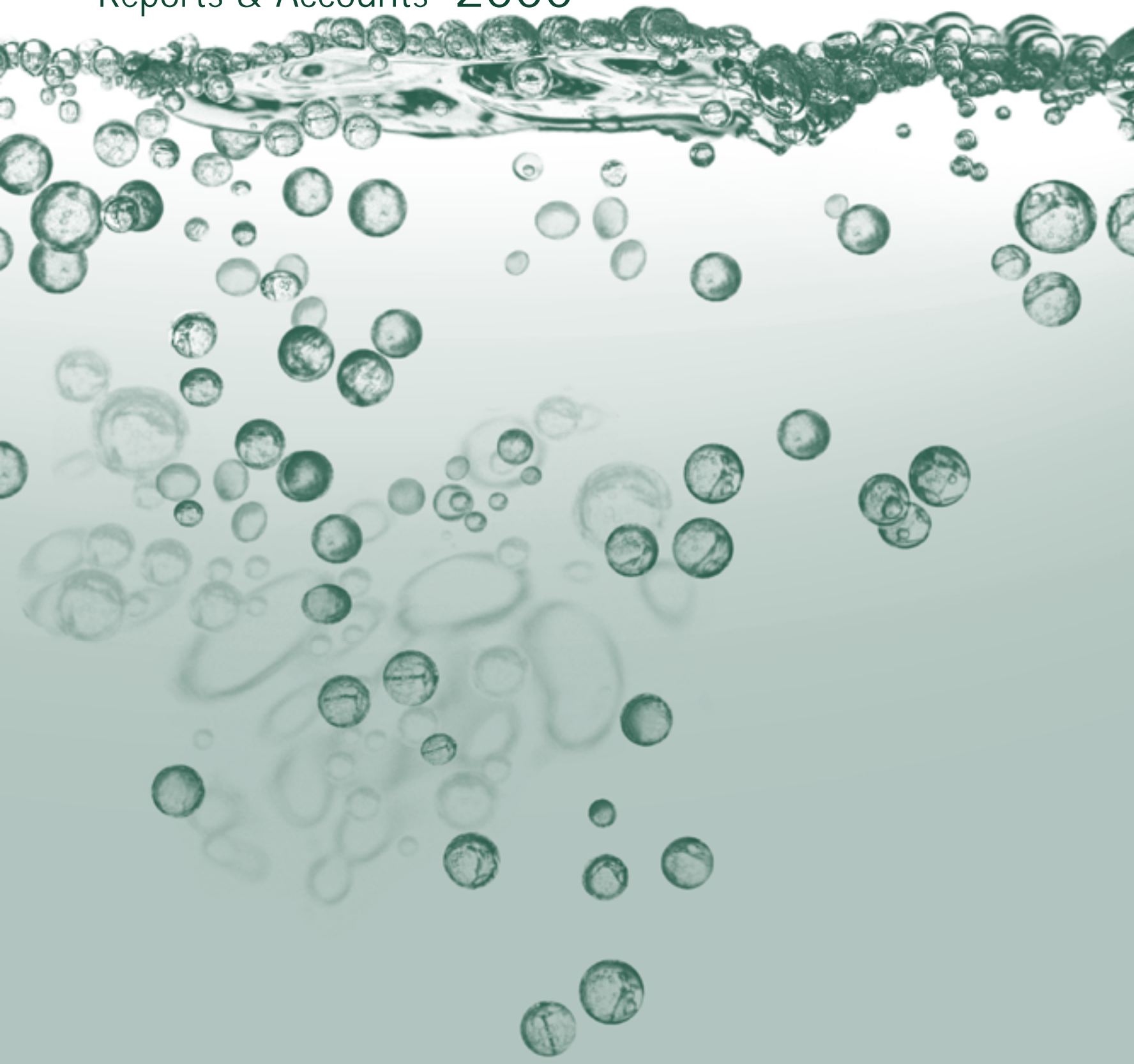


Reports & Accounts 2000



Directors' Report

The Directors present their report together with the audited financial statements of the Group and of the Company for the year ended 31 December 2000.

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.

RESULTS

	GROUP RM	COMPANY RM
Loss before taxation	(7,857,766)	(864,146)
Taxation	(577,169)	(312,000)
Loss after taxation	(8,434,935)	(1,176,146)
Retained profits brought forward	17,960,251	5,218,023
Retained profits carried forward	9,525,316	4,041,877

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.

SHARE CAPITAL

During the year, the issued and paid up share capital was increased from RM56,290,011 to RM61,919,011 by the issue of 5,629,000 ordinary shares of RM1.00 each at an issue price of RM1.44 each for cash to provide additional working capital.

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 do not propose to recommend any dividend for the current financial year.

Directors' Report

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	
Mej Jen (B) Datuk Jelani Bin Haji Asmawi	(Demised on 20.4.01)
Wan Shalihudin Bin Wan Ibrahim	(Appointed on 28.11.00)
Dato Haji Mohd Yusof Bin Haji Mohamed	
(Alternate Director to Haji Mohamed Amin Bin Haji Mohamed)	
Loh Siew Cheang	(Resigned on 24.7.00)

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 1.1.00	No. of Ordinary Shares of RM1		As at 31.12.00
			Addition	Disposal	
			During the year		

Direct interest:-

Goh Tai Seng	Goh Ban Huat Berhad	1,315,322	-	1,000,000	315,322
Goh Tai Hee @ Goh Tai He	Goh Ban Huat Berhad	320,896	-	-	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
Wan Shalihudin Bin Wan Ibrahim	Goh Ban Huat Berhad	-	5,629,000	-	5,629,000

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

Directors' Report

DIRECTORS (CONTD)

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 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 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.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The Company's ESOS was approved by the shareholders at an Extraordinary General Meeting held on 4 October 2000. Pursuant to the Scheme subsequent to the year end, 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. The Directors Mr. Goh Tai Seng, Mr. Goh Tai Hee @ Goh Tai He and Mr. Tan Ah Cheun were offered in total and they have accepted options to subscribe for 1,500,000 ordinary shares of RM1.00 each at an option price of RM1.11 per share. No options have been exercised up to the date of this report.

The main features of the Scheme are:-

- (a) Eligible persons are executive 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.
- (b) The total number of shares to be offered under the Scheme shall not exceed 10% of the issued share capital of the Company.
- (c) The maximum entitlement of eligible employees and full-time directors under the ESOS ranges from 72,000 to 500,000 ordinary shares.
- (d) 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.
- (e) The Scheme shall continue to be in force for a period of five years commencing from 15 December 2000.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements 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 financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

Directors' Report

OTHER STATUTORY INFORMATION (CONTD)

- (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 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 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
27 April 2001

Income Statements for the year ended 31 December 2000

		GROUP		COMPANY	
		2000	1999	2000	1999
		RM	RM	RM	RM
REVENUE	2	45,927,150	47,373,909	3,360,719	3,730,960
COST OF SALES		(34,992,780)	(29,701,712)	-	-
GROSS PROFIT		10,934,370	17,672,197	3,360,719	3,730,960
OTHER OPERATING INCOME		13,165	300,591	3,641,975	2,781,637
DISTRIBUTION COSTS		(4,449,175)	(4,931,400)	-	-
ADMINISTRATION EXPENSES		(6,686,389)	(5,083,135)	(2,633,357)	(835,206)
OTHER OPERATING EXPENSES		(1,846,681)	(2,012,812)	(1,665,665)	(1,826,619)
(LOSS)/PROFIT FROM OPERATIONS	3	(2,034,710)	5,945,441	2,703,672	3,850,772
FINANCE COST	4	(5,823,056)	(5,738,149)	(3,567,818)	(3,108,910)
(LOSS)/PROFIT BEFORE TAXATION		(7,857,766)	207,292	(864,146)	741,862
TAXATION	5	(577,169)	266,221	(312,000)	54,724
(LOSS)/PROFIT AFTER TAXATION		(8,434,935)	473,513	(1,176,146)	796,586
EARNINGS PER SHARE (IN SEN)	6	(13.8)	0.8		

The annexed notes form an integral part of these financial statements

Balance Sheets as at 31 December 2000

	Note	GROUP		COMPANY	
		2000 RM	1999 RM	2000 RM	1999 RM
PROPERTY, PLANT AND EQUIPMENT	7	115,973,041	119,639,712	35,386,471	36,216,408
INVESTMENTS	8	2,084,930	1,961,757	1,205,213	1,082,040
GOODWILL ON CONSOLIDATION		265,620	265,620	-	-
SUBSIDIARY COMPANIES	9	-	-	134,460,567	87,928,087
EXPENDITURE CARRIED FORWARD	10	101,000	600,568	-	-
CURRENT ASSETS					
Stocks	11	48,970,314	40,413,415	-	-
Debtors	12	30,421,937	27,952,076	1,391,705	1,994,938
Cash and bank balances		970,661	246,216	15,020	50,168
		80,362,912	68,611,707	1,406,725	2,045,106
TOTAL ASSETS		198,787,503	191,079,364	172,458,976	127,271,641
CURRENT LIABILITIES					
Bank borrowings	13	57,241,666	75,151,376	53,455,817	42,329,577
Creditors	14	17,510,779	19,094,767	1,624,226	2,237,592
Taxation		2,515,296	2,304,881	353,878	405,828
		77,267,741	96,551,024	55,433,921	44,972,997
DEFERRED TAXATION		150,000	150,000	-	-
LONG TERM LIABILITIES	15	27,796,797	476,200	27,796,797	-
TOTAL LIABILITIES		105,214,538	97,177,224	83,230,718	44,972,997
NET WORTH		93,572,965	93,902,140	89,228,258	82,298,644
FINANCED BY:					
SHARE CAPITAL	16	61,919,011	56,290,011	61,919,011	56,290,011
SHARE PREMIUM		16,966,462	14,489,702	16,966,462	14,489,702
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
RETAINED PROFITS	17	9,525,316	17,960,251	4,041,877	5,218,023
SHAREHOLDERS' FUNDS		93,572,965	93,902,140	89,228,258	82,298,644

The annexed notes form an integral part of these financial statements.

Statement Of Changes In Equity Of The Group

for the year ended 31 December 2000

	Note	Share capital RM	Share premium RM	Revaluation reserve RM	Capital reserve RM	Retained profits RM	T otal RM
GROUP							
At 1 January 1999		56,290,011	14,489,702	4,043,820	1,118,356	18,297,314	94,239,203
Profit for the year		-	-	-	-	473,513	473,513
Dividend	18	-	-	-	-	(810,576)	(810,576)
At 31 December 1999		56,290,011	14,489,702	4,043,820	1,118,356	17,960,251	93,902,140
Issue of shares		5,629,000	2,476,760	-	-	-	8,105,760
Loss for the year		-	-	-	-	(8,434,935)	(8,434,935)
At 31 December 2000		61,919,011	16,966,462	4,043,820	1,118,356	9,525,316	93,572,965
COMPANY							
At 1 January 1999		56,290,011	14,489,702	4,043,820	2,257,088	5,232,013	82,312,634
Profit for the year		-	-	-	-	796,586	796,586
Dividend	18	-	-	-	-	(810,576)	(810,576)
At 31 December 1999		56,290,011	14,489,702	4,043,820	2,257,088	5,218,023	82,298,644
Issue of shares		5,629,000	2,476,760	-	-	-	8,105,760
Loss for the year		-	-	-	-	(1,176,146)	(1,176,146)
At 31 December 2000		61,919,011	16,966,462	4,043,820	2,257,088	4,041,877	89,228,258

The annexed notes form an integral part of these financial statements.

Cash Flow Statements for the year ended 31 December 2000

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before taxation	(7,857,766)	207,292	(864,146)	741,862
Adjustments for:				
Amortisation of expenditure carried forward	28,999	1,638	-	-
Depreciation of property, plant and equipment	5,447,446	5,703,858	834,913	851,992
Deferred expenditure written off	470,569	-	-	-
Interest expense	5,823,056	5,738,149	3,567,818	3,108,910
Loss/(gain) on sale of property, plant and equipment	44,637	(112,999)	-	-
Provision for doubtful debts	749,982	1,365,443	749,982	-
Operating profit before working capital changes	4,706,923	12,903,381	4,288,567	4,702,764
Working capital changes:-				
Stocks	(8,556,899)	(14,186,246)	-	-
Debtors	(3,260,893)	(1,484,048)	(146,749)	236,590
Creditors	(773,412)	708,726	197,210	(213,267)
Subsidiary companies	-	-	(45,532,480)	(7,101,592)
Cash used in operations	(7,884,281)	(2,058,187)	(41,193,452)	(2,375,505)
Income tax paid	(366,754)	(387,764)	(363,950)	(341,657)
Income tax refunded	41,050	1,976,542	-	-
Interest paid	(5,823,056)	(5,738,149)	(3,567,818)	(3,108,910)
Payment of deferred expenditure	-	(121,000)	-	-
Net cash used in operations	(14,033,041)	(6,328,558)	(45,125,220)	(5,826,072)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment	40,000	113,000	-	-
Purchase of property, plant and equipment	(1,865,412)	(665,436)	(4,976)	(95,109)
Purchase of investment property	(121,953)	-	(121,953)	-
Purchase of quoted shares	(1,220)	-	(1,220)	-
Subscription for additional shares in a subsidiary company	-	-	(1,000,000)	-
Net cash used in investing activities	(1,948,585)	(552,436)	(1,128,149)	(95,109)

Cash Flow Statements for the year ended 31 December 2000

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(810,576)	(810,576)	(810,576)	(810,576)
Proceeds from issuance of share capital	8,105,760	-	8,105,760	-
(Repayment)/Drawdown of revolving credits	(37,277,296)	3,726,295	(25,875,000)	5,400,000
Repayment of term loans	(5,935,931)	(4,979,902)	(1,326,111)	-
Term loans drawdown	34,976,242	-	34,976,242	-
Net cash used in financing activities	(941,801)	(2,064,183)	15,070,315	4,589,424
NET DECREASE IN CASH AND CASH EQUIVALENTS	(16,923,427)	(8,945,177)	(31,183,054)	(1,331,757)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(31,018,044)	(22,072,867)	(14,404,409)	(13,072,652)
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE A)	(47,941,471)	(31,018,044)	(45,587,463)	(14,404,409)

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:-

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Cash and bank balances	970,661	246,216	15,020	50,168
Bank overdrafts	(39,027,132)	(21,976,260)	(36,832,483)	(13,464,577)
Bankers' acceptances	(9,885,000)	(9,288,000)	(8,770,000)	(990,000)
	(47,941,471)	(31,018,044)	(45,587,463)	(14,404,409)

The annexed notes form an integral part of these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements 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 (MASB). The Group and the Company have applied certain transitional provisions adopted by the MASB in respect of in International Accounting Standard No. 16 (Revised), Property, Plant and Equipment, by virtue of which a reporting enterprise is allowed to retain revalued amounts on the basis of their previous revaluations subject to continuity in depreciation policy and the requirement to write an asset down to its recoverable amount, if it does not further revalue its fixed assets.

(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 financial statements incorporate the financial statements of the Company and all its subsidiaries made up to 31 December 2000.

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 income statement to the extent of the diminution in value.

(c) Depreciation of property, plant and equipment

Freehold land is not amortised. Leasehold properties are amortised over the remaining periods of the respective leases. Other property, plant and equipment 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%

(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 income statements.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

(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.

Dividends from subsidiaries are included in the Income Statement of the Company when declared or proposed. Dividends from other investments are included in the Income Statements as and when received.

(h) Expenditure Carried Forward

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

(i) Accounts Receivable

Provision for doubtful debts is based on an individual evaluation of receivables or groups of receivables.

(j) Cash and Cash Equivalents

The statement of cash flows, prepared using the indirect method, classifies changes in cash and cash equivalents according to operating, investing and financing activities. For the purpose of cashflow statement, cash and cash equivalents comprise cash and bank balances, and 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. REVENUE

Revenue of the Company comprise income from rental of property.

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

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

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Rental of property	2,585,039	2,955,280	3,360,719	3,730,960
Trading	43,342,111	44,418,629	-	-

3. (LOSS)/PROFIT FROM OPERATIONS

(a) This is stated after charging/(crediting):-

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Auditors' remuneration				
- current year	70,500	55,500	15,000	12,000
- underprovision in prior year	15,500	-	3,000	-
Depreciation of property, plant and equipment	5,447,446	5,703,858	834,913	851,992
Directors' remuneration				
- fee	15,000	15,000	15,000	15,000
- emoluments	579,120	559,224	579,120	559,224
Deferred expenditure written off	470,569	-	-	-
Hire of equipment and machinery	268,739	74,662	-	-
Provision for doubtful debts	749,982	1,365,443	749,982	-
Amortisation of expenditure carried forward	28,999	1,638	-	-
Loss on foreign exchange	44,375	-	-	-
Loss/(gain) on sale of property, plant and equipment	44,637	(112,999)	-	-

(b) Employee information:-

Staff costs	8,769,381	8,814,146	268,837	252,081
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The total numbers of employees of the Group and of the Company (including directors) at year end were 598 (1999 : 631) and 26 (1999 : 32) respectively.

4. FINANCE COST

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Interest expenses				
- bankers' acceptances	369,286	456,087	126,407	42,782
- bank overdrafts	1,743,608	1,782,954	1,265,406	1,067,216
- long term loans	930,486	557,211	695,405	-
- revolving credits	2,738,462	2,941,172	1,480,600	1,998,912
- others	41,214	725	-	-
	5,823,056	5,738,149	3,567,818	3,108,910

5. TAXATION

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Malaysian taxation based on profit for the year				
- current	577,169	-	312,000	-
Overprovision in prior years	-	(266,221)	-	(54,724)
	577,169	(266,221)	312,000	(54,724)

The current year taxation charge of the Group and the Company are high as certain expenses were not allowed for tax purposes and the absence of group tax relief.

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

	GROUP	
	2000	1999
	RM	RM
Unutilised reinvestment allowance	25,573,570	25,573,570
Unabsorbed capital allowance	18,142,930	14,367,493
Unabsorbed tax losses	6,961,213	4,353,187
Revalued fixed assets	(202,191)	(202,191)

6. EARNINGS PER SHARE

The (loss)/earnings per share has been calculated based on the loss after taxation of RM8,434,935 (1999: Profit after taxation of RM473,513) for the Group and the loss after taxation of RM1,176,146 (1999: Profit after taxation of RM796,586) for the Company by the weighted number of shares in issue during the year of 60,980,844 (1999: 56,290,011) shares.

7. PROPERTY, PLANT AND EQUIPMENT

GROUP

	As at 1.1.00 RM	Additions RM	Disposals RM	As at 31.12.00 RM
COST/VALUATION				
Freehold land and buildings	76,137,718	7,861	-	76,145,579
Long term leasehold land	72,262	-	-	72,262
Short term leasehold land	970,795	-	-	970,795
Plant and machinery	79,057,733	1,479,269	-	80,537,002
Factory equipment and fittings	4,407,969	319,486	-	4,727,455
Furniture, fittings and equipment	2,686,162	58,796	-	2,744,958
Motor vehicles	5,650,877	-	(105,796)	5,545,081
	168,983,516	1,865,412	(105,796)	170,743,132

	As at 1.1.00 RM	Charge for the year RM	Disposals RM	As at 31.12.00 RM
ACCUMULATED DEPRECIATION				
Freehold land and buildings	12,346,106	1,131,241	-	13,477,347
Long term leasehold land	9,031	821	-	9,852
Short term leasehold land	242,708	22,064	-	264,772
Plant and machinery	27,618,046	3,499,991	-	31,118,037
Factory equipment and fittings	2,787,747	331,868	-	3,119,615
Furniture, fittings and equipment	2,101,323	171,807	-	2,273,130
Motor vehicles	4,238,843	289,654	(21,159)	4,507,338
	49,343,804	5,447,446	(21,159)	54,770,091

	2000 RM	1999 RM
NET BOOK VALUE		
Freehold land and buildings	62,668,232	63,791,612
Long term leasehold land	62,410	63,231
Short term leasehold land	706,023	728,087
Plant and machinery	49,418,965	51,439,687
Factory equipment and fittings	1,607,840	1,620,222
Furniture, fittings and equipment	471,828	584,839
Motor vehicles	1,037,743	1,412,034
	115,973,041	119,639,712

7. PROPERTY, PLANT AND EQUIPMENT (CONTD)

COMPANY

	As at 1.1.00 RM	Additions RM	As at 31.12.00 RM
COST/VALUATION			
Freehold land and buildings	46,600,075	4,976	46,605,051
Long term leasehold land	72,262	-	72,262
Short term leasehold land	970,795	-	970,795
	47,643,132	4,976	47,648,108

	As at 1.1.00 RM	Charge for the year RM	As at 31.12.00 RM
ACCUMULATED DEPRECIATION			
Freehold land and buildings	11,174,985	812,028	11,987,013
Long term leasehold land	9,031	821	9,852
Short term leasehold land	242,708	22,064	264,772
	11,426,724	834,913	12,261,637

	2000 RM	1999 RM
NET BOOK VALUE		
Freehold land and buildings	34,618,038	35,425,090
Long term leasehold land	62,410	63,231
Short term leasehold land	706,023	728,087
	35,386,471	36,216,408

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Analysis of cost or valuation:-				
Cost	125,752,213	123,992,597	2,657,189	2,652,213
At 1989 valuation	44,990,919	44,990,919	44,990,919	44,990,919
	170,743,132	168,983,516	47,648,108	47,643,132

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. These assets have continued to be stated on the basis of their 1989 valuations as allowed by the transitional provisions adopted by the Malaysian Accounting Standards Board in respect of International Accounting Standard No 16 (Revised), Property, Plant and Equipment.

The Company is unable to disclose the carrying amounts of the revalued property, plant and equipment, had they been carried at cost, due to the absence of historical records.

8. INVESTMENTS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
At cost:				
- transferable club membership	219,595	219,595	170,000	170,000
- investment property	1,804,413	1,682,460	1,032,993	911,040
- unquoted shares	58,702	58,702	-	-
- quoted shares	2,220	1,000	2,220	1,000
	2,084,930	1,961,757	1,205,213	1,082,040
Market value of quoted shares	1,660	1,620	1,660	1,620

9. SUBSIDIARY COMPANIES

	COMPANY	
	2000 RM	1999 RM
Unquoted shares at cost	30,848,115	29,848,115
Amount due from subsidiaries	109,349,920	64,168,015
Amount due to subsidiaries	(5,737,468)	(6,088,043)
	134,460,567	87,928,087

The subsidiaries of the Company are as follows:-

	Country of Incorporation	Percentage of Equity Held		Principal Activities
		2000 %	1999 %	
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

10. EXPENDITURE CARRIED FORWARD

	GROUP	
	2000 RM	1999 RM
Preliminary expenses	4,000	4,000
Pre-operating expenses	482,938	482,938
Deferred expenditure	121,000	121,000
	607,938	607,938
Amortisation	(36,369)	(7,370)
Write-off	(470,569)	-
	101,000	600,568

11. STOCKS

	GROUP	
	2000 RM	1999 RM
Raw materials	1,815,184	1,185,247
Work-in-progress	3,453,891	1,376,856
Finished products	42,006,986	36,520,830
Maintenance stocks	1,477,033	1,330,482
Consumables	217,220	-
	48,970,314	40,413,415

12. DEBTORS

	GROUP		COMPANY	
	2000	1999	2000	1999
Trade debtors	27,904,082	25,533,454	751,487	1,497,369
Other debtors	2,517,855	2,418,622	640,218	497,569
	30,421,937	27,952,076	1,391,705	1,994,938

Details are as follows:-

Trade debtors

Trade debtors	32,498,916	29,378,306	2,620,148	2,616,048
Provision for doubtful debts	(4,594,834)	(3,844,852)	(1,868,661)	(1,118,679)
	27,904,082	25,533,454	751,487	1,497,369

In determining whether there is a need to provide for doubtful debts, the Directors have given due consideration to the current information available to assess the likelihood of bad debts arising. Although uncertainties exist with regard to the recovery of certain debts, based on the current information available, the Directors deemed the existing provision as adequate.

13. BANK BORROWINGS

	GROUP		COMPANY	
	2000	1999	2000	1999
Secured				
- bank overdrafts	35,907,826	-	35,048,360	-
- bankers' acceptance	7,415,000	-	6,300,000	-
- term loan (Note 15)	5,853,334	-	5,853,334	-
Unsecured				
- bank overdrafts	3,119,306	21,976,260	1,784,123	13,464,577
- bankers' acceptance	2,470,000	9,288,000	2,470,000	990,000
- revolving credit financing	2,000,000	39,277,296	2,000,000	27,875,000
- term loan (Note 15)	476,200	4,609,820	-	-
	57,241,666	75,151,376	53,455,817	42,329,577

The bank borrowings bear interest at rates ranging from 7.55% to 8.30% per annum (1999 : 6.75% to 9.5%).

The bank borrowings are secured by way of a charge over the land and buildings of the Group.

14. CREDITORS

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Trade creditors	13,634,893	13,647,861	11,608	26,908
Other creditors	3,858,886	4,604,330	1,597,618	1,370,108
Amount due to Directors	17,000	32,000	15,000	30,000
Proposed dividend	-	810,576	-	810,576
	17,510,779	19,094,767	1,624,226	2,237,592

15. LONG TERM LIABILITIES

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Term Loans	34,126,331	5,086,020	33,650,131	-
Less: Amount repayable within 12 months (Note 13)	(6,329,534)	(4,609,820)	(5,853,334)	-
	27,796,797	476,200	27,796,797	-

The term loans except for an amount of RM476,200 which is repayable within 12 months are secured by a fixed and floating charge over all the assets of the Group. The term loans bear interest at 1.5% per annum above the lending banks base lending rate and is repayable over six years commencing 1 September 2000.

16. SHARE CAPITAL

	GROUP/COMPANY	
	2000 RM	1999 RM
Authorised:		
Ordinary shares of RM1 each	100,000,000	100,000,000
Issued and fully paid:		
Ordinary shares of RM1 each		
At 1 January	56,290,011	56,290,011
Issued during the year	5,629,000	-
At 31 December	61,919,011	56,290,011

During the year, the issued and paid up share capital was increased from RM56,290,011 to RM61,919,011 by the issue of 5,629,000 ordinary shares of RM1.00 each at an issue price of RM1.44 each for cash to provide additional working capital.

17. RETAINED PROFITS

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.

18. DIVIDEND

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Proposed final dividend of 2% less tax at 28%	-	810,576	-	810,576

19. SIGNIFICANT INTER-COMPANY TRANSACTIONS

	COMPANY	
	2000 RM	1999 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

	COMPANY	
	2000 RM	1999 RM
Contingent liability in respect of corporate guarantees given by the Company for bank facilities granted to subsidiaries of which RM8.06 million (1999 : RM33.0 million) were utilised	10,000,000	70,750,000

21. 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:-

	2000 RM	1999 RM
Revenue from customers outside the Group:		
Manufacturing	43,342,111	44,418,629
Properties	2,585,039	2,955,280
	<hr/> 45,927,150	<hr/> 47,373,909
Intercompany Revenue:		
Manufacturing	170,703	198,304
Trading	2,707,317	5,725,386
Properties	775,680	775,680
	<hr/> 3,653,700	<hr/> 6,699,370
Total Revenue	49,580,850	54,073,279
Elimination of intercompany revenue	(3,653,700)	(6,699,370)
	<hr/> 45,927,150	<hr/> 47,373,909
Profit/(loss) before taxation:		
Manufacturing	(7,061,652)	(755,986)
Trading	68,034	221,415
Properties	(864,146)	741,863
	<hr/> (7,857,764)	<hr/> 207,292
Assets Employed:		
Manufacturing	127,118,199	123,224,110
Trading	4,680,715	4,929,792
Properties	66,988,589	62,925,462
	<hr/> 198,787,503	<hr/> 191,079,364

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

22. COMPARATIVE FIGURES

The presentation of the financial statements for the current year has been changed to adopt the format as prescribed in Malaysian Accounting Standards Board (MASB) Standard No. 1- Presentation of Financial Statements. Comparative figures have been reclassified to conform with this presentation, where necessary.

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 financial statements set out on pages 15 to 30 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 2000 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 2000.

On behalf of the Board,

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

Kuala Lumpur, Malaysia
27 April 2001

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

I, LAI YENN JYE, being the person primarily responsible for the financial management of GOH BAN HUAT BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 15 to 30 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 LAI YENN JYE	
at Kuala Lumpur in the Federal Territory	
on 27 April 2001	LAI YENN JYE

Before me,

Report Of The Auditors

to the members of Goh Ban Huat Berhad

We have audited the financial statements set out on pages 15 to 30. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance that 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 Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements 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 2000 and of the results of the Group and of the Company and the cash flows of the Group for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the financial statements and consolidated financial statements;
- (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 financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in the 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 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 1212/12/02(J)
Partner

Kuala Lumpur, Malaysia
27 April 2001

Financial Highlights

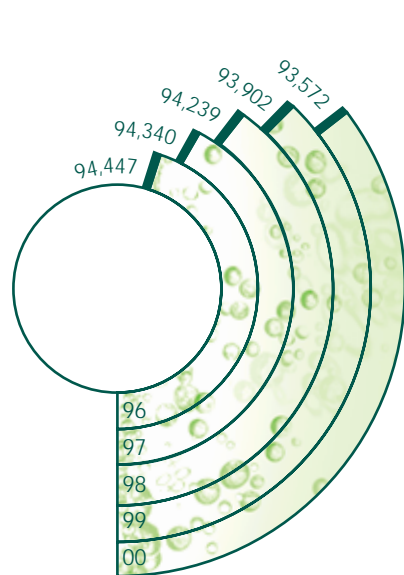
for the year ended 31 December 1996 to 31 December 2000

	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000
GROUP TURNOVER	53,031	58,137	52,038	47,374	45,927
GROUP PROFIT BEFORE TAX	(2,079)	1,160	688	207	(7,858)
TAXATION	1,471	(456)	21	266	(577)
PROFIT AFTER TAX	(3,550)	704	709	473	(8,435)
MINORITY INTEREST	-	-	-	-	-
	(3,550)	704	709	473	(8,435)
EXTRAORDINARY ITEMS	-	-	-	-	-
PROFIT ATTRIBUTABLE TO SHAREHOLDER	(3,550)	704	709	473	(8,435)
NET DIVIDEND	788	811	811	811	-
GROSS EARNING PER SHARE (SEN)	(6.30)	1.30	1.30	0.80	(13.80)
NET EARNING PER SHARE (SEN)	(6.30)	1.30	1.30	0.80	(13.80)
GROSS DIVIDEND RATE PER SHARE (%)	2.00	2.00	2.00	2.00	-

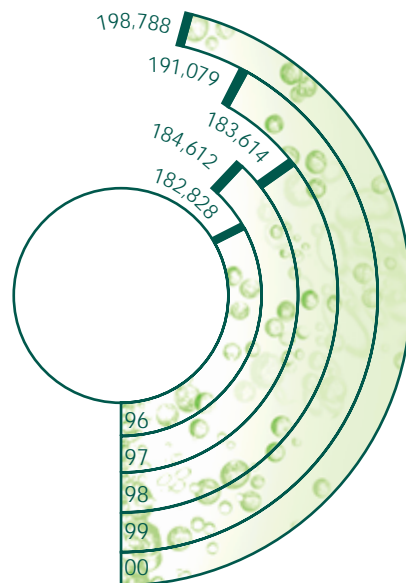
Summarised Balance Sheets as at 31 December 1996 to 31 December 2000

	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000
FIXED ASSETS	129,359	129,299	124,678	119,640	115,973
OTHER INVESTMENTS	279	1,021	1,962	1,962	2,085
GOODWILL ON CONSOLIDATION	265	265	265	265	265
NET CURRENT ASSETS/(LIABILITIES)	(19,153)	(25,425)	(28,636)	(27,339)	3,196
	110,750	105,160	98,269	94,528	121,519
FINANCED BY :					
SHARE CAPITAL	56,290	56,290	56,290	56,290	61,919
SHARE PREMIUM	14,490	14,490	14,490	14,490	16,966
RESERVES	23,667	23,560	23,459	23,122	14,687
	94,447	94,340	94,239	93,902	93,572
MINORITY INTEREST	-	-	-	-	-
DEFERRED AND LONG TERM LIABILITIES	16,303	10,820	4,030	626	27,947
	110,750	105,160	98,269	94,528	121,519
SHARE CAPITAL	56,290	56,290	56,290	56,290	61,919
SHAREHOLDERS' FUND	94,447	94,340	94,239	93,902	93,572
NET TANGIBLE ASSETS PER SHARE (RM)	1.68	1.67	1.67	1.66	1.51

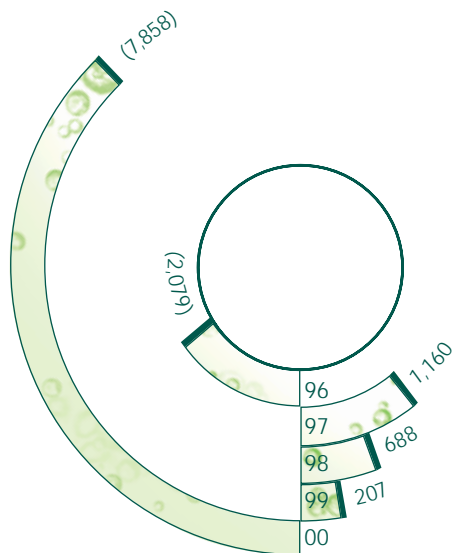
Five Years Financial Highlights



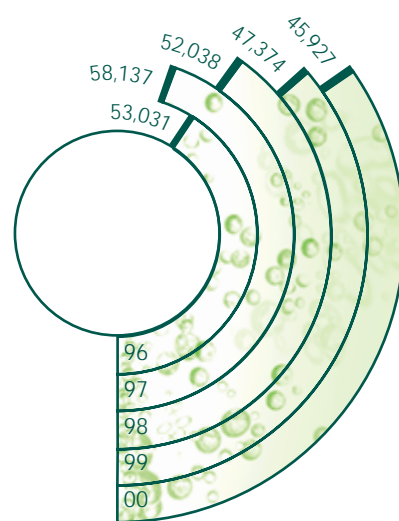
SHAREHOLDERS' FUND
(Amount in RM'000)



TOTAL ASSETS
(Amount in RM'000)



PROFIT BEFORE TAX
(Amount in RM'000)



TURNOVER
(Amount in RM'000)

Analysis Of Shareholdings

The Company has 2,723 shareholders as at 11 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	194	7.13	44,201	0.07
500 - 5,000	2,077	76.28	4,112,807	6.64
5,001 - 10,000	226	8.30	1,903,125	3.07
10,001 - 100,000	188	6.90	5,558,899	8.98
100,001 - 1,000,000	30	1.10	8,619,532	13.92
more than 1,000,000	8	0.29	41,680,447	67.32
	2,723	100.00	61,919,011	100.00

LIST OF TWENTY LARGEST SHAREHOLDERS

No. Shareholders' Name	S/Holdings	%
1. AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Sec. Acc. 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 Sec. Acc. For Wan Shalihudin Wan Ibrahim)	5,629,000	9.09
5. Goh Soon Eng	1,244,254	2.01
6. Tan Ah Cheun	1,176,125	1.90
7. Tan Guat Poh	1,087,250	1.76
8. Chew Boon Seng	943,000	1.52
9. Lau Siew Kian	800,000	1.29
10. Goh Tye Nam	691,456	1.12
11. Tan Lai Ming	500,000	0.81
12. Wong Hok Yim	441,000	0.71
13. Tan Han Chuan	430,000	0.69
14. Hong Leong Finance Berhad (Pledged Sec. Acc. For Lee Teck Yuen)	385,000	0.62
15. Goh Tai He	320,896	0.52
16. Goh Tai Seng	315,322	0.51
17. Bank Simpanan Nasional	289,000	0.47
18. Cartaban Nominees (Asing) Sdn Bhd (Credit Agricole Indosuez Lausanne For Suckchai Nganthavee)	286,000	0.46
19. Goh Leong Chuan	280,000	0.45
20. Then Yen Sun	270,000	0.44
	47,641,371	76.94

SUBSTANTIAL SHAREHOLDERS

No. Shareholders' Name	Direct Interest	% of Issued Capital	Indirect Interest	% of Issued Capital
1. AllianceGroup Nominees (Tempatan) Sdn Bhd	17,095,286	27.61	-	-
2. Lembaga Tabung Angkatan Tentera	11,260,000	18.19	-	-
3. Ceramtec Sdn Bhd	21,293,068	34.39	-	-
4. Goh Tai Seng	315,322	0.51	*21,293,068	34.39
5. Goh Tai He	320,896	0.52	*21,293,068	34.39
6. Wan Shalihudin Wan Ibrahim	5,629,000	9.09	-	-
7. Goh Soon Eng	1,244,254	2.01	-	-
8. Goh Tye Nam	691,456	1.12	*21,293,068	34.39

* Deemed interest by virtue of his 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 2000 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	28	142,548
Lot 46261 (formerly known as Lot P.T. 556)	2,831	Leasehold (Expiring 05/09/2033)	Storage Yard	23	563,475
Lot 46262 (formerly known as Lot P.T. 6049)	260	Leasehold (Expiring 27/08/2077)	Storage Yard	28	62,410
Lot 1470	15,862	Freehold	Factory Land & Building	27	5,337,668
Lot 2983	4,044	Freehold	Factory Land & Building	52	1,466,345
Lot 3680	5,481	Freehold	Office Building & Residen Bungalow	52	1,987,227
Lot 2984	26,362	Freehold	Factory Land & Building & Warehouses for Rental	52	12,789,909
Lot 4397	545	Freehold	Factory Land & Building & Warehouses for Rental	52	162,846
Lot 38755	93	Freehold	Access Road	58	27,645
Lot 4722	1,898	Freehold	Warehouses for Rental	32	567,062
Lot 32661	38,307	Freehold	Warehouses for Rental	32	12,286,358
Lot P.T. 15519	23,446	Freehold	Factory Land & Building	7	28,043,172
	119,835				63,436,665

Amendments To The Articles Of Association

Article 2 - Definition

THAT the following new definition be incorporated to the existing Article 2:-

Words	Meanings
The Stock Exchange :	The Kuala Lumpur Stock Exchange and such other Approved Market Place if any upon which the securities of the Company may be listed and quoted.

THAT the existing definition in the Article 2 of the Articles of Association be amended as follows:-

Words	Meanings
Book Closing Date :	The specified time and date set by the Company for the purpose of determining persons entitled to dividends, interest, or new securities or other distributions, or rights to a priority of application for issues of securities.

Article 5 (vi) - Issue of Securities

THAT the existing Article 5 (vi) of Articles of Association is amended by replacing the word "shares" with the word "securities" immediately after the words "issues of" and "with such" in line one and line two of the said article respectively as follows:-

Article 5 (vi)

all new issues of securities for which listing is sought are made by way of crediting the securities accounts of the allottees with such securities save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with the Kuala Lumpur Stock Exchange Listing Requirements.

For this purpose, the Company must notify the Central Depository of the names of the allottees and all such particulars required by the Central Depository, to enable the Central Depository to make the appropriate entries in the securities accounts of such allottees.

Article 6 - Rights of Preference Shareholders

THAT the existing Article 6 of the Articles of Association be deleted in its entirety and substituted with the following new Article 6 (1) and Article 6 (2) as follows:

Article 6 (1)

Subject to the Act, any preference shares may with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time and the Company shall not issue preference shares ranking in priority over preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts, and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened:-

- (a) when the dividend or part of the dividend on the share is in arrears for more than 6 months;
- (b) on a proposal to reduce the Company's share capital;
- (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
- (d) on a proposal that affects rights attached to the share;
- (e) on a proposal to wind up the Company; and
- (f) during the winding up of the Company.

Amendments To The Articles Of Association

Article 6 (2)

The holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.

Article 10 - Commission on subscription of securities

THAT the existing Article 10 of the Articles of Association be deleted in its entirety and substituted with the following new Article 10 as follows:-

Article 10

The Company may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of ten per cent (10%) of the price at which the securities in respect whereof the same is paid are issued or an amount equal to ten per cent (10%) of that price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid securities or partly in one way and partly in the other. The Company may also on any issue of securities pay such brokerage as may be lawful.

Article 12 - Trusts not to be recognized

THAT the existing Article 12 of the Articles of Association is amended by deleting the said article in its entirety.

Article 14, 14A and 14B - Issues of shares

THAT the existing Article 14, 14A and 14B of the Articles of Association be deleted in its entirety and substituted with the following new Article 14, 14A and 14B as follows :-

Article 14

The Company must not cause or authorise its registrars to cause the securities accounts of the allottees to be credited with the additional securities until after it has filed with the Stock Exchange an application for listing of such additional securities and been notified by the Stock Exchange that they have been authorised for listing.

Article 14A

The Company must ensure that all new issues of securities for which listing is sought are made by way of crediting the securities accounts of the allottees with such securities save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with the Kuala Lumpur Stock Exchange Listing Requirements. For this purpose, the Company must notify the Central Depository of the names of the allottees and all such particulars required by the Central Depository, to enable the Central Depository to make the appropriate entries in the securities accounts of such allottees.

Article 14B - Allotment and despatch of notices of allotment for an issue

- (i) Within 15 market days of the final applications closing date for a rights issue or such other period as may be prescribed by the Stock Exchange, the Company must:-
 - (a) allot and issue securities;
 - (b) despatch notices of allotment to allottees; and
 - (c) make an application for the quotation of such securities.

Amendments To The Articles Of Association

(ii) Within 10 market days of the books closing date for a bonus issue or such other period as may be prescribed by the Exchange, the Company must:-

- (a) allot and issue securities;
- (b) despatch notices of allotment to allottees; and
- (c) make an application for the quotation of such securities.

Article 15 - Company's lien on shares

THAT the existing Article 15 of the Articles of Association be deleted in its entirety and substituted with the following new Article 15 as follows:-

Article 15

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether immediately payable or not, called or payable at a fixed time in respect of such share and/or such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Company's lien (if any) on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid. The Board of Directors may resolve that any share shall for some specified period be exempt from the provisions of this Article. Unless otherwise agreed, the registration of a transfer of any share shall operate as a waiver of the Company's lien (if any) on such share.

Article 27 – Transfer of securities

THAT the existing Article 27 of the Articles of Association be deleted in its entirety and substituted with the following new Article 27 as follows:-

Article 27

Subject to these Articles, the Rules, the Central Depositories Act, and the Kuala Lumpur Stock Exchange Listing Requirements, any member may transfer all or any of his securities by instrument in writing in the form prescribed and approved by the Stock Exchange, the Act, and/or the Central Depositories Act on which the Company's securities are listed and quoted. All transfers of Deposited Security shall be effected in accordance with the Central Depositories Act and the Rules. The instrument of transfer of any security shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the securities until the transfer is registered and the name of the transferee is entered in the Register of Members and/or the Record of Depositors as the case may be in respect thereof.

Article 28 - Transfers of securities

THAT the existing Article 28 of the Articles of Association be deleted in its entirety and substituted with the following new Article 28 as follows:-

Article 28

The transfer of any listed security or class of listed security of the Company, which have been deposited with the Central Depository shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding Sections 103 and 104 of the Act, but subject to Section 107C(2) of the Act, and any exemption that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities.

Amendments To The Articles Of Association

Article 31 - Suspension of registration

THAT the existing Article 31 of the Articles of Association be deleted in its entirety and substituted with the following new Article 31 as follows:-

Article 31

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole thirty (30) days in any year. At least twelve (12) clear market days after the date of announcement or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the said register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Kuala Lumpur Stock Exchange. In relation to the closure, the Company shall give written notice in accordance with the Rules to the Central Depository to prepare the appropriate Record of Depositors.

Article 32 – Renunciation

THAT the existing Article 32 of the Articles of Association is amended by deleting the said article in its entirety.

Article 33 – Transmission of securities

THAT the existing Article 33 of the Articles of Association is amended by replacing the word “shares” with the word “securities” immediately after the words “in the ” in last line of the said article as follows:-

Article 33

In the case of the death of a member, the legal representatives of the deceased shall be the only person recognised by the Company as having any title to his interest in the securities.

Article 33A - Transmissions of Securities from Foreign Register

THAT the existing Article 33A of Articles of Association be deleted in its entirety and substituted with the following new Article 33A as follows:-

Article 33A

(1) Where:-

- (a) the securities of the Company are listed on an Approved Market Place; and
- (b) the Company is exempted from compliance with section 14 of Central Depositories Act or section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of the Central Depository in respect of such securities ,

the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as “the Foreign Register”), to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as “the Malaysian Register”) provided that there shall be no change in the ownership of such securities.

(2) Where (1)(a) and (1)(b) are fulfilled, the Company shall not allow any transmission of securities from the Malaysian Register into the Foreign Register.

Amendments To The Articles Of Association

Article 34 - Securities of deceased or bankrupt member

THAT the existing Article 34 of the Articles of Association be deleted in its entirety and substituted with the following new Article 34 as follows:-

Article 34

Any person becoming entitled to a security in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Central Depository and subject as hereinafter provided, elect either to be registered himself as holder of the security or to have some person nominated by him registered as the transferee thereof, but the Central Depository shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the security by that member before his death or bankruptcy. Provided Always that where the security is a Deposited Security, subject to the Rules, a transfer of the security may be carried out by the person becoming so entitled.

Article 35 – Notice of election

THAT the existing Article 35 of the Articles of Association be deleted in its entirety and substituted with the following new Article 35 as follows:-

Article 35

If a person so becoming entitled elects to be registered himself, he shall deliver or send to the Central Depository a notice in writing signed by him stating that he so elects provided that where the security is a Deposited Security and the person becoming so entitled elects to have the security transferred to him, the aforesaid notice must be served by him on the Central Depository. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the security. All the limitations, restrictions and provisions of the Central Depository relating to the rights to transfer and the registration of transfers of securities shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

Article 36 – Person entitled to receive dividends

THAT the existing Article 36 of the Articles of Association is amended by replacing the word “share” with the word “security” immediately after the words “of any” in line one of the said article as follows:-

Article 36

Where the registered holder of any security dies or become bankrupt his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt.

Article 50 - Offer of unissued original shares

THAT the existing Article 50 of the Article of Association be deleted in its entirety and substituted with the following new Article 50 as follows:-

Article 50

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to

Amendments To The Articles Of Association

whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this article.

Article 57 (a) - Notice of Meeting

THAT the existing Article 57 (a) of Articles of Association be deleted in its entirety and substituted with the following new Article 57 (a) as follows:-

Article 57 (a)

Every notice convening meetings shall specify the place, the day and the hour of the meeting, and shall be given to all members at least 14 days' notice in writing before the meeting. Any General Meeting at which it is proposed to pass a special resolution or where it is an annual general meeting shall be called by at least 21 days' notice in writing. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business and shall be given in the manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notice of general meetings from the Company. At least 14 days' notice or 21 days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in the daily press and in writing to each Stock Exchange upon which the Company is listed.

Article 57 (b)

THAT the existing Article 57 (b) of the Articles of Association is amended by replacing the word "prepare" with the word "issue" immediately after the words " the Rules, to" in line two of the said article as follows:-

Article 57 (b)

The Company shall request the Central Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of general meetings shall be given by the Company.

Article 57 (c)

THAT the existing Article 57 (c) of the Articles of Association is amended by replacing the word "prepare" with the word "issue" immediately after the words " the Rules, to" in line two of the said article as follows:-

Article 57 (c)

The Company shall request the Central Depository in accordance with the Rules, to issue a Record of Depositors as at a date not less than three (3) market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors").

Article 74A - Appointment of more than one proxy

THAT the new Article 74A be inserted immediately after the existing Article 74 to read as follows :-

Article 74A

Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Amendments To The Articles Of Association

Article 75 - Form of Proxy

THAT the existing Article 75 of the Articles of Association be deleted in its entirety and substituted with the following new Article 75 as follows:-

Article 75

The instrument appointing a proxy shall be in the following form with such variations as circumstances may require or the statutes permit or in such other form as the Stock Exchange authorities may approve :-

GOH BAN HUAT BERHAD

Iof..... a member of the abovementioned Company, hereby appoint.....of.....as *my/our proxy to vote for *me/us and on *my/our behalf at the (Annual or Extraordinary as the case may be) General Meeting of the Company, to be held on theday ofand, at every adjournment thereof for/against the resolution(s) to be proposed thereat.

As witness my hand thisday of20

*Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit).

A proxy may but does not need to be a member of the Company and the provisions of Section 149 (1) (b) of the Act need not be complied with.

To be valid this form duly completed must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting.

A member shall be entitled to appoint more than one proxy to attend and vote at the same meetings.

Where a member appoints more than one proxy the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

If the appointor is a corporation, this form must be executed under its common seal or under the hand of its attorney.

Article 80 - Retirement of Directors

THAT the existing Article 80 of the Article of Association be deleted in its entirety and substituted with the following new Article 80 as follows:-

Article 80

At the first annual general meeting of the Company all the Directors shall retire from office, and at the annual general meeting in every subsequent year one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office and be eligible for re-election and an election of Directors shall take place each year PROVIDED ALWAYS that all Directors including a Managing Director shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Amendments To The Articles Of Association

Article 89 (iii) - Directors' remuneration

THAT the existing Article 89 (iii) of the Articles of Association be deleted in its entirety and substituted with the following new Article 89 (iii) as follows:-

Article 89 (iii)

Fees payable to Directors shall not be increased except pursuant to a resolution at a general meetings, where notice of the proposed increase has been given in the notice convening the meeting.

Article 91 - When offices of Director deemed vacant

THAT the existing Article 91 (g) of the Articles of Association be deleted in its entirety and substituted with the following new Article 91 (g) as follows:-

Article 91 (g):-

is absent from more than 50% of the total board of directors' meetings held during a financial year.

Article 117 - Special position of Managing Director

THAT the existing Article 117 of the Articles of association be deleted in its entirety and substituted with the following new Article 117 as follows:-

Article 117

A Managing Director shall, while he continues to hold that office, be subject to retirement by rotation, and he shall be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, but he shall, subject to provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause shall ipso factor and immediately cease to be a Managing Director.

Article 132 - To whom copies of profits and loss accounts etc. may be sent.

THAT the existing Article 132 of the Articles of Association be deleted in its entirety and substituted with the following new Article 132 as follows:-

Article 132

The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the directors' and auditors' reports shall not exceed 4 months. Provided that the Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and reports as are referred to in the said Section. The interval between the close of a financial year of the Company and the issue of accounts relating to it shall not exceed six (6) months. A copy of each such documents shall not less than twenty one (21) days before the date of the meeting (or such shorter period as may be agreed in any year for the receipt of notice of the meeting pursuant to Article (57) be sent to every member of, and to every holder of debentures of the Company under the provisions of the Act or these Articles.

The requisite number of copies of each such document as may be required by the stock exchange upon which the Company's shares may be listed shall at the same time be likewise sent to each stock exchange provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Company's registered office.

Amendments To The Articles Of Association

Article 154 - Voluntary liquidation

THAT the existing Article 154 of Articles of Association is amended by replacing the word "ratified" with the word "approved" immediately after the word "shall have been" in line two of the said article to read as follows:-

Article 154

On the voluntary liquidation of the Company, no commission or fee shall be paid to a liquidator unless it shall have been approved by members. The amount of such payment shall be notified to all members at least seven (7) days prior to the meeting at which it is to be considered.

Article 157 – Compliance with Statutes, Regulations and Rules

A new Article 157 of the Articles of Association be inserted immediately after the existing Article 156 as follows:-

Article 157

The Company shall comply with the provisions of the relevant governing statutes, regulations and rules as may be amended, modified or varied from time to time, or any other directive or requirement imposed by the Stock Exchange, the Central Depository and other appropriate authorities to the extent required by law, notwithstanding any provisions in these Articles to the contrary.

Article 158 - Effect of the Listing Requirements of the Kuala Lumpur Stock Exchange

THAT a new Article 158 (1) to (7) be inserted immediately after Article 157 as follows:-

Article 158

- (1) Notwithstanding anything contained in these Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (2) Nothing contained in these Articles prevents an act being done that the Listing Requirements require to be done.
- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (4) If the Listing Requirements require these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.
- (5) If the Listing Requirements require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision.
- (6) If any provision of these Articles is or becomes inconsistent with the Listing Requirements, these Articles are deemed not to contain that provision to the extent of the inconsistency.
- (7) For the purpose of this Article, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Kuala Lumpur Stock Exchange including any amendment to the Listing Requirements that may be made from time to time.

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-Fourth Annual General Meeting of GOH BAN HUAT BERHAD to be held at Pacific Ballroom A, Level 2, Pan Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Wednesday, 27 June 2001, 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.....2001.

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-Fourth 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 notes on special business of the Agenda
5. The Special Resolution proposed under item 5 (i) on the Proposed Amendments to the Articles of Association of the Company is to bring the Articles of Association of the Company in line with the recent amendments made to the Companies Act, 1965, the Securities Industry (Central Depositories) Act, 1991 and the Kuala Lumpur Stock Exchange Revamped Listing Requirements.

6. The Ordinary Resolution proposed under item 5 (ii) 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)

STAMP

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

Fold along this line (2)