

Reports & Accounts 99

Directors' Report

The Directors have pleasure in presenting their report together with the audited accounts of the Group and of the Company for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES

The principal activities of the Group and of the Company are the manufacturing and sale of ceramic wares, ceramic formers, pipes, rental of properties and general trading.

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

ACCOUNTS

	GROUP RM	COMPANY RM
Profit before taxation	207,292	741,862
Taxation	266,221	54,724
Profit after taxation	473,513	796,586
Retained profits brought forward	18,297,314	5,232,013
	18,770,827	6,028,599
Dividend	(810,576)	(810,576)
Retained profits carried forward	17,960,251	5,218,023

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

During the year, a final dividend of 2% less tax at 28% amounting to RM810,576 was paid by the Company in respect of the previous year as proposed in the Directors' Report of that year.

The Directors propose a final dividend of 2% less tax at 28% amounting to RM810,576 for the financial year ended 31 December 1999.

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

Loh Siew Cheang

Mej Jen (B) Datuk Jelani Bin Haji Asmawi

Dato' Haji Mohd Yusof Bin Haji Mohamed

(Alternate Director to Haji Mohamed Amin Bin Haji Mohamed)

(Appointed on 24.11.99)

Directors' Report

DIRECTORS (CONTD)

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company is a party, whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The following Directors who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act 1965, an interest in shares in the Company, as stated below:-

Name of Directors of this Company	Name of Company in which interest is held	As at 1.1.99	No. of Ordinary Shares of RM1		As at 31.12.99
			Addition During the year	Disposal	

Direct interest:-

Goh Tai Seng	Goh Ban Huat Berhad	1,315,322	-	-	1,315,322
Goh Tai Hee @ Goh Tai He	Goh Ban Huat Berhad	860,896	-	540,000	320,896
Tan Ah Cheun	Goh Ban Huat Berhad	1,176,125	-	-	1,176,125
Haji Mohamed Amin Bin Haji Mohamed	Goh Ban Huat Berhad	7,000	-	-	7,000

Deemed interest:-

Goh Tai Seng	Goh Ban Huat Berhad	21,293,068	-	-	21,293,068
Goh Tai Hee @ Goh Tai He	Goh Ban Huat Berhad	21,293,068	-	-	21,293,068

Since the end of previous financial year, no Director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the Group accounts 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 the Director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act 1965 except for Goh Tai Seng who may be deemed to derive a benefit by virtue of those transactions, contracts and agreements for the supply of certain raw materials between the companies in the Group and companies in which the above mentioned Director is deemed to have an interest. However, these transactions were not significant.

SUBSEQUENT EVENT

On 3 January 2000, the Company entered into a private placement with a third party to increase its issued and paid up capital by 5,629,000 shares, representing 10% of its issued and paid up capital at a subscription price of RM1.44 per share. The placement raised a gross proceeds of RM8,105,760 and it will allow the Company to meet the new minimum share capital requirement of the Securities Commission for Main Board listings of RM60 million. This exercise was fully completed on 8 March 2000.

Directors' Report

OTHER STATUTORY INFORMATION

- (a) Before the balance sheets and profit and loss accounts 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 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 have 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 accounts of the Group and of the Company inadequate to any substantial extent; or
 - (ii) the values attributed to current assets in the accounts of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which 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 accounts of the Group and of the Company which would render any amount stated in the accounts misleading.
- (e) As at the date of this report, there does not exist:-
- (i) any charge on the assets of the Group and 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 in respect of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:-
- (i) no contingent liability 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 and of the Company to meet its obligations as and 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 operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

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

On behalf of the Board,

GOH TAI HEE @ GOH TAI HE)
)
)
) DIRECTORS
)
TAN AH CHEUN)

Kuala Lumpur, Malaysia
26 April 2000

Profit and Loss Accounts for the year ended 31 December 1999

		GROUP		COMPANY	
		1999	1998	1999	1998
		RM	RM	RM	RM
TURNOVER	2	47,373,909	52,038,320	3,730,960	4,307,270
COST OF SALES		29,258,034	30,658,171	-	-
PROFIT BEFORE TAXATION	3	207,292	688,479	741,862	502,585
TAXATION	4	266,221	20,807	54,724	(378,641)
PROFIT AFTER TAXATION		473,513	709,286	796,586	123,944
RETAINED PROFITS BROUGHT FORWARD		18,297,314	18,398,604	5,232,013	5,918,645
PROFITS ATTRIBUTABLE TO SHAREHOLDERS		18,770,827	19,107,890	6,028,599	6,042,589
DIVIDEND	5	(810,576)	(810,576)	(810,576)	(810,576)
RETAINED PROFITS CARRIED FORWARD	18	17,960,251	18,297,314	5,218,023	5,232,013
RETAINED BY:					
- The company		5,218,023	5,232,013		
- The subsidiaries		12,742,228	13,065,301		
		17,960,251	18,297,314		
EARNINGS PER SHARE (IN SEN)	6	0.8	1.3	1.4	0.2

The annexed notes form an integral part of these accounts.

Balance Sheets as at 31 December 1999

	Note	GROUP		COMPANY	
		1999 RM	1998 RM	1999 RM	1998 RM
FIXED ASSETS	7	119,639,712	124,678,135	36,216,408	36,973,291
INVESTMENTS	8	1,961,757	1,961,757	1,082,040	1,082,040
GOODWILL ON CONSOLIDATION		265,620	265,620	-	-
SUBSIDIARY COMPANIES	9	-	-	87,928,087	80,826,495
EXPENDITURE CARRIED FORWARD	10	600,568	481,206	-	-
CURRENT ASSETS					
Stocks	11	40,413,415	26,227,169	-	-
Debtors	12	27,952,076	29,569,755	1,994,938	2,231,528
Cash and bank balances		246,216	430,329	50,168	45,292
		68,611,707	56,227,253	2,045,106	2,276,820
TOTAL ASSETS		191,079,364	183,613,971	127,271,641	121,158,646
CURRENT LIABILITIES					
Bank borrowings	13	75,151,376	64,239,158	42,329,577	35,592,944
Creditors	14	19,094,767	18,386,041	2,237,592	2,450,859
Taxation		2,304,881	2,718,609	405,828	802,209
		96,551,024	85,343,808	44,972,997	38,846,012
DEFERRED TAXATION	15	150,000	150,000	-	-
TERM LOANS	16	476,200	3,880,960	-	-
TOTAL LIABILITIES		97,177,224	89,374,768	44,972,997	38,846,012
NET WORTH		93,902,140	94,239,203	82,298,644	82,312,634
FINANCED BY:					
SHARE CAPITAL	17	56,290,011	56,290,011	56,290,011	56,290,011
SHARE PREMIUM		14,489,702	14,489,702	14,489,702	14,489,702
RESERVES	18	23,122,427	23,459,490	11,518,931	11,532,921
SHAREHOLDERS' FUNDS		93,902,140	94,239,203	82,298,644	82,312,634

The annexed notes form an integral part of these accounts.

Consolidated Cash Flow Statement for the year ended 31 December 1999

	1999 RM	1998 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	207,292	688,479
Adjustments for:		
Depreciation of fixed assets	5,703,858	5,891,114
Gain on sale of fixed assets	(112,999)	(47,998)
Amortisation of expenditure carried forward	1,638	1,638
Interest expenses	5,738,149	9,103,114
Provision for doubtful debts	1,365,443	480,665
Operating profit before working capital changes	12,903,381	16,117,012
Working capital changes :-		
Stocks	(14,186,246)	(8,475,208)
Debtors	(1,484,048)	5,178,489
Creditors	708,726	803,757
Cash (used in)/generated from operations	(2,058,187)	13,624,050
Income tax paid	(387,764)	(364,819)
Income tax refunded	1,976,542	-
Interest paid	(5,738,149)	(9,103,114)
Payment of deferred expenditure	(121,000)	-
Net cash (used in)/ generated from operations	(6,328,558)	4,156,117
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	113,000	48,000
Purchase of fixed assets	(665,436)	(1,270,575)
Purchase of investments	-	(1,393,200)
Proceeds from disposal of investments	-	452,845
Net cash used in investing activities	(552,436)	(2,162,930)

Consolidated Cash Flow Statement for the year ended 31 December 1999

	1999 RM	1998 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Addition of short term loans	3,726,295	447,000
Dividend paid	(810,576)	(810,576)
Repayment of term loans	(4,979,902)	(6,700,431)
Net cash used in financing activities	(2,064,183)	(7,064,007)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,945,177)	(5,070,820)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(22,826,867)	(17,756,047)
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE A)	(31,772,044)	(22,826,867)

NOTE A

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and balances with banks, investment in the money market instruments and short term bank borrowings (excluding term loan). Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:-

	1999 RM	1998 RM
Cash and bank balances	246,216	430,329
Bank overdrafts	(21,976,260)	(19,943,196)
Bankers' acceptances	(10,042,000)	(3,314,000)
	(31,772,044)	(22,826,867)

The annexed notes form an integral part of these accounts.

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts of the Group and of the Company have been prepared under the historical cost convention modified to include revaluation of certain assets and comply with approved accounting standards issued by Malaysian Accounting Standards Board. In 1998, the Group and the Company applied certain transitional provisions in International Accounting Standard No. 16 (Revised), Property, Plant and Equipment, by virtue of which a reporting enterprise which does not adopt a policy of revaluation is allowed to retain revalued amounts on the basis of their previous revaluation (subject to continuity in depreciation policy and the requirement to write an asset down to its recoverable amount).

(b) Basis of Consolidation

An investee company is considered a subsidiary company if more than 50% of the issued capital is held for long term investment.

The consolidated accounts incorporate the accounts of the Company and all its subsidiaries made up to 31 December 1999.

The differences between the purchase price over the value of the net assets of subsidiary companies at the respective dates of acquisition are included in the consolidated balance sheet as goodwill arising on consolidation or reserve on consolidation. 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 profit and loss account to the extent of the diminution in value.

(c) Depreciation

No amortisation has been made on freehold land. Leasehold properties are amortised over the remaining periods of the respective leases. Other fixed assets are depreciated over their estimated useful lives on a straight line basis.

The principal annual rates used are as follows:-

Buildings	2%	-	5%
Plant and machinery	5%	-	10%
Motor vehicles	10%	-	20%
Furniture, fittings and equipment	10%	-	20%
Factory equipment and fittings			10%

1 SIGNIFICANT ACCOUNTING POLICIES (CONTD)

(d) Stocks

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

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 stocks into store.

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

(e) Foreign Currencies

Transactions in foreign currencies are recorded in Ringgit Malaysia at rates of exchange approximating those ruling at transaction dates and where settlement had not taken place at the balance sheet date, at the approximate rates ruling at that date. All exchange differences are dealt with through the profit and loss account.

(f) Deferred Taxation

Deferred taxation is provided for on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

(g) Investments

Investments in unquoted subsidiaries, which are eliminated on consolidation, are stated at cost. Other investments in unquoted corporations are stated at cost. Provision for diminution in value is made when the Directors are of the opinion that there is a permanent impairment in the value of the investments.

(h) Expenditure Carried Forward

Expenditure carried forward are stated at cost and will be written off against future operating profit.

(i) Cash and cash equivalents

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

2. TURNOVER

Turnover of the Company comprise income from rental of property.

Turnover of the Group includes the invoiced value of goods sold after allowing for sales discounts and returns. For consolidated accounts, turnover excludes intra-group transactions.

Turnover during the year was derived from continuing activities and is analysed as follows:-

	GROUP		COMPANY	
	1999	1998	1999	1998
	RM	RM	RM	RM
Rental of property	2,955,280	3,531,590	3,730,960	4,307,270
Trading	44,418,629	48,506,730	-	-

3. PROFIT BEFORE TAXATION

	GROUP		COMPANY	
	1999	1998	1999	1998
	RM	RM	RM	RM
Profit before taxation is arrived at after charging:-				
Depreciation of fixed assets	5,703,858	5,891,114	851,992	913,122
Directors' remuneration				
- fee	15,000	15,000	15,000	15,000
- emoluments	559,224	559,417	559,224	559,417
Auditors' remuneration	55,500	50,000	12,000	10,000
Interest expenses				
- bank borrowings	5,738,149	9,103,114	3,108,910	4,490,998
Hire of equipment and machinery	74,662	206,870	-	-
Rental of warehouse	-	191,000	-	-
Provision for doubtful debts	1,365,443	480,665	-	-
Amortisation of expenditure carried forward	1,638	1,638	-	-

And after crediting:

Net gain on foreign exchange	-	59,734	-	-
Gain on sale of fixed assets	112,999	47,998	-	-
Interest on unsecured loan to subsidiaries	-	-	2,770,637	3,539,055

4. TAXATION

	GROUP		COMPANY	
	1999	1998	1999	1998
	RM	RM	RM	RM
Malaysian taxation based on profit for the year				
- current	-	621,348	-	540,000
- deferred	-	45,000	-	-
	-	666,348	-	540,000
Overprovision in prior years	(266,221)	(687,155)	(54,724)	(161,359)
	(266,221)	(20,807)	(54,724)	378,641

There is no tax liability anticipated for the subsidiary companies incorporated in Malaysia and the company's current financial year because it constitutes the basis period for the year of assessment 2000 wherein tax on income other than dividend is waived.

The estimated timing differences and incentives that were not dealt with in the group accounts are as follows:-

	GROUP	
	1999	1998
	RM	RM
Unutilised reinvestment allowance	25,573,570	13,870,000
Unabsorbed capital allowance	14,367,493	20,586,000
Unabsorbed tax losses	4,353,187	547,000

5. DIVIDEND

	GROUP		COMPANY	
	1999	1998	1999	1998
	RM	RM	RM	RM
Proposed final dividend of 2% less tax at 28%	810,576	810,576	810,576	810,576

6. EARNINGS PER SHARE

The earnings per share has been calculated based on profit after taxation of RM473,513 (1998 : RM709,286) for the Group and profit after taxation of RM796,586 (1998 : RM123,944) for the Company and on the issued share capital of 56,290,011 (1998: 56,290,011) shares.

Notes To The Accounts 31 December 1999

7. FIXED ASSETS

GROUP

	As at 1.1.99 RM	Additions RM	Transfer RM	Disposals RM	As at 31.12.99 RM
Cost/Valuation					
Freehold land and buildings	76,042,609	95,109	-	-	76,137,718
Leasehold land	1,043,057	-	-	-	1,043,057
Plant and machinery	78,464,654	447,589	145,490	-	79,057,733
Factory equipment and fittings	4,372,399	35,570	-	-	4,407,969
Furniture, fittings and equipment	2,631,994	54,168	-	-	2,686,162
Motor vehicles	5,830,523	33,000	-	(212,646)	5,650,877
Capital work-in-progress	145,490	-	(145,490)	-	-
	168,530,726	665,436	-	(212,646)	168,983,516

Accumulated depreciation	As at 1.1.99 RM	Charge for the year RM	Transfer RM	Disposals RM	As at 31.12.99 RM
Freehold land and buildings	11,197,804	1,148,302	-	-	12,346,106
Leasehold land	228,854	22,885	-	-	251,739
Plant and machinery	23,999,886	3,618,160	-	-	27,618,046
Factory equipment and fittings	2,427,267	360,480	-	-	2,787,747
Furniture, fittings and equipment	1,906,796	194,527	-	-	2,101,323
Motor vehicles	4,091,984	359,504	-	(212,645)	4,238,843
	43,852,591	5,703,858	-	(212,645)	49,343,804

Net book value

	1999 RM	1998 RM
Freehold land and buildings	63,791,612	64,844,805
Leasehold land	791,318	814,203
Plant and machinery	51,439,687	54,464,768
Factory equipment and fittings	1,620,222	1,945,132
Furniture, fittings and equipment	584,839	725,198
Motor vehicles	1,412,034	1,738,539
Capital work-in-progress	-	145,490
	119,639,712	124,678,135

Notes To The Accounts 31 December 1999

7. FIXED ASSETS (CONTD)

COMPANY

	As at 1.1.99 RM	Additions RM	Disposals RM	As at 31.12.99 RM
Cost/Valuation				
Freehold land and buildings	46,504,966	95,109	-	46,600,075
Leasehold land	1,043,057	-	-	1,043,057
	47,548,023	95,109	-	47,643,132

Accumulated depreciation

	As at 1.1.99 RM	Charge for the year RM	Disposals RM	As at 31.12.99 RM
Freehold land and buildings	10,345,878	829,107	-	11,174,985
Leasehold land	228,854	22,885	-	251,739
	10,574,732	851,992	-	11,426,724

	1999 RM	1998 RM
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Net book value

Freehold land and buildings	35,425,090	36,159,088
Leasehold land	791,318	814,203
	36,216,408	36,973,291

	GROUP		COMPANY	
	1999 RM	1998 RM	1999 RM	1998 RM

Analysis of cost or valuation :-

Cost	123,992,597	123,539,807	2,652,213	2,557,104
At 1989 valuation	44,990,919	44,990,919	44,990,919	44,990,919
	168,983,516	168,530,726	47,643,132	47,548,023

The land and buildings of the Company were revalued in 1989 based on the valuation reports of an independent firm of professional valuers. The valuation was arrived at on an open market value basis.

8. INVESTMENTS

	GROUP		COMPANY	
	1999 RM	1998 RM	1999 RM	1998 RM
At cost:				
- transferable club membership	219,595	219,595	170,000	170,000
- investment property	1,682,460	1,682,460	911,040	911,040
- unquoted shares	58,702	58,702	-	-
- quoted shares	1,000	1,000	1,000	1,000
	1,961,757	1,961,757	1,082,040	1,082,040
Market value of quoted shares	1,620	275	1,620	275

9. SUBSIDIARY COMPANIES

	COMPANY	
	1999 RM	1998 RM
Unquoted shares at cost	29,848,115	29,848,115
Amount due from subsidiaries	64,168,015	56,786,252
Amount due to subsidiaries	(6,088,043)	(5,807,872)
	87,928,087	80,826,495

The subsidiaries of the Company are as follows:-

	Country of Incorporation	Percentage of Equity Held		Principal Activities
		1999 %	1998 %	
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

Notes To The Accounts 31 December 1999

9. SUBSIDIARY COMPANIES (CONTD)

	Country of Incorporation	Percentage of Equity Held		Principal Activities
		1999 %	1998 %	
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

10. EXPENDITURE CARRIED FORWARD

	GROUP	
	1999 RM	1998 RM
Preliminary expenses	4,000	4,000
Pre-operating expenses	482,938	482,938
Deferred expenditure	121,000	-
	607,938	486,938
Amortisation of expenditure carried forward	(7,370)	(5,732)
	600,568	481,206

11. STOCKS

	GROUP	
	1999 RM	1998 RM
Raw materials	1,185,247	994,949
Work-in-progress	1,376,856	1,166,922
Finished products	36,520,830	22,956,290
Maintenance stocks	1,330,482	1,109,008
	40,413,415	26,227,169

12. DEBTORS

	GROUP		COMPANY	
	1999	1998	1999	1998
Trade debtors	25,533,454	25,328,052	1,497,369	1,649,022
Other debtors	2,418,622	4,241,703	497,569	582,506
	27,952,076	29,569,755	1,994,938	2,231,528

Details are as follows:-

Trade debtors	29,378,306	27,807,461	2,616,048	2,767,701
Provision for doubtful debts	(3,844,852)	(2,479,409)	(1,118,679)	(1,118,679)
	25,533,454	25,328,052	1,497,369	1,649,022

In determining whether there is a need to provide for doubtful debts, the Directors have given due consideration to the current economic situation and other information available to assess the likelihood of bad debts arising. Although uncertainty generally exist with regard to the recovery of debts under the current economic situation, the Directors deemed the existing provision as adequate.

13. BANK BORROWINGS

	GROUP		COMPANY	
	1999	1998	1999	1998
Unsecured				
- overdrafts	21,976,260	19,943,196	13,464,577	12,280,944
- bankers' acceptances	10,042,000	3,314,000	990,000	837,000
- revolving credit financing	38,523,296	34,797,000	27,875,000	22,475,000
Term loan (Note 16)	4,609,820	6,184,962	-	-
	75,151,376	64,239,158	42,329,577	35,592,944

The bank borrowings bear interest at rates ranging from 6.75% to 9.5 % per annum (1998 : 7.3% to 16.9%).

14. CREDITORS

	GROUP		COMPANY	
	1999	1998	1999	1998
	RM	RM	RM	RM
Trade creditors	13,647,861	11,716,418	26,908	26,908
Other creditors	4,604,330	5,859,047	1,370,108	1,613,375
Amount due to Directors	32,000	-	30,000	-
Proposed dividend	810,576	810,576	810,576	810,576
	19,094,767	18,386,041	2,237,592	2,450,859

15. DEFERRED TAXATION

	GROUP	
	1999	1998
	RM	RM
At 1 January	150,000	105,000
Charge for the year	-	45,000
At 31 December	150,000	150,000

16. TERM LOANS

	GROUP	
	1999 RM	1998 RM
Term Loan I	228,870	2,280,202
Term Loan II	2,000,000	3,500,000
Term Loan III	2,857,150	4,285,720
	5,086,020	10,065,922
Less : Amount repayable within 12 months (Note 13)	(4,609,820)	(6,184,962)
	476,200	3,880,960

The term loans are obtained by a subsidiary and secured by Limited Guarantees executed by Goh Ban Huat Berhad.

Term loan I bears interest at 1% per annum above the bank's base lending rate and is repayable in 20 quarterly instalments commencing from January 1996.

Term loan II bears interest at 1% per annum above the bank's cost of funds and is repayable in 21 quarterly instalments commencing from September 1996.

Term loan III bears interest at 1% per annum above the bank's base lending rate and is repayable in 21 quarterly instalments commencing from January 1996.

17. SHARE CAPITAL

	GROUP/COMPANY	
	1999 RM	1998 RM
Authorised:		
Ordinary shares of RM1 each	100,000,000	100,000,000
Issued and fully paid:		
Ordinary shares of RM1 each	56,290,011	56,290,011

18. RESERVES

	GROUP		COMPANY	
	1999 RM	1998 RM	1999 RM	1998 RM
Non-distributable reserves:				
Revaluation reserve	4,043,820	4,043,820	4,043,820	4,043,820
Capital reserves	1,118,356	1,118,356	2,257,088	2,257,088
	5,162,176	5,162,176	6,300,908	6,300,908
Distributable reserve:				
Retained profits	17,960,251	18,297,314	5,218,023	5,232,013
	23,122,427	23,459,490	11,518,931	11,532,921

18. RESERVES (CONTD)

The Company has sufficient tax credit to distribute all its retained profits by way of dividends without incurring additional tax liability. The Company can distribute tax exempt dividend from its estimated tax exempt account of RM2,400,000.

The ability of the Company to distribute its retained earnings is subject to restrictions contained in Section 365 of the Companies Act 1965. In general (unless exempted from the section), a company is allowed to declare dividends (after making deductions for income tax, if any) for a financial year of an amount not exceeding the profit after tax of that financial year or not exceeding the average dividends declared in respect of the two financial years immediately preceeding that financial year, whichever is the greater. Any profit after tax not declared as dividends for any financial year commencing on or after 1 July 1997 may be accumulated and paid out as dividends in any subsequent financial year.

19. SIGNIFICANT INTER-COMPANY TRANSACTIONS

	COMPANY	
	1999	1998
	RM	RM
Transactions with subsidiary companies:-		
Rental income from subsidiaries	775,680	775,680

The Directors are of the opinion that these transactions are based on terms determined on a commercial basis. At year end, the balances unpaid were within normal trade credit terms.

20. CONTINGENT LIABILITY

	COMPANY	
	1999	1998
	RM	RM
Contingent liability in respect of corporate guarantees given by the Company for bank facilities granted to subsidiaries of which RM33.0 million (1998 : RM33.0 million) were utilised	70,750,000	56,000,000

21. SUBSEQUENT EVENT

On 3 January 2000, the Company entered into a private placement with a third party to increase its issued and paid up capital by 5,629,000 shares, representing 10% of its issued and paid up capital at a subscription price of RM1.44 per share. The placement raised a gross proceeds of RM8,105,760 and it will allow the Company to meet the new minimum share capital requirement of the Securities Commission for Main Board listings of RM60 million. This exercise was fully completed on 8 March 2000.

22. SEGMENT INFORMATION

The Group operates predominantly in three industry segments. Intercompany revenue is made at cost plus a certain margin.

Financial information by industry segment is as follows:-

	1999 RM	1998 RM
Revenue from customers outside the Group:		
Manufacturing	44,418,629	48,506,730
Properties	2,955,280	3,531,590
	47,373,909	52,038,320
Intercompany Revenue:		
Manufacturing	198,304	320,121
Trading	5,725,386	1,326,959
Properties	775,680	775,680
	6,699,370	2,422,760
Total Revenue	54,073,279	54,461,080
Elimination of intercompany revenue	(6,699,370)	(2,422,760)
Net revenue	47,373,909	52,038,320
Profit/(loss) before taxation:		
Manufacturing	(755,986)	131,082
Trading	221,415	54,812
Properties	741,863	502,585
Profit before taxation	207,292	688,479
Assets Employed:		
Manufacturing	74,039,893	74,126,947
Trading	1,909,782	1,676,078
Properties	17,952,465	18,436,178
	93,902,140	94,239,203

Information on the Group's operations by geographical segments is not presented as the overseas subsidiary's operations is not significant to the Group.

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

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 accounts set out on pages 16 to 31 are drawn up in accordance with approved accounting standards so as to give a true and fair view of:-

- (i) the state of affairs of the Group and of the Company as at 31 December 1999 and of the results of the business of the Group and of the Company for the year ended on that date; and
- (ii) the cash flows of the Group for the year ended 31 December 1999.

On behalf of the Board,

GOH TAI HEE @ GOH TAI HE

)

)

)

) DIRECTORS

)

TAN AH CHEUN

)

Kuala Lumpur, Malaysia
26 April 2000

STATUTORY DECLARATION

pursuant to section 169(16) of the companies act 1965

I, WONG CHUN NGAN, being the person primarily responsible for the financial management of GOH BAN HUAT BERHAD, do solemnly and sincerely declare that the accounts set out on pages 16 to 31 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 WONG CHUN NGAN
at Kuala Lumpur in the Federal Territory
on 26 April 2000

WONG CHUN NGAN

Before me,

Report Of The Auditors to the members of Goh Ban Huat Berhad

We have audited the accounts set out on pages 16 to 31. These accounts are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these accounts based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance that the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the accounts are properly drawn up in accordance with the provisions of the Companies Act, 1965 and approved accounting standards in Malaysia so as to give a true and fair view of :-
 - (i) the state of affairs of the Group and of the Company as at 31 December 1999 and of the results of the Group and of the Company and the cash flows of the Group for the year ended on that dated; and
 - (ii) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the accounts and consolidated accounts;
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies for which we are the auditors have been properly kept in accordance with the provisions of the Act.

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

The Auditors' Reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Companies Act 1965.

ERNST & YOUNG AF: 0039
Public Accountants

Yeo Eng Seng 1212/12/00(J)
Partner

Kuala Lumpur, Malaysia
26 April 2000

Financial Highlights for the year ended 31 December 1995 to 31 December 1999

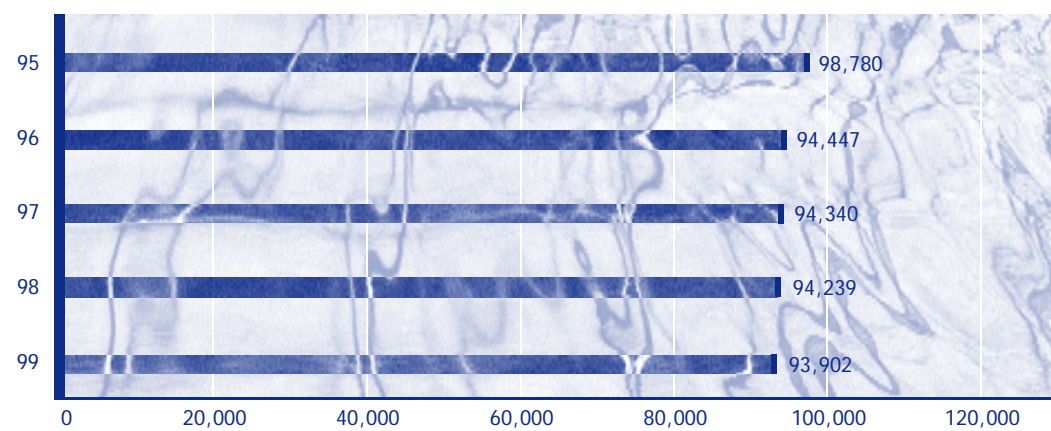
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
GROUP TURNOVER	41,652	53,031	58,137	52,038	47,374
GROUP PROFIT BEFORE TAX	415	(2,079)	1,160	688	207
TAXATION	(8)	1,471	(456)	21	266
PROFIT AFTER TAX	407	(3,550)	704	709	473
MINORITY INTEREST	-	-	-	-	-
	407	(3,550)	704	709	473
EXTRAORDINARY ITEMS	-	-	-	-	-
PROFIT ATTRIBUTABLE TO SHAREHOLDER	407	(3,550)	704	709	473
NET DIVIDEND	788	788	811	811	811
GROSS EARNING PER SHARE (SEN)	0.70	(6.30)	1.30	1.30	0.80
NET EARNING PER SHARE (SEN)	0.70	(6.30)	1.30	1.30	0.80
GROSS DIVIDEND RATE PER SHARE (%)	2.00	2.00	2.00	2.00	2.00

Summarised Balance Sheets as at 31 December 1995 to 31 December 1999

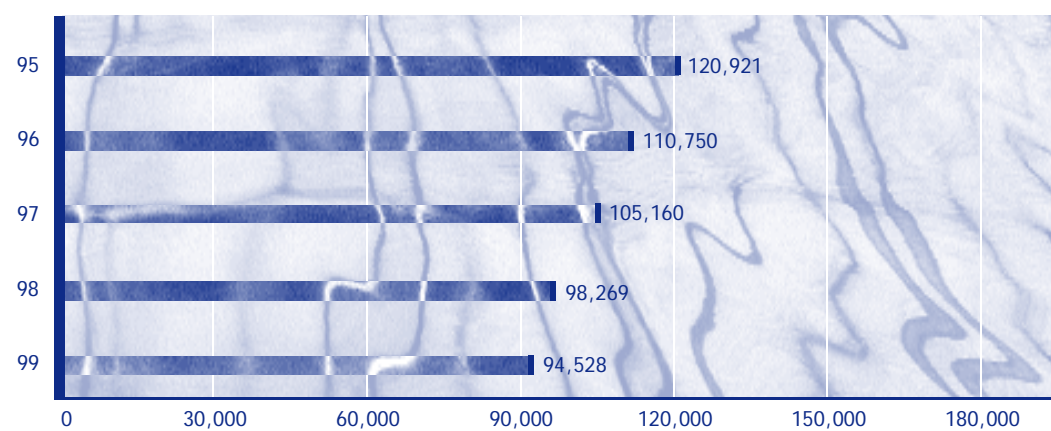
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
FIXED ASSETS	128,364	129,359	129,299	124,678	119,640
OTHER INVESTMENTS	274	279	1,021	1,962	1,962
GOODWILL ON CONSOLIDATION	266	265	265	265	265
NET CURRENT ASSETS/(LIABILITIES)	(7,983)	(19,153)	(25,425)	(28,636)	(27,339)
	120,921	110,750	105,160	98,269	94,528
FINANCED BY :					
SHARE CAPITAL	56,288	56,290	56,290	56,290	56,290
SHARE PREMIUM	14,486	14,490	14,490	14,490	14,490
RESERVES	28,006	23,667	23,560	23,459	23,122
	98,780	94,447	94,340	94,239	93,902
MINORITY INTEREST	-	-	-	-	-
DEFERRED AND LONG TERM LIABILITIES	22,141	16,303	10,820	4,030	626
	120,921	110,750	105,160	98,269	94,528
SHARE CAPITAL	56,288	56,290	56,290	56,290	56,290
SHAREHOLDERS' FUND	98,780	94,447	94,340	94,239	93,902
NET TANGIBLE ASSETS PER SHARE (RM)	1.75	1.68	1.67	1.67	1.66

Five Years Financial Highlights

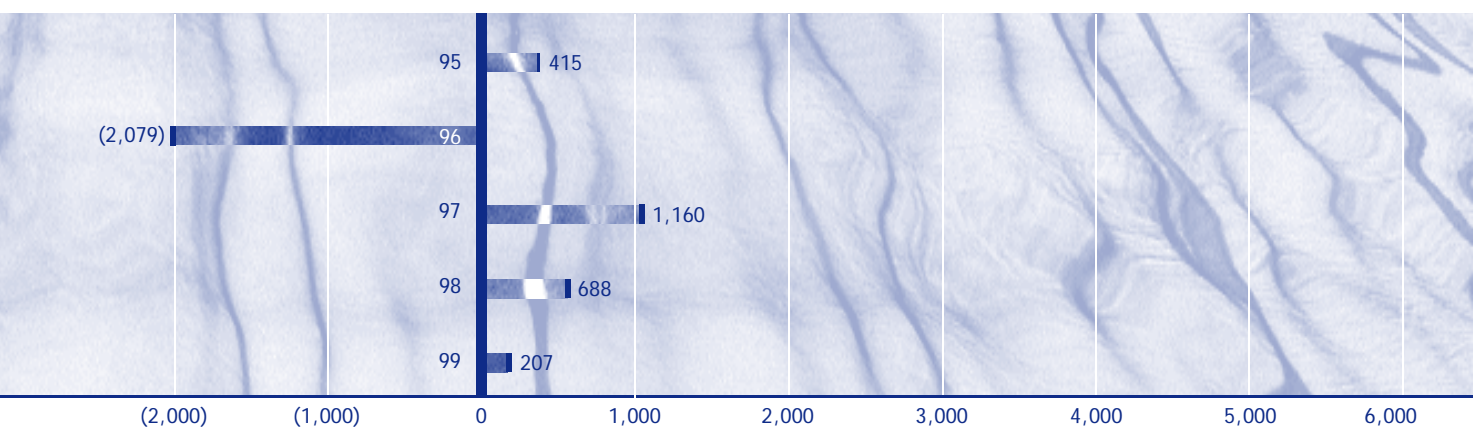
SHAREHOLDERS' FUND (Amount in RM'000)



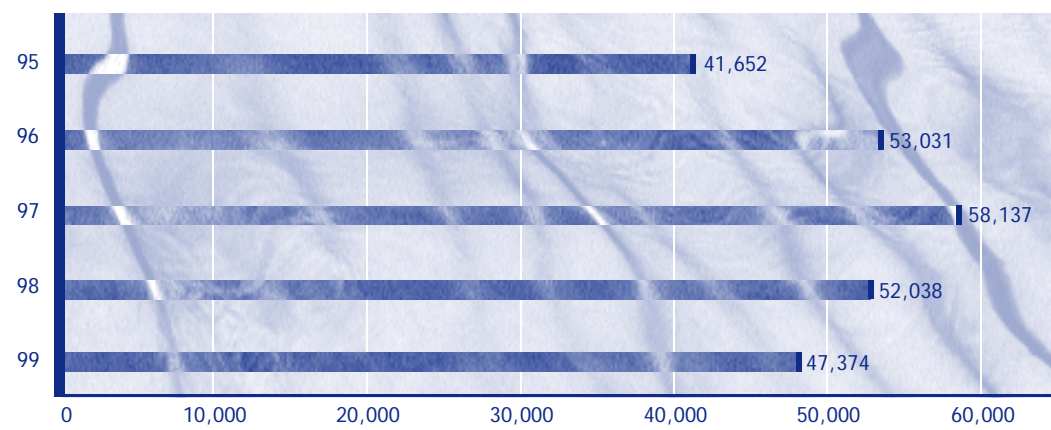
TOTAL ASSETS (Amount in RM'000)



PROFIT BEFORE TAX (Amount in RM'000)



TURNOVER (Amount in RM'000)



Analysis of Shareholdings

The Company has 2,905 shareholders as at 2 May 2000. There is only one class of shares namely, ordinary shares of RM1.00 each.

DISTRIBUTION OF SHAREHOLDERS

Size of S/Holdings	S/Holders	%	S/Holdings	%
1 - 499	210	7.23	46,354	0.07
500 - 5,000	2,222	76.49	4,424,697	7.15
5,001 - 10,000	233	8.02	1,971,875	3.18
10,001 - 100,000	204	7.02	5,950,106	9.61
100,001 - 1,000,000	27	0.93	6,536,383	10.56
more than 1,000,000	9	0.31	42,989,596	69.43
	2,905	100.00	61,919,011	100.00

LIST OF TWENTY LARGEST SHAREHOLDERS

No. Shareholders' Name	S/Holdings	%
1. Ceramtec Sdn Bhd	14,703,068	23.75
2. Lembaga Tabung Angkatan Tentera	11,260,000	18.19
3. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd (Pledged Acc Wan Shalihudin Wan Ibrahim)	5,629,000	9.09
4. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd (International Bank Malaysia Bhd For Ceramtec Sdn Bhd)	4,030,000	6.51
5. Multi-Purpose Bank Nominees (Tempatan) Sdn Bhd (Pledged Sec Acc For Ceramtec Sdn Bhd)	2,560,000	4.13
6. Goh Tye Nam	1,491,456	2.41
7. Goh Tai Seng	1,315,322	2.12
8. Goh Soon Eng	1,244,254	2.01
9. Tan Ah Cheun	1,176,125	1.90
10. Chew Boon Seng	541,000	0.87
11. Tan Lai Ming	500,000	0.81
12. Tan Han Chuan	426,000	0.69
13. Goh Tai He	320,896	0.52
14. Ng Tiong Seng Corporation Sdn Bhd	300,000	0.48
15. Bank Simpanan Nasional	289,000	0.47
16. Cartaban Nominees (Asing) Sdn Bhd (Paribas Suisse SA For Mr. Suck Chainganthreen)	286,000	0.46
17. Goh Leong Chuan	280,000	0.45
18. Alpha Dynamics Sdn Bhd	261,250	0.42
19. Chan Wan Moi	260,000	0.42
20. Chua Shiok Hoon	254,000	0.41
	47,127,371	76.11

SUBSTANTIAL SHAREHOLDERS

No. Shareholders' Name	Direct Interest	% of Issued Capital	Indirect Interest	% of Issued Capital
1. Ceramtec Sdn Bhd	21,293,068	34.39	-	-
2. Lembaga Tabung Angkatan Tentera	11,260,000	18.19	-	-
3. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd (International Bank Malaysia Bhd For Wan Shalihudin bin Wan Ibrahim)	5,629,000	9.09	-	-
4. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd (International Bank Malaysia Bhd For Ceramtec Sdn Bhd)	4,030,000	6.51	-	-
5. Multi-Purpose Bank Nominees (Tempatan) Sdn Bhd (Pledged Sec Acc For Ceramtec Sdn Bhd and Yeo Chuan Wee)	2,565,000	4.14	-	-
6. Wan Shalihudin bin Wan Ibrahim	5,629,000	9.09	-	-
7. Goh Tye Nam	1,491,456	2.41	*21,293,068	34.39
8. Goh Tai Seng	1,315,322	2.12	*21,293,068	34.39
9. Goh Soon Eng	1,244,254	2.01	-	-
10. Goh Tai He	320,896	0.52	*21,293,068	34.39

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

Particulars of Group Properties

The Properties included in land and buildings at 31 December 1999 are indicated below.

Location / Address (All Mukim of Batu Federal Territory Kuala Lumpur)	Land Area (Sq Meter)	Tenure	Existing Use	Approximate Age of Buildings (years)	N.B.V. of Properties in existing state (RM)
Lot 46260 (formerly known as Lot P.T. 555)	706	Leasehold (Expiring 05/09/2033)	Storage Yard	27	147,007
Lot 46261 (formerly known as Lot P.T. 556)	2,831	Leasehold (Expiring 05/09/2033)	Storage Yard	22	581,084
Lot 46262 (formerly known as Lot P.T. 6049)	260	Leasehold (Expiring 27/08/2077)	Storage Yard	27	63,231
Lot 1470	15,862	Freehold	Factory Land & Building	26	5,418,405
Lot 2983	4,044	Freehold	Factory Land & Building	51	1,488,759
Lot 3680	5,481	Freehold	Office Building & Resident Bungalow	51	2,017,603
Lot 2984	26,362	Freehold	Factory Land & Building & Warehouses for Rental	51	13,215,879
Lot 4397	545	Freehold	Factory Land & Building & Warehouses for Rental	51	162,846
Lot 38755	93	Freehold	Access Road	57	27,645
Lot 4722	1,898	Freehold	Warehouses for Rental	31	567,062
Lot 32661	38,307	Freehold	Warehouses for Rental	31	12,534,062
Lot P.T. 15519	23,446	Freehold	Factory Land & Building	6	28,359,347
	119,835				64,582,930

Proxy Form



I/*We
(Full Name In Capital Letters)

of
(Address)

being a *member/*members of GOH BAN HUAT BERHAD, hereby appoint

..... NRIC NO:
(Full Name)

of
(Address)

or failing him NRIC NO:
(Full Name)

of
(Address)

as *my/*our proxy to vote for *me/*us on *my/*our behalf at the Fifty - Third Annual General Meeting of GOH BAN HUAT BERHAD to be held at Pacific Ball Room C, Level 2, Pan Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Wednesday, 28 June 2000, at 3.00 p.m. and at any adjournment thereof.

The proportion of *my/*our holding to be represented by *my/*our proxies are as follows:-
(The next paragraph should be completed only when two proxies are appointed)

Number of shares held:

First proxy (1).....%

Second Proxy (2).....%

RESOLUTIONS	For	Against
RESOLUTION 1		
RESOLUTION 2		
RESOLUTION 3		
RESOLUTION 4		
RESOLUTION 5		
RESOLUTION 6		
RESOLUTION 7		

Please indicate with (x) 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 this.....day of.....2000.

Number of Ordinary Shares Held

.....
Signature(s)/Common seal of shareholders

(* Delete if not applicable)

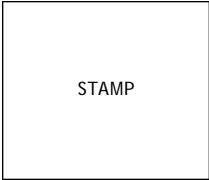
Notes :-

1. A member entitled to attend and vote at the Fifty - Third 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.
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.

Fold along this line (1)



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

Fold along this line (2)