

GOH BAN HUAT BERHAD (1713-A)

PART A. NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the FRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements of the Group have been prepared in accordance with Malaysia Financial Reporting Standards (“MFRSs”) and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards (“IFRSs”) for the financial period beginning on 1 January 2012:

MFRS 1	First-time Adoption of Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 8	Operating Segments
MFRS 101	Presentation of Financial Statements
MFRS 102	Inventories
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110	Events after the Reporting Period
MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment
MFRS 117	Leases
MFRS 118	Revenue
MFRS 119	Employee Benefits
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 124	Related Party Disclosure
MFRS 127	Consolidated and Separate Financial Statements
MFRS 132	Financial Instruments: Presentation
MFRS 134	Interim Financial Reporting
MFRS 136	Impairment of Assets
MFRS 137	Provision, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instruments: Recognition and Measurement
MFRS 140	Investment Property
IC Int. 4	Determining whether an Arrangement contains a lease
IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 17	Distributions of Non-cash Assets to Owners
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments
IC Int. 115	Operating Leases - Incentives
IC Int. 125	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
IC Int. 127	Evaluating the Substance of Transactions involving the Legal Form of a Lease

In the previous years, the interim financial statements of the Group were prepared in accordance with Financial Reporting Standards (“FRSs”) for the transition to the MFRS, the Group has elected to apply the exemptions in MFRS 1 – First-time Adoption of Financial Reporting Standards on designation of previously recognised financial instruments and fair value measurement of financial assets or financial liabilities at initial recognition.

In addition other than as disclosed below, there is no material impact on the transition to MFRSs in the interim financial statements:

Under FRSs, the Group measured certain freehold land and building at valuation. The last valuation was in 2004. Upon transition to MFRSs, the Group elected to apply the exemption to use the previous revaluation as deemed cost under MFRSs. The revaluation reserve of RM 47,652,000 at 1 January 2011 was recognised to retained earnings.

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PART A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

1. Basis of preparation (cont'd)

	1 January 2011	31 December 2011
	RM '000	RM '000
Consolidated statement of financial position		
Revaluation reserve	47,652	47,652
Adjustment to retained earnings	47,652	47,652

Under FRSSs, the Group measured investment properties at fair value. Upon transition to MFRSSs, the Group elected to apply the exemption to use the fair value at 1 January 2011 as deemed cost under MFRSSs. There is no financial effect to the Group interim financial statement.

Except as mention above the same accounting policies and method of computation has been applied consistently to the interim financial statement as compared with the last annual financial statement.

2. Auditors' report

The auditor's report on the annual financial statements of the Group for the financial year ended 31 December 2011 was not qualified.

3. Seasonality of operation

The Group's business operations in the current quarter were not affected by seasonal or cyclical factors.

4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the financial quarter under review.

5. Material changes in estimates

There was no material effect on the current interim period from estimates of amounts reported in prior interim periods of the current financial year or prior financial years.

6. Dividends

No dividend was paid in the financial quarter under review.

7. Segmental information

(RM'000)	2012	2011	2012	2011
<u>Segment Revenue</u>	<u>1st Qtr</u>	<u>1st Qtr</u>	<u>3 Mths Cum</u>	<u>3 Mths Cum</u>
Manufacturing	8,987	8,376	8,987	8,376
Trading	1,217	907	1,217	907
Properties	822	986	822	986
	<u>11,026</u>	<u>10,269</u>	<u>11,026</u>	<u>10,269</u>

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PART A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

7. Segmental information (cont'd)

(RM'000) <u>Segment Result</u>	<u>2012</u> <u>1st Qtr</u>	<u>2011</u> <u>1st Qtr</u>	<u>2012</u> <u>3 Mths Cum</u>	<u>2011</u> <u>3 Mths Cum</u>
Manufacturing	(72)	449	(183)	449
Trading	263	(90)	262	(90)
Properties	(387)	(353)	(275)	(353)
	<u>(196)</u>	<u>6</u>	<u>(196)</u>	<u>6</u>

8. Subsequent events

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current financial quarter under review.

9. Changes in group composition

There were no changes in the composition of the Group during the financial quarter under review.

10. Capital commitments

There were no material capital commitments for the Group as at the date of this announcement.

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PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1. Performance review

Manufacturing segment current quarter

The manufacturing segment revenue for the first quarter of 2012 has improved by 7.2% from RM8.38 million in first quarter of 2011 to RM8.99 million in first quarter of 2012. The increase in revenue was mainly attributed to the increase in clay pipes sales as a result of orders from the Greater Kuala Lumpur Sewerage and Refurnishing Works project launched by the government. However, the revenue was negated by the drop in sales from the tableware division from RM1.62 million in first quarter 2011 to RM0.33 million in the current quarter.

The segment recorded a loss before tax of RM0.07 million in the current quarter (2011: profit RM0.45million) due mainly to the operational loss as a result of the lower revenue from the tableware division.

Trading segment current quarter

The trading segment revenue for the first quarter of 2012 has improved by 34.2% from RM0.91 million in first quarter of 2011 to RM1.22 million in first quarter of 2012 mainly due to sale of obsolete stocks.

The improved profit before tax of 392.2% amounting to RM0.35 million recorded in the current quarter (2011:loss RM0.09 million) was due to sale of obsolete stocks which have been fully provided for in previous years.

Properties segment current quarter

The properties segment revenue for the first quarter of 2012 has declined by 16.6% from RM0.99 million in first quarter of 2011 to RM0.82 million in first quarter of 2012 mainly due to low occupancy rate and termination of certain tenancy agreement.

The slight decline in loss before tax of 9.6% amounting to RM0.38 million recorded in the current quarter (2011: loss RM0.35 million) was due to provision made for doubtful debts amounting to RM103,000.

2. Comparison with preceding quarter's results

The Group revenue decreased marginally from RM11.62 million in the fourth quarter of 2011 to RM11.03 million in the current quarter mainly due to lower sales in the tableware division. Current quarter performance resulted in loss before tax of RM196,000 as compared with a profit before tax of RM264,000 in the preceding quarter, due mainly to lower sales, gross profit margin and increase in staff cost.

3. Prospects

The Group's operating environment, principally within the ceramic building materials industry, remains difficult and challenging, with intense competition from imports sourced from cheaper cost manufacturing countries. However, the Group has taken measures to discontinue manufacture of lower margin products, strengthen its core business in the clay pipes division and undertaken cost reduction measures which should result in better performance for the Group in the remainder of the financial year.

4. Variance on profit forecast

Not applicable.

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PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONT'D)

5. Items included in the Statement of Income

Profit/(loss) before tax is after charging/(crediting) the following :

	Current year quarter and period ended 31/03/2012	Previous year quarter and period ended 31/03/2011
Interest income	(311)	(290)
Other income	(19)	(72)
Interest expenses	-	-
Depreciation and amortisation	690	644
Provision for and write off of receivables	197	4
Provision for and write off of inventories	-	173
(Gain)/loss on disposal of investments or properties	-	-
Impairment of assets	-	-
Foreign exchange (gain)/loss	(7)	-
(Gain)/loss on derivatives	-	-
Exceptional items	-	-

6. Taxation

There is no provision for taxation for the Group as there is no chargeable income for the current quarter under review.

7. Group borrowings and debt securities

The Group has no borrowings and it did not issue any debt securities.

8. Material litigation

There is no material litigation since the date of the last annual statement of financial position.

9. Dividend

No dividend was recommended for this quarter.

10. Earnings / (loss) per share

a) Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Net (loss) / profit attributable to owners of the Parent	(196)	6	(196)	6
Weighted average number of ordinary shares	185,757	185,757	185,757	185,757
Basic (loss) / earnings per share (sen)	(0.11)	0.00	(0.11)	0.00

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PART B. NOTES PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONT'D)

10. Earnings / (loss) per share (con'd)

b) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Net (loss) / profit attributable to owners of the Parent	(196)	6	(196)	6
Weighted average number of ordinary shares	185,757	185,757	185,757	185,757
Diluted potential ordinary shares	6,486	-	6,486	-
Diluted (loss) / earnings per share (sen)	(0.10)	0.00	(0.10)	0.00

11. Realised and Unrealised Profit / (Losses)

	As at 31/03/2012 RM'000	As at 31/03/2011 RM'000	As at 31/12/2011 RM'000	As at 31/12/2010 RM'000
Total accumulated losses of the parent and its subsidiaries :-				
- Realised	(214,997)	(215,480)	(214,702)	(214,252)
- Unrealised	47,810	47,729	47,711	47,663
	(167,187)	(167,751)	(166,991)	166,589
Less: Consolidation adjustments	139,740	139,882	139,740	138,714
Total group accumulated losses as per consolidated accounts	(27,447)	(27,869)	(27,251)	(27,875)

**BY ORDER OF THE BOARD
GOH BAN HUAT BERHAD**

**Tang Tat Chun
Executive Director – Finance**

**Kuala Lumpur
23/05/2012**