10 August 2001	4.10pm	Kuala Lumpur
29 November 2001	4.15pm	Kuala Lumpur

3 Details of Directors’ Attendance at Board Meetings are as follows:

Name of Directors	Attendance	%
Mr. Goh Tai Seng	3	75
Mr. Goh Tai He	4	100
Dato’ Haji Mohd Sarit Bin Haji Yusoh	1	25
Mr. Tan Ah Cheun	4	100
Haji Mohamed Amin Bin Haji Mohamed	3	75
En. Wan Shalihudin Bin Wan Ibrahim	4	100
Brig Jen (Rtd) Dato’ Mior Azam Bin Mior Safi (Appointed on 24 September 2001)	1	100
Mej Jen (B) Datuk Jelani Bin Haji Asmawi (Demised on 20 April 2001)	1	100
Dato’ Haji Mohd Yusof Bin Haji Mohamed (Alternate Director to Haji Mohamed Amin Bin Haji Mohamed)	0	0

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

i Directors to retire pursuant to Article 80 of the Company’s Articles of Association are:

Goh Tai Seng

Malaysian, aged 58, 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. He is related to Mr. Goh Tai He, the Group Managing Director and is a Director of Ceramtec Sdn Bhd, a substantial shareholder of GBH. 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 2001. He had no convictions for any offences within the past 10 years.

Haji Mohamed Amin Bin Haji Mohamed

Malaysian, aged 63, 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 three (3) of four (4) Board Meetings held in the financial year ended 31 December 2001. He had no convictions for any offences within the past 10 years.

ii Director to retire pursuant to Article 87 of the Company’s Articles of Association is:

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

Malaysian, aged 57 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 one* (1) of four (4) Board Meetings held in the financial year ended 31 December 2001. He had no convictions for any offences within the past 10 years.

- Only one meeting was held after his appointment to 31 December 2001.

5 Other information on Directors who are standing for reelection:

Please refer to the Director’s Information on page 5.

Audit Committee Report

The Audit Committee is pleased to present the Audit Committee Report for the financial year ended 31 December 2001.

Composition of audit committee

Mej Jen (B) Datuk Jelani Bin Haji Asmawi (*Chairman of Audit Committee*)
Independent Non-Executive Director (Demised 20 April 2001)

Wan Shalihudin bin Wan Ibrahim
Non-Independent Non-Executive Director (Admitted 29 May 2001)

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

Goh Tai He
Non-Independent Executive Director

Terms of reference

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

Membership

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

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

Attendance at meetings

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

The company secretary shall be the secretary of the Committee.

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

Authority

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

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

Duties

The duties of the Committee shall be:

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

Reporting procedures

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

Meetings and attendance in financial year 2001

During the financial year ended 31 December 2001, the committee held a total of four (4) meetings, respectively on 27 February 2001, 29 May 2001, 10 August 2001 and 29 November 2001.

Name	Attendance
Mej Jen (B) Datuk Jelani Bin Haji Asmawi (Demised 20 April 2001) *	1
Wan Shalihudin bin Wan Ibrahim (Admitted 29 May 2001) **	3
Dato’ Haji Mohd Sarit Bin Haji Yusoh	1
Goh Tai He	4

Note : * only 1 meeting was held prior to his demise in 2001.
**only 3 meetings was held after admission to the audit committee.

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 2002 financial year.

The committee welcomes the Malaysian Code on Corporate Governance and the recommended “Best Practice in Corporate Governance”, which was adopted by the Kuala Lumpur Stock Exchange Listing Requirements (KLSE 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 KLSE Listing Requirements.

■ Corporate Information

Board of Directors

Goh Tai Seng
Chairman

Goh Tai Hee @ Goh Tai He
Group Managing Director

Tan Ah Cheun
Group General Manager

Haji Mohamed Amin Bin Haji Mohamed
Independent Non Executive Director

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

Wan Shalihudin Bin Wan Ibrahim
Non-Independent Non-Executive Director

Brig Jen (Rtd) Dato' Mior Azam Bin Mior Safi
(Appointed 24 September 2001)
Non-Independent Non-Executive Director

Dato Haji Mohd Yusof Bin Haji Mohamed
(Alternate Director to Haji Mohamed Amin Bin Haji Mohamed)

Secretaries

Lim Phooi Kee MIA 2759
Ng Yim Kong LS 0008343

Registered Office and Principal Place of Business

238, Jalan Segambut,
51200 Kuala Lumpur
T 603 6258 1055
F 603 6257 0858
W www.gbhgroup.com.my
E enquiry@gbhgroup.com.my

Registrars

Malaysian Share Registration Services Sdn. Bhd.
7th Floor, Exchange Square,
Bukit Kewangan, 50200 Kuala Lumpur.
P.O.Box 13274, 50804 Kuala Lumpur
T 603 2068 099
F 603 2063 736

Auditors

Ernst & Young
Chartered Accountants
4th Floor, Kompleks Antarabangsa,
Jalan Sultan Ismail, 50250 Kuala Lumpur.

Principal Bankers

Alliance Bank Malaysia Berhad
No 22, Wisma Sin Hoh Huat
Persiaran Segambut Tengah
51200 Kuala Lumpur

Alliance Bank Malaysia Berhad
Bangunan Yap Hui Hong
123-125 Jalan Ipoh
51200 Kuala Lumpur

Arab-Malaysian Merchant Bank Berhad
23rd Floor, Bangunan Arab Malaysia
55 Jalan Raja Chulan
50200 Kuala Lumpur

Citibank Berhad
Menara Citibank
165 Jalan Ampang
PO Box 10112
50450 Kuala Lumpur

HSBC Bank Malaysia Berhad
460, Jalan Ipoh
51200 Kuala Lumpur

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

RHB Bank Berhad
75, Jalan Tun H.S.Lee Branch
50000 Kuala Lumpur

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

■ Directors' Information

Goh Tai Seng ■ 58, 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 2001. He had no convictions for any offences within the past 10 years.

Goh Tai He ■ 55, 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 2001. He had no convictions for any offences within the past 10 years.

Tan Ah Cheun ■ 55, 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 has twelve (12) years of local and international banking experience with one of the largest international banks in the world and has also worked in a merchant bank in Sydney, Australia. He was appointed Director on 9 December 1988. He is also a director of GBH's subsidiaries 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 2001. He had no convictions for any offences within the past 10 years.

Dato' Haji Mohd. Sarit Bin Haji Yusoh ■ 51, a Malaysian, is a 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 Petrolam 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 one (1) of four (4) Board Meetings held in the financial year ended 31 December 2001. He had no convictions for any offences within the past 10 years.

Haji Mohamed Amin Bin Haji Mohamed ■ 63, a Malaysian, is a 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 three (3) of four (4) Board Meetings held in the financial year ended 31 December 2001. 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) ■ 60, a Malaysian, is a 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 2001. He had no convictions for any offences within the past 10 years.

Wan Shalihudin Bin Wan Ibrahim ■ 40, 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 5,629,00 shares or 9.09% 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 2001. He had no convictions for any offences within the past 10 years.

Brig Jen (Rtd) Dato' Mior Azam Bin Mior Safi ■ 57, 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 one* (1) of four (4) Board Meetings held in the financial year ended 31 December 2001. He had no convictions for any offences within the past 10 years.

** Only one meeting was held after his appointment to 31 December 2001.*

Chairman's Statement

On behalf of your Board of Directors, I am pleased to present the Annual Report and Financial Statements of Goh Ban Huat Berhad Group for the financial year ended 31 December 2001.



technology

Industry Trends and Developments

The global economic environment for the year 2001 has seen improvements in the first two quarters of the year and is poised for recovery, from the spin-off of, and expected recovery of major product and service-consuming countries. The September 11 incident in the USA adversely affected the otherwise smooth pace of demand recovery.

Review of Operations

Domestic demand on the overall is cautious in 2001 while the export market was affected by competition from low cost/low exchange rate producers and the pessimistic stand of the export market after the September 11 incident. Cost of piped natural gas was reduced by 12.3% compared to year 2000 due to consumption rebates given by Gas Malaysia Sdn Bhd, the supplier and a generally lower global price for crude oil.

Group turnover increased to RM53.13 million in the current year from RM45.93 million in 2000, an increase of 15.6%. This is mainly attributable to the Sanitaryware division, which chalked up an impressive 36.6% increase in turnover. The Group ended up the year with a pre-tax loss of RM0.14 million against a pre-tax loss RM8.34 in the year 2000.

Sanitaryware continued its focus on the domestic market and was able to capitalise on its innovativeness, and technological know-how in products and systems to secure an increase in its turnover. The construction market remained in an oversupply condition with demand coming in from choice developers. It is with quick reaction time and its experience in sanitaryware systems that resulted in these standings.

Vitrified Ceramics Pipes division saw a slight increase in turnover of 8.0%. Its research and development in next generation of clay pipes products caught the interest of markets requiring products that are able to be installed in high traffic areas where open trench installation methods are disruptive. Further improvements were made in the new production methods whereby the company is able to produce in a balanced manner to reduce stock holdings.





commitment



■Chairman's Statement (contd)

Improvements in body and glaze formulation in the Formers division were incorporated into our product line. These innovations have spawned new “high thermoshock resistant” products, as they are known in the industry, where ceramics formers can withstand higher temperature variations. The new glaze formulation enables rubber gloves manufacturers to produce formers with new textures with the potential to rejuvenate lagging demand. However, demand in year 2001 remained weak and sales suffered a reduction of 2.8% compared to 2000.

The warehousing income was reduced by 5.5% but remained profitable due to low operating costs while the tableware division remained stable and performed in accordance to the general economic conditions within the hospitality industry.

Future Prospects

The Group is reasonably confident that its operations will continue to recover for financial year 2002. The Group will continue to focus on high quality products and markets in order to improve its operating margin. It is also hoped that a rational review of the natural gas pricing policy by the relevant authorities will be undertaken this year that will result in a globally competitive pricing for this essential energy commodity.

Other Matters

On 26 September 2001, the company has submitted to the Security Commission (“SC”), an application to seek the approval for the proposed Section 132D (Companies Act, 1965) private placement of up to 6,191,000 ordinary shares of RM1.00 each in Goh Ban Huat Berhad (“GBH”). The approval from SC was obtained on 24 October 2001 while approval from the Ministry of International Trade and Industry and Foreign Investment Committee were obtained on 6 December 2001 and 11 December 2001, respectively. As of the current date, this Section 132D (Companies Act, 1965) private placement has not yet been effected and the company has applied and obtained an extension of six (6) months to 24 October 2002 to complete the placement.

Conclusion

Lastly, we would like to welcome the appointment of Brig Jen (Rtd) Dato’ Mior Azam Bin Mior Safi to the Board of Directors on 24 September 2001. We would like to take this opportunity to thank all our shareholders and stakeholders for their support to the Group.

Alex Goh Tai Seng
Chairman of the Board



■ Statement on Corporate Governance

The Malaysian Code on Corporate Governance (“the Code”), issued by the Finance Committee on Corporate Governance in March 2000, sets out the principles and best practices for public listed companies for adoption to ensure that the fundamental discharge of the Board of Directors’ responsibilities in protecting and enhancing shareholders’ and stakeholders’ interest and the financial performance of the companies. It is also mandatory under the Kuala Lumpur Stock Exchange Listing Requirement (“KLSE Listing Requirement”) for companies to include a Statement on Corporate Governance in its Annual Report for financial year ending after 30 June 2001.

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 KLSE Listing Requirements.

Board of Directors

The Board has seven (7) members plus one (1) alternate director representing a diverse range of experience and industry comprising of a Executive Chairman, two (2) Executive Directors, four (4) Non Executive Directors and an Alternate Director. The profiles of Directors are set out in Directors’ Information, page 5 in this Annual Report.

A total of four (4) Board Meetings were held during the financial year ended 31 December 2001, details of which are as follows:

Date of Meeting	Time	Place
27 February 2001	4.00pm	Kuala Lumpur
29 May 2001	4.00pm	Kuala Lumpur
10 August 2001	4.10pm	Kuala Lumpur
29 November 2001	4.15pm	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 2.

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.

During the year, one new appointment was made, where Brig Jen (Rtd) Dato' Mior Azam Bin Mior Safi was appointed on 24 September 2001 to replace Mej Gen (B) Datuk Jelani Bin Haji Asmawi, who demised on 20 April 2001.

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. Brig Jen (Rtd) Dato' Mior Azam Bin Mior Safi was appointed to the Board of Directors on 24 September 2001 and therefore will have to be re-elected to the Board in the next Annual General Meeting.

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 1 (Ordinary Resolution 3, 4 and 5).

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, categorised into components.

In RM'000	Fees	Salaries	Bonus	Other Emoluments	Total
Executive Directors	-	517	22	42	581
Non Executive Directors	15	-	-	-	15

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

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM200,001 to RM250,000		1
RM150,001 to RM200,000		2
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 Kuala Lumpur Stock Exchange ("KLSE") and the timely release of quarterly results, two months from the close of a particular quarter. These are available at the KLSE 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, frauds 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 3.

Compliance with the Code

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

- a Composition of the Audit Committee has to be restructured to comply with majority consisting of Independent Directors and appoint an Independent Director as Chairman of Audit Committee.
- b Set-up Internal Audit Department to strengthen the structure and framework of existing internal controls.
- c Formation of a Nomination Committee and a Remuneration Committee within the Board of Directors.



■ 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 Kuala Lumpur Stock Exchange, 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 2001 set out on pages 17 to 34, 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.

