



2012
ANNUAL REPORT



GUH HOLDINGS BERHAD (4104-W)

VISION

To be profitable and well-established conglomerate that maximizes the interest for its shareholders, employees, customers and community

MISSION

FOR ITS SHAREHOLDERS

- Practise good corporate governance to enhance transparency
- Identify correct ventures and business development to maximize shareholders' value
- Provide good dividend payment

FOR ITS EMPLOYEES

- Provide a conducive working environment
- Provide proper training, development and opportunities for career advancement
- Recognize and reward excellent employees

FOR ITS CUSTOMERS

- Respond to the changing demands of the customers
- Improve products quality and technical innovations to fulfil customers' needs and satisfactions in the market place

FOR ITS COMMUNITY

- Participate in environmental protection
- Uphold its corporate responsibilities for the benefit of the community

CORPORATE PROFILE

GUH Holdings Berhad is a Malaysian-based corporation with diversified businesses involved in electronic, property, electrical, plantation, water/wastewater and power.

Incorporated on 1 March 1961 and being listed on the Main Market of Bursa Malaysia Securities Berhad, GUH is committed to building a sustainable future and bringing positive benefits for value creation in the social economy, environment and governance to all its stakeholders.

www.guh.com.my

BOARD OF DIRECTORS

Dato' Seri H'ng Bok San
Executive Chairman

Dato' Kenneth H'ng Bak Tee
Chief Executive Officer/ Managing Director

Dato' Harry H'ng Bak Seah
Non-Independent Non-Executive Director

Datin Jessica H'ng Hsieh Ling
Non-Independent Non-Executive Director

Mr. Chew Hock Lin
Independent Non-Executive Director

Dato' Ismail Bin Hamzah
Independent Non-Executive Director

Mr. Lai Chang Hun
Independent Non-Executive Director

En. Wan Ismail Bin Wan Nik
Independent Non-Executive Director

AUDIT COMMITTEE

Mr. Chew Hock Lin *Chairman*
Dato' Ismail Bin Hamzah
Datin Jessica H'ng Hsieh Ling

NOMINATION COMMITTEE

Dato' Ismail Bin Hamzah *Chairman*
Mr. Chew Hock Lin
Mr. Lai Chang Hun

REMUNERATION COMMITTEE

Dato' Ismail Bin Hamzah *Chairman*
Mr. Chew Hock Lin
Dato' Kenneth H'ng Bak Tee

COMPANY SECRETARIES

Dato' Kenneth H'ng Bak Tee (LS 0008988)
Ms. Kee Gim Tee (MAICSA 7014866)

REGISTERED OFFICE

Part of Plot 1240 & 1241
Bayan Lepas Free Industrial Zone
Phase 3, Bayan Lepas
11900 Penang
Tel : 04-616 6333
Fax : 04-616 6366
Email : guhholdings@guh.com.my

WEBSITE

www.guh.com.my

SHARE REGISTRAR

Mega Corporate
Services Sdn. Bhd.(187984-H)
Level 15-2 Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-2692 4271
Fax : 03-2732 5388

INDEPENDENT AUDITORS

Crowe Horwath (AF1018)
Chartered Accountants
17.01 Menara Boustead Penang
39 Jalan Sultan Ahmad Shah
10050 Penang
Tel : 04-227 7061
Fax : 04-227 8011

BANKERS

Public Bank Berhad
Citibank Berhad
CIMB Bank Berhad

STOCK EXCHANGE LISTING

Listed on the Main Market of
Bursa Malaysia Securities Berhad
under Industrial Products Sector
Stock Name: GUH (3247)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

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Board of Directors



From Left to Right

Dato' Kenneth H'ng Bak Tee , Mr. Chew Hock Lin, En. Wan Ismail Bin Wan Nik, Dato' Seri H'ng Bok San, Mr. Lai Chang Hun, Dato' Ismail Bin Hamzah, Datin Jessica H'ng Hsieh Ling , Dato' Harry H'ng Bak Seah

大 展 鴻 圖



DIRECTORS' PROFILE



Dato' Seri H'ng Bok San

Executive Chairman

Aged 73, Malaysian

Dato' Seri H'ng Bok San is the founder of GUH Circuit Industry (PG) Sdn. Bhd., the Executive Chairman of GUH Holdings Berhad ("GUH") Group and the substantial shareholder of GUH. He was appointed to the Board of GUH on 6 January 1994. Dato' Seri H'ng also sits on the Boards of Sarawak Cable Berhad, a public listed company and Leader Universal Holdings Berhad. He holds directorships in several other private limited companies.

An experienced and well-known entrepreneur who completed high school examination in the early years with a Certificate in Business Administration and Accounting obtained in Singapore, Dato' Seri H'ng began his career in various fields from marketing management, business administration to the setting up of businesses and manufacturing.

Dato' Seri H'ng founded Leader Cable Industry Berhad back in 1976 and he implemented a restructuring and merger exercise between Leader Cable Industry Berhad and Universal Cable (M) Berhad and established Leader Universal Holdings Berhad as the holding company, one of the public companies then listed on Bursa Malaysia Securities Berhad.

Throughout his career, Dato' Seri H'ng has been very much involved in the business entrepreneurship and he has gained extensive operational experience in the manufacturing as well as the corporate restructuring and merger exercise and many other fields and industry sectors. He has accumulated in-depth knowledge and recognition over the years.

Dato' Seri H'ng's daughter, Datin Jessica H'ng Hsieh Ling and two brothers, Dato' Harry H'ng Bak Seah and Dato' Kenneth H'ng Bak Tee are also the Directors of GUH. Dato' Seri H'ng is deemed to have an interest pertaining to the Proposed Renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature which will be tabled at the forthcoming 49th Annual General Meeting.

Dato' Seri H'ng attended all of the 4 Board meetings which were held in the financial year ended 31 December 2012.

Dato' Kenneth H'ng Bak Tee was appointed to the Board as the Chief Executive Officer/Managing Director of GUH on 1 September 2004. He is a member of the Remuneration Committee appointed by the Board. He also serves as a Director of several subsidiaries of the Group, Binary University College of Management & Entrepreneurship and other private limited companies.

Dato' Kenneth has been admitted as a fellow member of the Institute of Approved Company Secretaries during the financial year. He is also a member of the Registered Financial Planner and an affiliate of the Malaysian Institute of Chartered Secretaries and Administrators.

Dato' Kenneth graduated with a Bachelor's Degree in Mathematics with Double Honors in Computers Science and Combinatoric & Optimization and obtained a Master of Management Science Degree from University of Waterloo, Canada. Dato' Kenneth started his career as a System Engineer in International Business Machines Kuala Lumpur, in 1985. He was then posted to the regional headquarters (Asia-South Pacific Area) in Hong Kong, in 1987. In a short period of service, he was honored with the Informal Manager Award and the Asia-South Pacific Area Excellence Award in 1988 in recognition of his contribution and commitment in the business planning and development.

Dato' Kenneth returned to Malaysia in 1989 and joined Leader Cable Industry Berhad as the Deputy General Manager. He was then appointed as the Group Executive Director of Leader Universal Holdings Berhad in August 1995 and had been appointed as the Managing Director from 1998 to February 2004. Subsequent to that, he was appointed as the Executive Vice Chairman until his appointment as the Chief Executive Officer/Managing Director of GUH Group of Companies.



Dato' Kenneth H'ng Bak Tee

Chief Executive Officer/Managing Director
Aged 53, Malaysian

Dato' Kenneth is the brother of the Group's Executive Chairman, Dato' Seri H'ng Bok San and the Non-Executive Director, Dato' Harry H'ng Bak Seah. His niece, Datin Jessica H'ng Hsieh Ling is also a Non-Executive Director of GUH. Dato' Kenneth is deemed to have an interest pertaining to the Proposed Renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature which will be tabled at the forthcoming 49th Annual General Meeting.

Dato' Kenneth attended all of the 4 Board meetings which were held in the financial year ended 31 December 2012.

DIRECTORS' PROFILE



Dato' Harry H'ng Bak Seah

Non-Executive Director

Aged 63, Malaysian

Dato' Harry H'ng Bak Seah was appointed to the Board as a Non-Executive Director of GUH on 13 January 1994. He also holds directorships in several other local and overseas private limited companies.

Upon completing his high school education, he began his career which is involved in the field of pewter and magnet wire manufacturing and operations. Subsequently, he ventured into the telecommunications and power cable business. He has held various positions from the Group Managing Director of Leader

Universal Holdings Berhad since 1993 until the appointment as the Executive Vice Chairman from 1997 to 2005. Throughout his career, Dato' Harry gained extensive experience and enhanced the knowledge in the manufacturing operations and diversified business environment over the years.

Dato' Harry is the brother of the Group's Executive Chairman, Dato' Seri H'ng Bok San and the Chief Executive Officer/Managing Director, Dato' Kenneth H'ng Bak Tee. His niece, Datin Jessica H'ng Hsieh Ling is also a Non-Executive Director of GUH. Dato' Harry is deemed to have an interest pertaining to the Proposed Renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature which will be tabled at the forthcoming 49th Annual General Meeting.

Dato' Harry attended all of the 4 Board meetings which were held in the financial year ended 31 December 2012

Datin Jessica H'ng Hsieh Ling was appointed to the Board as a Non-Executive Director on 20 February 2001. She is a member of the Audit Committee appointed by the Board. She holds directorships in several other private limited companies.

Datin Jessica graduated from Southern Illinois University at Carbondale, USA with a Bachelor of Science Degree, majoring in Accounting and she also obtained a Master of Science Degree, majoring in Taxation from Drexel University, Philadelphia, USA. Upon completing her tertiary education, Datin Jessica started her career by holding various major key positions in multinational companies and gained extensive knowledge and experience in corporate finance and business management prior to joining Leader Universal Holdings Berhad, the then public listed company on Bursa Malaysia Securities Berhad.

Datin Jessica is the daughter of the Group's Executive Chairman, Dato' Seri H'ng Bok San. Her uncles, Dato' Harry H'ng Bak Seah is the Non-Executive Director and Dato' Kenneth H'ng Bak Tee is the Chief Executive Officer/ Managing Director of GUH. Datin Jessica is deemed to have an interest pertaining to the Proposed Renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature which will be tabled at the forthcoming 49th Annual General Meeting.

Datin Jessica attended 3 out of the 4 Board meetings which were held in the financial year ended 31 December 2012.



Datin Jessica H'ng Hsieh Ling

Non-Executive Director

Aged 47, Malaysian

DIRECTORS' PROFILE



Mr. Chew Hock Lin

Independent Non-Executive Director
Aged 69, Malaysian

Mr. Chew Hock Lin was appointed to the Board as an Independent Non-Executive Director of GUH on 20 February 2001. He chairs the Audit Committee and is a member of the Nomination Committee and the Remuneration Committee of the Board. He is also the Senior Independent Director of GUH to whom all concerns may be conveyed. Other Malaysian public companies which he is a Director are Hunza Properties Berhad and Master Pack Group Berhad.

Mr. Chew graduated with a Bachelor of Commerce Degree from the University of Western Australia. He is a member of the Institute of Chartered Accountants in Australia. He is a member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants. He is also a Fellow of Chartered Tax Institute of Malaysia. Mr. Chew is a former partner of an international audit firm. He has more than 30 years of working experience in various areas covering auditing, accounting, finance and tax. He gained extensive experience and knowledge during his tenure as a partner and long year of service in the accountancy profession. Based on his experience in sitting on the Board of a few public listed companies, Mr. Chew is able to play his role in formulating and reviewing the Company's strategy and to strike a balance and make the Board more effective and be accountable to shareholders.

Save as aforesaid disclosed, Mr. Chew does not have any family relationship with and is not related with any Director and/or major shareholder of GUH nor has any personal interest in any business arrangement involving the Company.

Mr. Chew attended all of the 4 Board meetings which were held in the financial year ended 31 December 2012.

Dato' Ismail Bin Hamzah was appointed to the Board as an Independent Non-Executive Director on 19 December 2001. He serves as Chairman of the Nomination Committee and the Remuneration Committee of the Board. He is also a member of the Audit Committee. Dato' Ismail sits on the Boards of a few public listed companies, namely Engtex Group Berhad, SCC Holdings Berhad, Marco Holdings Berhad and Goh Ban Huat Berhad. Apart from serving as a Director of public listed companies, Dato' Ismail also serves as a Director of several other private limited companies.

Dato' Ismail graduated from the University of Malaya in 1970 with a Bachelor of Economics (Hons) in Analytical Economics. Upon completed his tertiary education, he started his career by holding many key positions in the governmental agencies and organizations. He gained extensive knowledge and experience from economics to finance acquired, throughout his career and tenure of service in the governmental authorities for more than 30 years. Sitting on the Board of a few public listed companies, Dato' Ismail is very experienced and capable to provide independent and objective judgment to the Board and he is able to attend all the Board meetings with sufficient time devoted to reading and formulating solutions to issues presented at the Board meeting.

Save as aforesaid disclosed, Dato' Ismail does not have any family relationship with and is not related with any Director and/or major shareholder of GUH nor has any personal interest in any business arrangement involving the Company.

Dato' Ismail attended all of the 4 Board meetings which were held in the financial year ended 31 December 2012.



Dato' Ismail Bin Hamzah

Independent Non-Executive Director

Aged 66, Malaysian

DIRECTORS' PROFILE



Mr. Lai Chang Hun

Independent Non-Executive Director
Aged 75, Malaysian

Mr. Lai Chang Hun was appointed to the Board on 13 January 1994. He has been re-designated the Independent Non-Executive Director of the Company since 16 March 2005. Mr. Lai is a member of the Nomination Committee appointed by the Board. He also holds directorships of several other private limited companies.

Mr. Lai was the Chairman of Penang Electrical Merchant Association and he is presently holding the position as one of the Trustees in the Association. He is presently a Director

of Han Chiang High School and College and also holding the position as a Director in a number of social societies. Mr. Lai completed his high school education and obtained a diploma in the electrical and electronic in the early year. He started his career in the electrical engineering business. Over the years, he has gained extensive knowledge and business experience in the manufacturing and marketing of electronics and electrical products and appliances. Apart from that, he had been serving on the Board of other public listed company and is knowledgeable, competent and able to give objective judgment to the Board and to facilitate a more fair, balanced and effective governance of the Board and the Company.

Save as aforesaid disclosed, Mr. Lai does not have any family relationship with and is not related with any Director and/or major shareholder of GUH nor has any personal interest in any business arrangement involving the Company.

Mr. Lai attended all of the 4 Board meetings which were held in the financial year ended 31 December 2012.

En. Wan Ismail Bin Wan Nik was appointed to the Board on 26 January 1994. He has been the Independent Non-Executive Director of the Company since 1 January 2008. En. Wan Ismail is also a director of several other private limited companies.

En. Wan Ismail graduated from the University of Malaya in 1971 with a Bachelor of Economics Degree. He also completed the examinations of the Institute of Chartered Secretaries and Administrators, United Kingdom in 1970 and the Securities Institute of Australia in 1972. Through his career that involved in various industries, he has gained extensive knowledge and diversified business experience including commercial banking, investment, property development, manufacturing and trading. He once served as a Director in a few public listed companies and he is knowledgeable, competent and able to give independent judgment to the Board and to facilitate a more fair, balanced and effective governance of the Board and the Company.

Save as aforesaid disclosed, En. Wan Ismail does not have any family relationship with and is not related with any Director and/or major shareholder of GUH nor has any personal interest in any business arrangement involving the Company.

En. Wan Ismail attended all of the 4 Board meetings which were held in the financial year ended 31 December 2012.



En. Wan Ismail Bin Wan Nik

Independent Non-Executive Director

Aged 66, Malaysian

Save as disclosed in the Directors' Profile, none of the Director of GUH has been convicted of any offences within the past 10 years other than traffic offences, if any.

EXECUTIVE CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of GUH Holdings Berhad, I am pleased to present the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2012.



Dato' Seri H'ng Bok San
DGPN, DSPN, PKT, PJK, JP

Despite the contraction of the Eurozone, the slowdown of US and Japanese economy which led to lackluster external demand and resulted in the underlying weakness and downside risks facing the global economy, we are proud to have sustained in this challenging business environment.

Our primary focus is to deliver overall business growth while maintaining the sustainability management to integrate broader environmental and societal concerns into our business strategies and performance and be the hallmark of good management and corporate governance to support stakeholder value creation.

Financial Performance

It is my pleasure to report that 2012 was a year with a steady growth to bring performance for the Group. For the financial year ended 31 December 2012, the Group recorded a higher profit before tax of RM46.9 million compared to RM43.9 million for the previous year mainly driven by higher dividend income from available-for-sale financial assets of RM10.2 million and gain on fair value adjustment of investment property of RM2.7 million which were partially offset by the decline in performance from the Electronic Division.

Significant Event

In line with the long term strategy in concessionary projects, the Group has completed its acquisition of 70% equity stakes in Teknoserv Engineering Sdn. Bhd. to facilitate its investment in water and waste water related business on 14 September 2012. We are excited that this acquisition will enable GUH Group to step foot into the industry and undertake larger scale of water and waste water contracts or concessionary businesses in the future by leveraging on the technical capability and project management skill of the new subsidiary. The acquisition also reflects our commitment to steer the Group in line with our corporate strategies and business diversification plan to deliver value to shareholders consistently.

Dividends

The Board has continuously been declaring dividend to our shareholders over the years in its commitment to enhance shareholders' returns. GUH announced an interim dividend of 6.0 sen per ordinary share of RM1.00 each less Malaysian tax at 25% in respect of the financial year ended 31 December 2012 which were duly paid on 18 September 2012 to the shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 5 September 2012.

Corporate Responsibility

The Board embraces the understanding that

good business is not just about achieving the desired financial bottom line, but also being ethical and sustainable. The Company has placed corporate responsibility ("CR") firmly onto its corporate agenda as it has recognized and begun with the CR journey and has made it a fundamental part of its business over the years, focusing on the Marketplace, Workplace, Environment and the Community.

More information on our initiatives can be found in the Sustainability Report section.

Board Structure and Governance

The Board is always mindful of their duty to direct their efforts and resources as well as to foster a strong culture of corporate governance towards the best interest of the Company and its shareholders while ensuring that the interests of other stakeholders are not compromised.

Executive Directors of the Company play an important role to look beyond their executive function and accept their full share of responsibilities of governance. The Chairman and the CEO/Managing Director are two separate individual whilst the Non-Executive Directors receive timely relevant information tailored to their needs and are properly briefed on issues arising at Board meetings. The Board of the Company is structured in the way to ensure a balance of authority so that no single individual has unfettered powers and its ultimate objective is to protect the interests of shareholders and relevant stakeholders whilst enabling the Company to compete in the challenging market environment.

The Board through its Nomination Committee annually conducts the evaluation and appraisal to assess the effectiveness of the Board of Directors, each individual Director and the Committees of the Board. The process of evaluation was carried out by all Directors and left anonymous to achieve an honest general consensus. All reports have been gathered

and assessed by the Nomination Committee for the Board's review and approval. The assessment and evaluation were properly documented and recorded accordingly.

Performance evaluation on all Committees of the Board has been reviewed with the recommendation to remain the membership unchanged as the members are competent to continue to carry out their responsibility and authority in the respective Committees.

Outlook for year 2013

Under the continuing tough business operating environment, Electronic Division envisages the demand for electronic products to remain sluggish amid the unresolved Eurozone crisis, slowdown in US economy and China-Japan dispute over Diaoyu/Senkaku Islands. Property Division foresees competitive property market in Seremban and cautions that the increase in real property gains tax coupled with the tightening of loan financial policies will continue to have an impact on its performance. Electrical Division anticipates a modest growth buoyed by local consumption in 2013 while Plantation Division predicts a positive outlook for palm oil sector with the implementation of reduced export duty on CPO and abolishment of duty-free CPO export quota effective January 2013. Following the acquisition of 70% of the total issued and fully paid-up share capital of Teknoserv Engineering Sdn. Bhd. by the Group's subsidiary known as GUH Water Holdings Sdn. Bhd. in September 2012, the Water and Waste Water Treatment Division forecasts an improved contribution to the Group with concerted efforts to explore and secure more water and waste water projects in Malaysia, China and South East Asia.

Moving forward, we will continue to maximize our capabilities and expertise in the core businesses to remain competitive against challenges. At the same time, GUH is always looking at new investments in line with the Group's business diversification plan that

can bring our profits to a higher level and to present more opportunities that we can together pursue to a greater height.

Appreciation

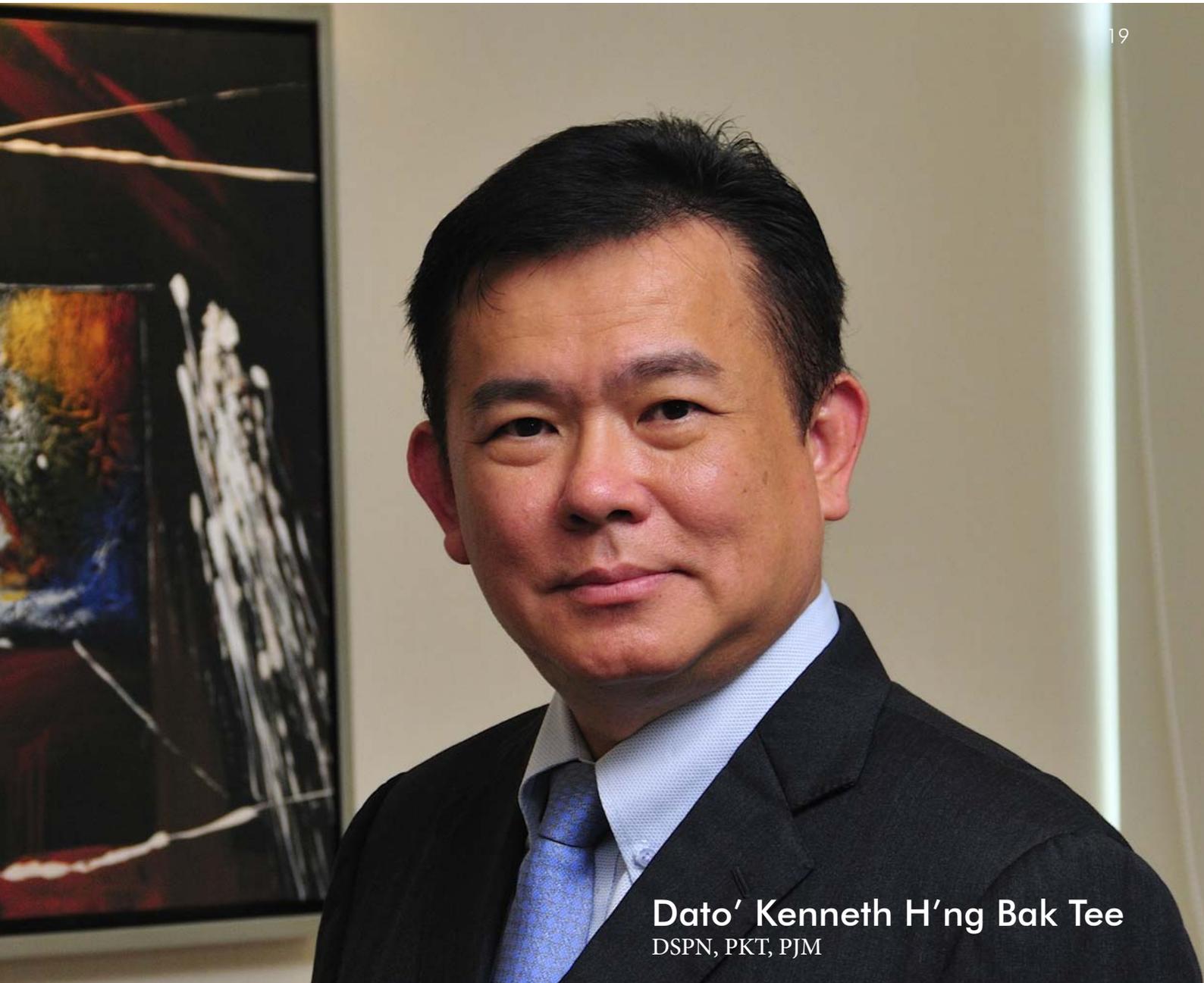
On behalf of the Board, I wish to convey my sincere thanks and appreciation to the management and staff for their invaluable contribution, loyalty and dedication to the Group. I also wish to extend my gratitude to Dato' Chung Chin Fu, the Non-Executive Deputy Chairman who retired at the conclusion of Annual General Meeting of the Company held on 28 May 2012 for his wise counsel, advice, valuable experience, knowledge and passion given to the Group throughout his tenure as a member of the Board. My appreciation and gratefulness also convey to my fellow Board members for their invaluable professional advices, guidance and contribution in making the Board more effective and efficient.

Last but not least, I would also like to thank all our valued customers, finance partners, business associates, respected government authorities and shareholders for their continuous trust, understanding, confidence and support to the Group during these past years.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the purpose of enhancing the standards and quality in the disclosure regime and promoting greater transparency within the Group, GUH has embarked on the disclosure of its management's discussion and analysis which provides more insights on its key financial performance and business operation review process.



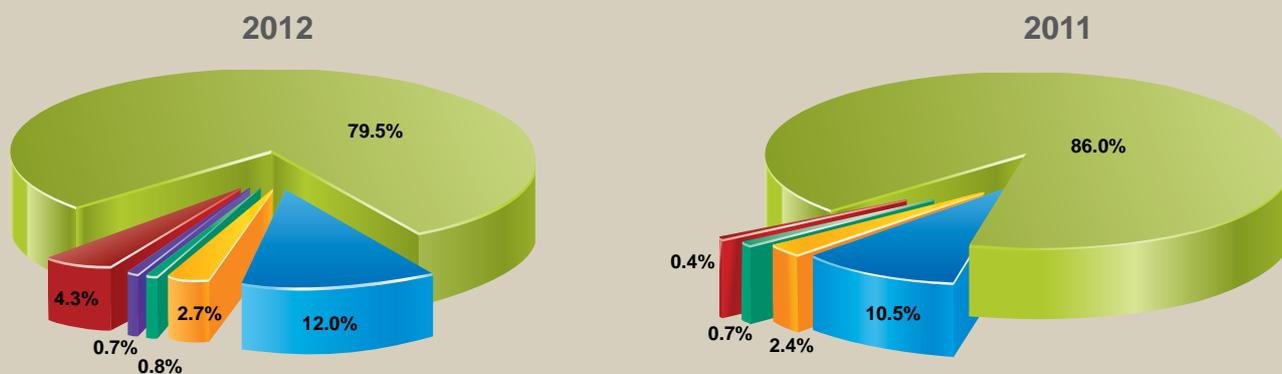


Dato' Kenneth H'ng Bak Tee
DSPN, PKT, PJM

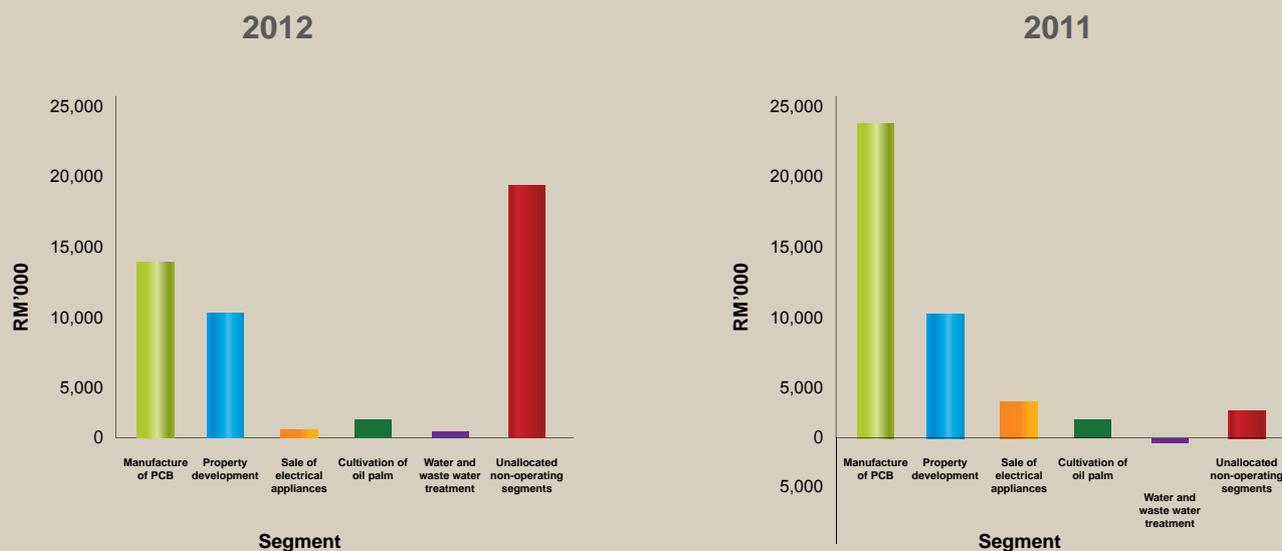
I am pleased to present the results and performance of GUH and its Group of Companies for the financial year 2012. The revenue dropped to RM280.4 million for year 2012 from RM311.3 million for year 2011. The profit before tax for year 2012 of RM46.9 was higher than profit before tax for year 2011 of RM43.9 million by RM3.0 million. Profit margin before tax of 16.73% was higher than 14.10% a year ago. Earnings per share for year 2012 also increased to 19.85 sen per share as compared to year 2011 of 18.57 sen per share.

The Group recorded a higher profit before tax in year 2012 compared to year 2011 mainly driven by higher dividend income from available-for-sale financial assets of RM10.2 million and gain on fair value adjustment of investment property of RM2.7 million which were partially offset by the decline in performance from the Electronic Division.

GUH Group Revenue by Segment



GUH Group Profit/(Loss) Before Tax by Segment



- Manufacture of PCB
- Property development
- Sale of electrical appliances
- Cultivation of oil palm
- Water and waste water treatment
- Unallocated non-operating segments

Electronic Division

Manufacture of Printed Circuit Boards (PCB)

GUH Circuit Industry (PG) Sdn. Bhd. (GUH PG)

The revenue for GUH PG for year 2012 of RM108.7 million was lower than year 2011 of RM131.5 million by RM22.8 million mainly due to the decrease in sales of single-sided PCB coupled with a decline in average selling price for single-sided and double-sided PCB. This affected the profit before tax for year 2012 to be significantly lower than the profit before tax for year 2011. Other than these, the cost incurred in the capacity expansion and quality improvement project were higher.

The drop in revenue was due to the negative impact of the lackluster world economy. The legacy of the 2008 US Sub-Prime crisis remains unresolved, the EU sovereign debt crisis, the “ripple effects” of the Japan tsunami and the current Diaoyu-Senkaku Islands dispute between China and Japan still remain very volatile.

Due to the unfavorable market conditions, competitive threats have significantly increased from local as well as overseas players. The current market conditions abound with low price offerings, free tooling, low volume but high variety models, short lead time deliveries and a capacity glut among PCB manufacturers. These resulted in reduced sales and low profit margins.

Actions to counter the growing threat include steps to improve operational performance in quality, delivery lead-time, productivity, capability in low volume high mixed business and ability to capture new sales in domains of automotive electronics, air-conditioners, washing machines and microwave ovens and other household appliances. GUH PG

underwent significant investments in terms of new and high technology machinery, two new production buildings, a major re-alignment of process flows and a major improvement of working environment for workers in order to pave the way for the future. The major investments have been aimed to upgrade our capability for enhancing customer satisfaction and the potential of capturing a substantial share of the double-sided and multi-layered PCB business.

With the philosophy of continuous improvement and innovation by harnessing the synergy of knowledge from in-house R&D, process improvement by engineering innovation, material, chemical and machinery suppliers, training visits by consultants and from GUH SZ plant, product capabilities have progressed to more complex and sophisticated processes and designs.

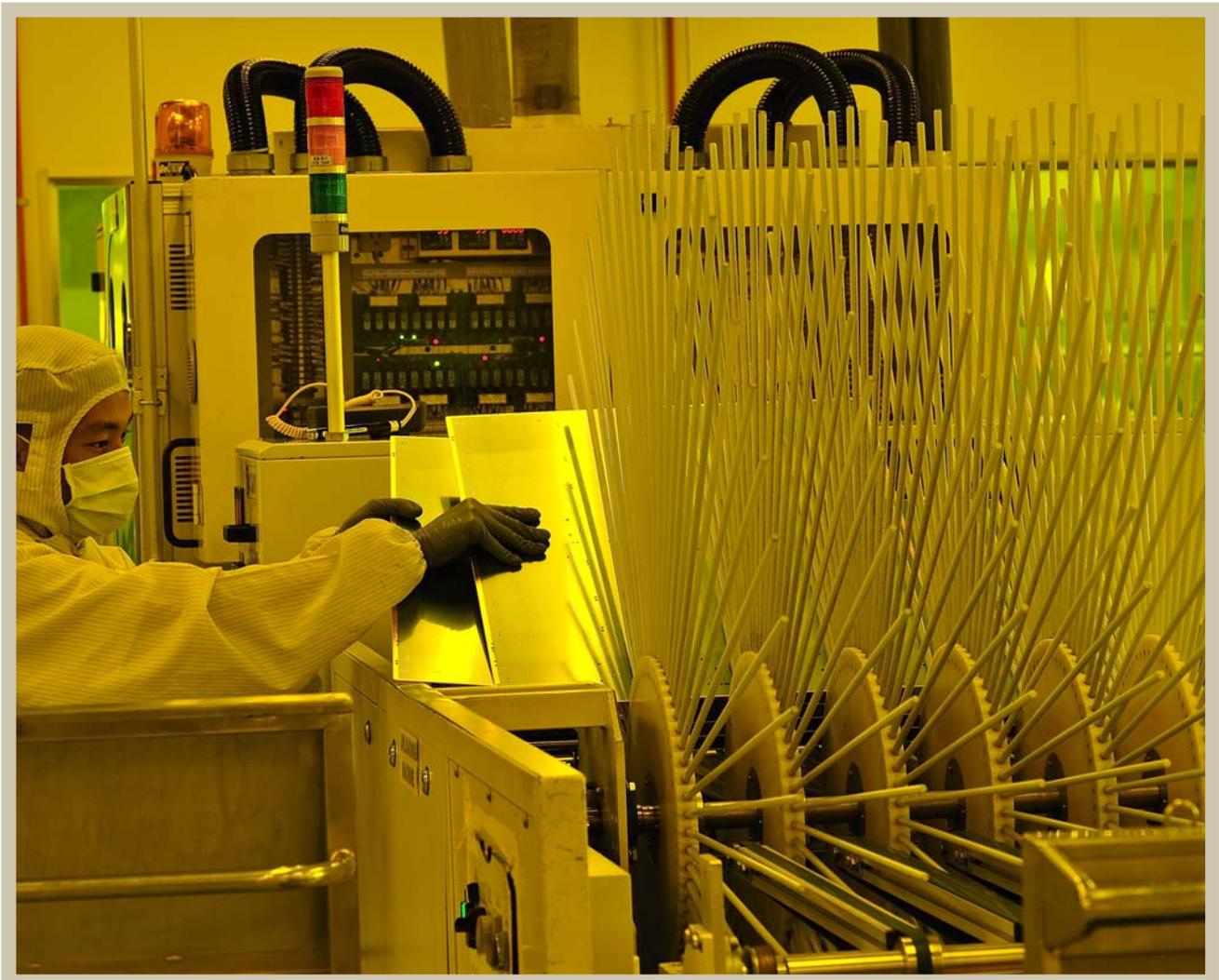
At the end-product perspective, GUH PG changes the traditional focus on audio-visual to manufacturing PCB for air-conditioners, washing machines, microwave ovens, car-audio and electronics automotive parts. Several strategic actions were initiated including material and main process testing to pave the way for new model approval. By invitation, there were more frequent visits and audits by representatives of renowned Japanese manufacturers to assess GUH PG's advanced manufacturing capability.

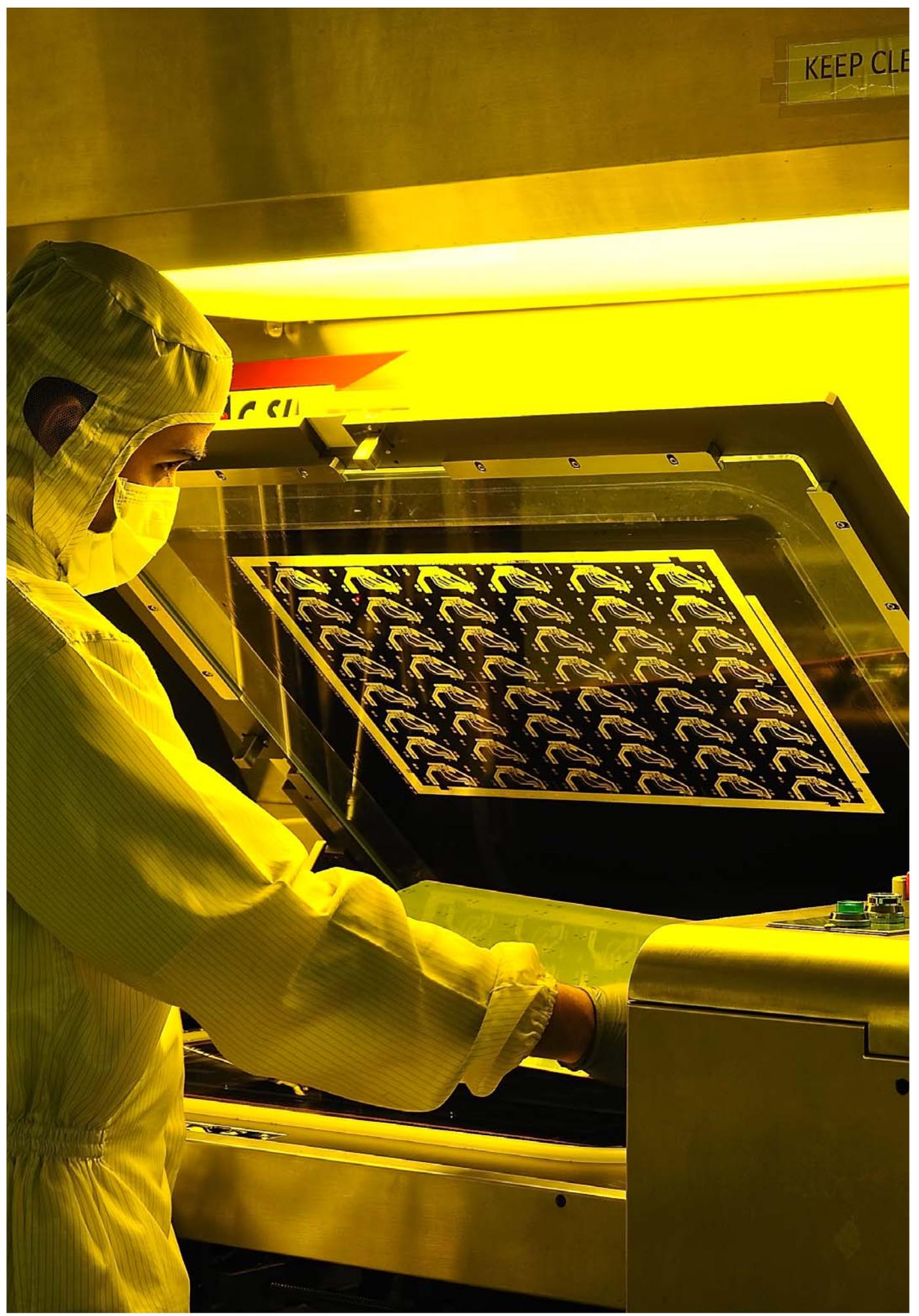
In the discussion of risks, a potential risk is product obsolescence due to the current market situation of fast moving technology and technology advancement. It is observed that

audio-visual products have fallen drastically but on the other hand some domains of electronics product manufacturing growth is exponential likes smart-phones, tablets, e-readers and other mobile connected devices. GUH PG PCB products are not in this realm and therefore not able to “ride” on this new technology wave.

Other risks on loss of worker skills are chronic with foreign workers normally leaving after working three years and take with them the experience, training and adaptation which is crucial for quality, efficiency and cost. Although documented and structured training system are in place, newly recruited workers have to go through the cycle of learning and adaptation at the expense of GUH PG.

Furthermore, the compulsory minimum wage of RM900 implemented on 1 Jan 2013 by the Malaysian Government will increase salary expenses in year 2013.





GUH Circuit Industry (SZ) Co. Ltd. (GUH SZ)

GUH SZ 's market grew slower due to very similar reasons as GUH PG with its revenue dropped by 16.76% to RM114.2 million in year 2012 as compared to RM137.2 million in year 2011. The company achieved a profit before tax of RM14.6 million, a reduction of 4.58% compared with the profit before tax of RM15.3 million in previous year.

GUH SZ has been facing stiff competition and pricing pressures. Numerous local PCB manufacturers are offering lower pricing and longer payment terms in order to acquire market share in the single-sided PCB. The company is also competing with larger MNCs from Japan and Taiwan in terms of double-sided and multi-layered PCB with high technology products, advanced production equipment and facilities. The recent trend of PCB and other electronic component manufacturers are creating varieties of different products for diverse end-markets and thus compound the increasingly competitive environment that GUH SZ operates.

In view of the above, actions to maintain competitive and to ensure sustainability and growth, its business was restructured to mitigate these potential risks:

- To establish a global presence which includes working with customers' local management, customer service support, sales, operations and engineering thus enabling us to maintain ongoing contact with key customers as well as setting the platform for the potential of selling to off-shore customers;
- To enhance current products and concurrently develop new products in order to meet the existing and anticipated needs of customers as their products and manufacturing processes become increasingly complex;

- To improve our core competencies in more advanced PCB manufacturing technology in order to expand into new applications and to capture new customers as well as grow with existing customers;
- Successful development of single-sided and double-sided new customers with new end products including a few renowned customers in year 2012 and expecting sales to strengthen with these new customers in year 2013.

In terms of risks, the current end product mixed has a major proportion in audio, visual and home appliances and is dependent on selling to a small number of manufacturers producing the majority of the world's home appliances. Therefore the loss of any major customer or a significant sales reduction in any one domain could have a detrimental effect.

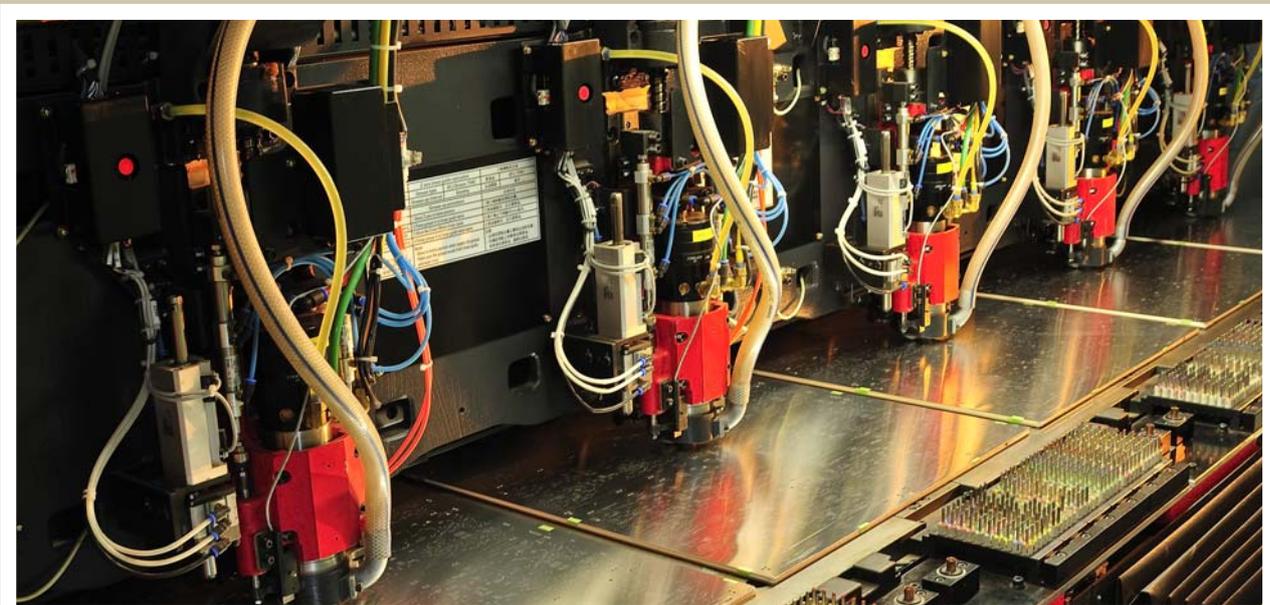
In addition, the economy development in inland China has caused countless workers from inland China not willing to work in big cities which are far from their hometown. Besides, inflation and higher living cost in cities and the risk of the loss of qualified personnel and engineers are other factors that resulted in the shortage of skilled labors. A succession plan at strategic levels has been implemented to ensure the strength of our management and technical team are maintained.

Other recognized risks include end product evolutions such as customer trends towards big screen TV require further investments to enhance the printing length capability of the machines. The other end product evolutions which pose a threat to GUH SZ are the more compact and smaller PCBs with miniaturization and some products migrating to use of FPC (Flexible Printed Circuits) which

will need further investments of in-house capabilities.

In order to mitigate the risks, GUH SZ will continue to develop its capabilities to respond to rapid technological changes, strategizing

and acting on developing customers with new end products in order to reduce the risk of single segment market shrinkage.



Property Division

GUH Properties Sdn. Bhd. (GUH Properties)

Revenue of GUH Properties grew by 3.68% to RM33.8 million in year 2012 from RM32.6 million in year 2011. The increase in revenue was from sales of newly launched Kepayang Residence and progressive revenue recognition percentage for development launched in previous years. GUH Properties recorded profit before tax of RM11.8 million which was a marginal increase of RM0.9 million from RM10.9 million in year 2011.

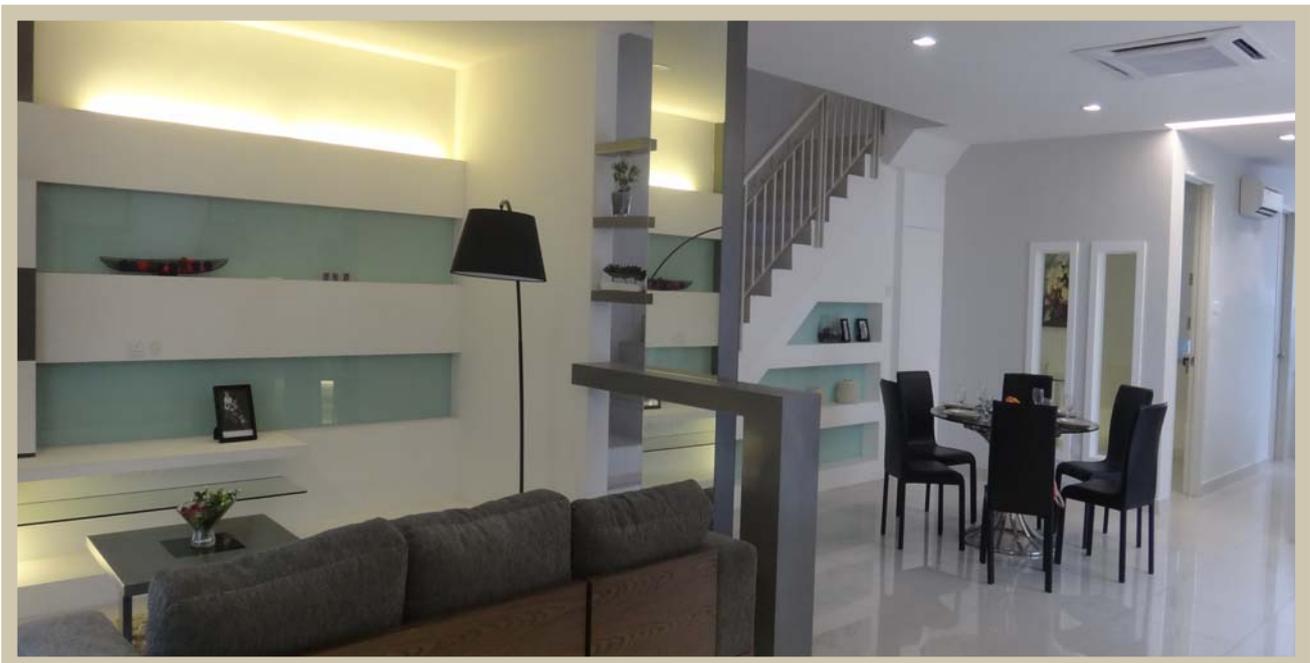
However, profit after tax fell by 19.23% from RM7.8 million in the previous year to RM6.3 million in year 2012. This decline was mainly due to deferred tax liabilities arise from timing difference for certain non-current development expenditures.

For the year under review, GUH Properties moved to a new premise and expanded the sales gallery in order to upgrade the services provided to house buyers and to facilitate introduction of the most up-market residential and commercial development in Seremban.

Moving forward, besides continuous development and launching of the sub-parcel of Kepayang Residence, GUH Properties will also focus on high-end landed residential development with green building concept features and sophisticated security system. Apart from that, GUH Properties will further embark on commercial project with retails outlets, recreation/leisure facilities, food and beverage outlets, shops and offices.

Although property market is expected to cool down and ending its more than three-year bull run, GUH Properties remains cautiously optimistic on maintaining sales growth due to the strategic location of Taman Bukit Kepayang adjacent to Seremban/Labu interchange of North South Highway and has good connectivity to major trunk road. Amenities and shopping centers are within the vicinity.

GUH Properties will continue to scout for land to increase its land bank and to cater for future growth.





Electrical Division

GUH Electrical (BW) Sdn. Bhd. (GUH BW)

For year 2013, GUH BW forecasts an unexciting domestic electrical appliances market with a conservative 2.00% growth in sales revenue.

In the electrical industry, the current trend of new products is on energy saving and conserving the environment. We are monitoring the development of LED technology closely because of its future potential as the solution to the world's lighting demand on versatility, energy savings and durability. The LED lighting technology is still evolving and current entry cost is high. At the right time, we believe that we can add the LED product range to our products.

Competition is keen in this industry with new brands and players entering into the market all the time. We have so far countered the threat by focusing on better quality products such as Schneider switches and sockets and own brand of ballasts and fittings.

Due to our good track records, we have loyal customers and have continuously added new reputable customers to our sales profile. We also have a number of agencies and distributorships as our sustainability advantage. We are known as a reputed trading arm of electrical goods and appliances with a myriad of branded switches, sockets, lamps, magnetic and electronic ballasts, fans, specialty level switches, meters, light and other sensors.

We have as our business model, "a one stop center" with the availability of electrical goods for contractors, DIY, and also building material such as paints, window and door frames, sanitary ware, roof tiles, wall tiles and floor tiles for the building construction industry.

We expect GUH BW to be stable with a marginal contribution to the Group. However, our risks profile shall be low and insignificant.





Plantation Division

GUH Plantations Sdn. Bhd. (GUH Plantations)

GUH Group currently owns and manages a small size oil palm plantation in Daerah Kuala Muda. GUH Plantations recorded slightly higher revenue of RM2.2 million in 2012 compared to 2011 of RM2.1 million. Profit before tax was RM1.2 million for year 2012 and 2011 in line with revenue achieved.

GUH Plantations expects to achieve 10 metric tons per acre per year output in average from the yield of both young and mature palms and will continue to look for opportunities in other parts of the country to increase its land bank for oil palm plantation projects to ensure a sustainable future for the Division.



Water Division

GUH Water Holdings Sdn. Bhd. (GUH Water)

GUH Water, a wholly-owned subsidiary of GUH has completed the acquisition of 700,000 ordinary shares of RM1.00 each, representing 70% of the issued and fully paid-up share capital of Teknoserv Engineering Sdn. Bhd. ("Teknoserv") for a total purchase consideration of RM8,972,473.00 on 14 September 2012. Teknoserv is now officially a subsidiary of GUH Water and its main activities involved engineering design, procurement, construction and commissioning of water and wastewater treatment plant project in Malaysia and South East Asia countries. The acquisition marks a significant milestone of GUH entry into water and wastewater business.

For the financial year ended 31 December 2012 under review, Teknoserv recorded revenue of RM2.0 million for the period of three months from completion of acquisition in September 2012. As a result, Teknoserv registered a profit before tax of RM0.4 million for the period.

As at 31 December 2012, Teknoserv has a total on-going contracts valued at approximately

RM15.8 million and active tenders value amounting to RM120.7 million.

With regards to the water and wastewater concession investment activities in China, further to the signing of preliminary agreement with Gaochun Economic Development Zone ("GEDZ"), Jiangsu Province on 4 January 2011 to invest in a 50MLD industrial water treatment plant on "Build, Operate and Transfer" approach, the project is under "keep-in-view" status due to the delay of investment confirmation from major water users in GEDZ.

In the meantime, GUH Water team is currently assessing a few water and wastewater plant acquisition opportunities in China. The team will continue to scout and explore new opportunities, particularly via acquisition of existing completed plants which are able to generate immediate and stable income to the Group.



Power Division

Cambodia Utilities Pte. Ltd. (CUPL)

GUH owns 20% stakes in CUPL which undertakes an eighteen years “Built-Operate and Transfer” power generation project in Phnom Penh, Cambodia. Leader Universal Holdings Berhad, a company related to GUH, owns 60% shares of the concessionaire company.

The financial performance of CUPL has been consistent since its inception in 1997. Under the concession agreement, escalating fuel cost will be passed-thru to the off-taker and as such the company is not affected by the fluctuation in fuel cost. The 37.1 megawatt fuel oil-fired diesel engine power plant in Phnom Penh has consistently delivered dividends of approximately USD2.0 million per annum and we expect this return will repeat until the expiry of the concession in 2015.

Financial Position of GUH Group

The Group's total assets as at 31 December 2012 remained at RM491.2 million while equity attributable to owners of the Company grew to RM422.7 million from RM418.1 million. Net assets per share attributable to owners of the Company stood at RM2.40 per share, compared to RM2.23 per share last year. Total cash of the Group improved from RM142.6 million in 2011 to RM160.2 million in 2012, demonstrating the strong financial foothold of the business.

GUH HOLDINGS BERHAD



100% GUH Electronic Holdings Sdn. Bhd.

- 100% GUH Circuit Industry (PG) Sdn. Bhd.
- 100% GUH Circuit Industry (Suzhou) Co. Ltd.
- 100% Grand United (BVI) Co. Ltd.
- 100% Grand Circuit Industry (Philippines) Inc.

100% GUH Properties Sdn. Bhd.

100% GUH Electrical Holdings Sdn. Bhd.

- 100% GUH Electrical (BW) Sdn. Bhd.
- 100% GUH Electrical Appliances Sdn. Bhd.
- 100% GUH Electrical (KL) Sdn. Bhd.
- 100% Malaysian Mechanical Engineering Industries Sdn. Bhd.
- 100% Tecnovac Marketing Sdn. Bhd.
- 100% GUH Realty Sdn. Bhd.
- 100% Jeladan Sdn. Bhd.

100% GUH Plantations Sdn. Bhd.

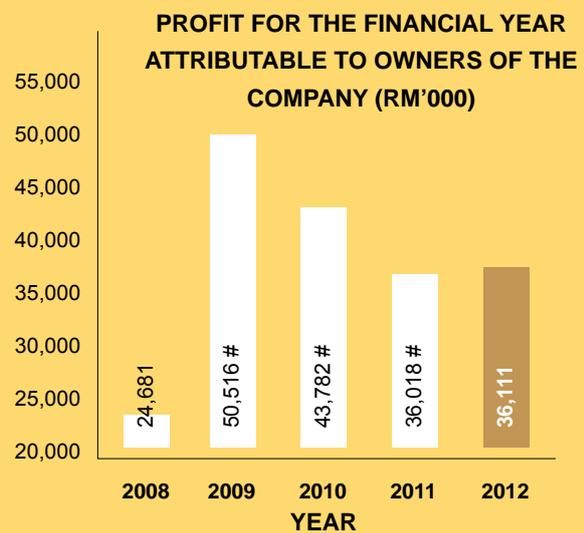
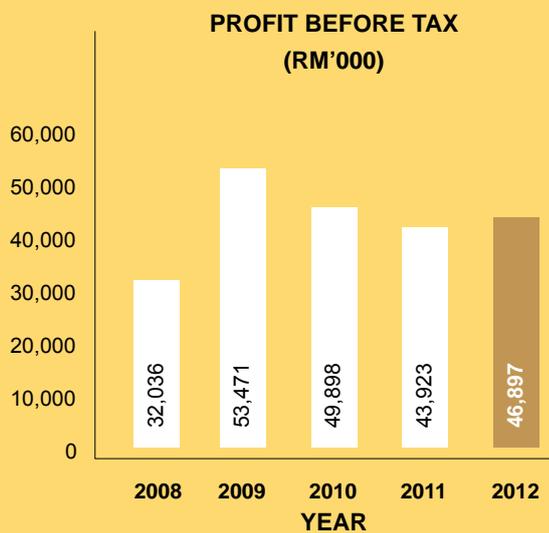
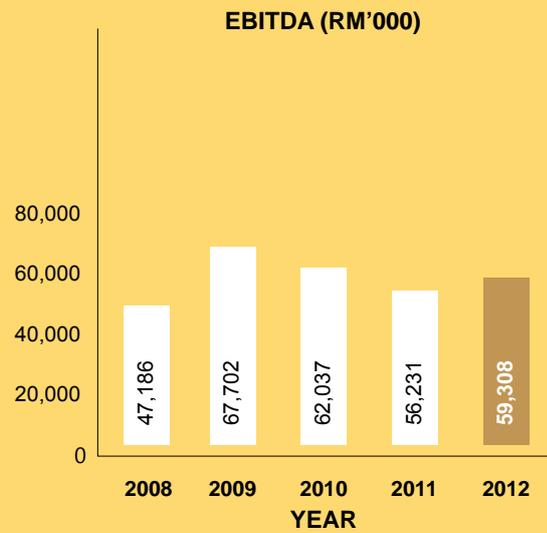
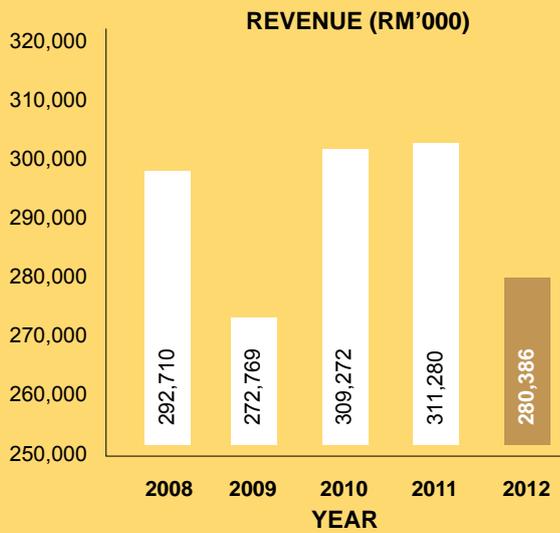
100% GUH Water Holdings Sdn. Bhd.

- 100% GUH Water (Jiangsu) Pte. Ltd.
- 100% GUH Water (Gaochun) Co. Ltd.
- 70% Teknoserv Engineering Sdn. Bhd.

100% GUH International (HK) Pte. Ltd.

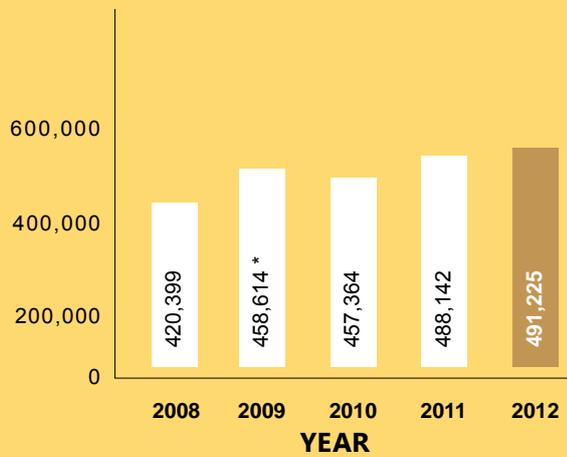
20% Cambodia Utilities Pte. Ltd.

FINANCIAL HIGHLIGHTS

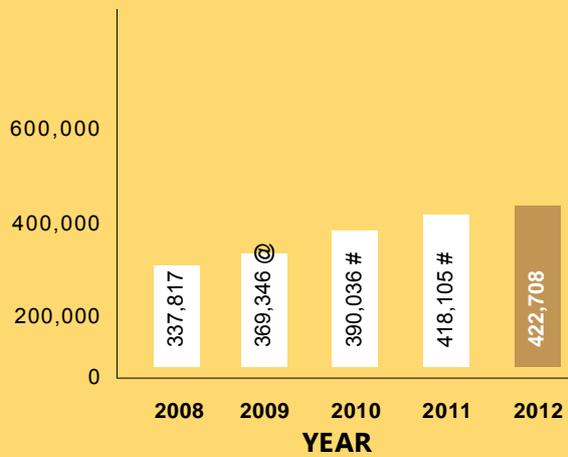


Restated due to retrospective application of amendments to FRS 112 "Deferred Tax: Recovery of Underlying Assets" in FY 2012.

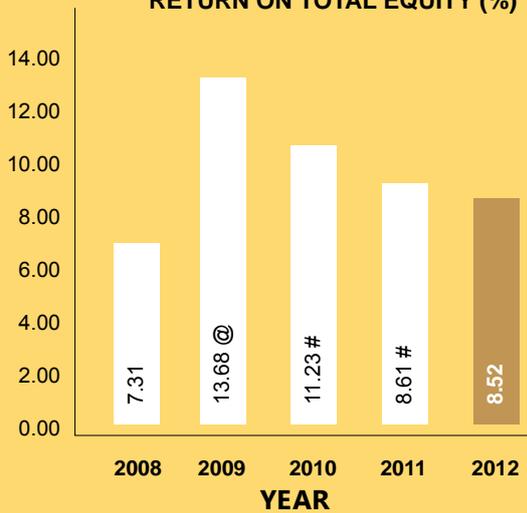
TOTAL ASSETS (RM'000)



EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



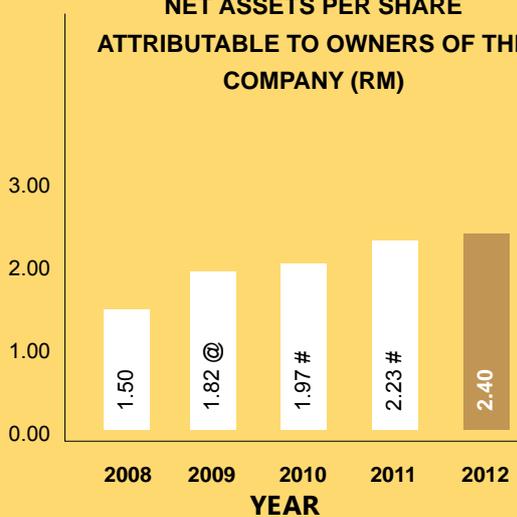
RETURN ON TOTAL EQUITY (%)



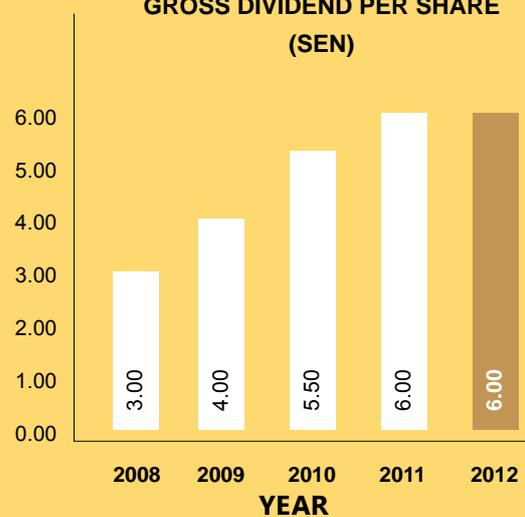
BASIC EARNING PER SHARE (SEN)



NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)



GROSS DIVIDEND PER SHARE (SEN)



* Restated due to retrospective application of amendments to FRS 117 "Leases" in FY 2010.

Restated due to retrospective application of amendments to FRS 112 "Deferred Tax: Recovery of Underlying Assets" in FY 2012.

@ Restated due to retrospective application of amendments to FRS 117 "Leases" and amendments to FRS 112 "Deferred Tax: Recovery of Underlying Assets" in FY 2010 and FY 2012 respectively.

Sustainability Report

In line with GUH vision, we are committed to be a profitable yet caring corporation that endeavors to maximize the interest of our shareholders, employees, customers and to uphold our responsibility to society, community and environment.

GUH has commenced the sustainability journey and always been placing continuous efforts in driving the sustainability initiative a priority issue in the corporate agenda to ensure that we operate towards a sustainable and profitable future.

The Company and its business cannot sustain itself in isolation from the society and environment in which it operates. Therefore the Board of GUH is always committing to embedding the environmental, social and governance criteria in our business operations and developments and to do what we are doing, beyond the business.



transparency and accountability. We are always accountable to our shareholders and promoting responsible practices among our business partners, showing care to our customers and upholding good corporate governance to meet the expectation of our investors.

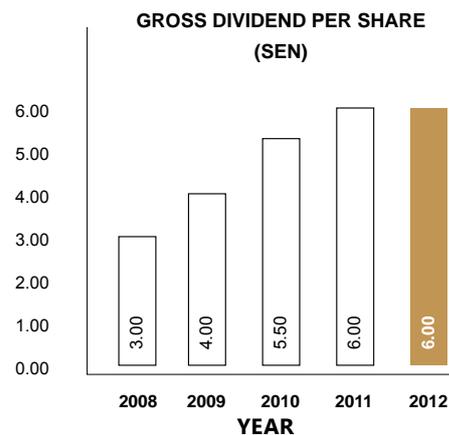
Sustainability in our corporate strategies, is about obtaining a good balance of three aspects in the social economic and environmental that can be referred as the “People, Planet & Profit.” We are now focused on being responsible to not only the shareholders, but to all stakeholders.

Our sustainability management has been driven to focus among others, in maximizing shareholders value, compliance, increase customers loyalty, health and safety, philanthropy and many other areas across the four sectors on the Marketplace, Workplace, Environment and the Community.

CARE FOR THE MARKETPLACE

GUH is committed to be a profitable yet responsible corporation and our business conduct shall be guided by integrity,

Creating a consistent return for shareholders is one of our key objectives. GUH has been declaring dividends out of profits to its shareholders over the years. In 2012, an interim dividend of 6.0 sen per share of RM1.00 each less 25% income tax had been declared and paid to the shareholders on 18 September 2012. Share Buy-Back exercise has been renewed and approved with the aim to provide a long term return potential to its shareholders and to position and support the fundamental value of GUH shares.





Annual General Meeting is a principal forum for the dialogue between the Company and its shareholders. We also disseminate all material information through appropriate channels in open and timely manner. Quarterly results, announcements, Annual Reports and press releases are available on our corporate website, www.guh.com.my to provide information to the shareholders.

GUH Property Division, its website properties. guh.com.my also provides a good insight of information on its products and property launches to the customers and the public.

In ensuring sustainability of business and customer confidence, we strive to develop and provide products and services which offer good value in terms of pricing, quality, safety and environment impact. In year 2012, GUH PG of the Group's Electronic Division underwent major investments in terms of new and high technology machineries, production buildings, re-alignment of process flows and improvement of working environment in order to pave the way for the future. Thus, GUH PG's potential of capturing a substantial share in PCB business has been enhanced and further strengthening our platform for sustainability of business.

At the end product perspective, GUH PG has also diversified from the traditional focus and endeavor to enter into the electronics automotive parts arena with several strategic actions were initiated. Hence, the customer

domains and end product potential has been greatly enhanced and we have confidence in sustainability of products for the future.

In meeting the customers' needs and satisfaction, the manufacturing plants have been awarded numerous accreditations and certifications from the relevant parties in the past. GUH PG has been accredited to the Quality System of ISO 9001 and TS 16949.



GUH will continue to participate actively and response positively in providing and meeting the customers' needs and requirements in terms of the social economic and environmental aspect. The subsidiary will continue to strive to maintaining its existence as one of the largest companies in the industry in giving its best quality, delivery, cost saving, management and environment.

We always choose the right suppliers as we are aware that choosing the right suppliers may influence the social and environmental impacts. We aim to create responsibly and fairly business relationship with all the suppliers.



GUH also acknowledges the importance of good corporate governance and therefore pledges and acts to adhere to the Malaysian Code on Corporate Governance and ensure the compliance of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) and any other rules and regulations. GUH Board leads and embraces the philosophy of accountability and transparency disclosure.

Sustainability Policy is formalized in place to ensure the Company’s strategies with the attention given to environmental, social and governance aspects of business which underpin sustainability. Our financial reports are managed in accordance with the rules and requirements of regulatory bodies such as the Listing Requirements, the Companies Act, 1965 and the Malaysian Accounting Standards Board in Malaysia. Internal control and governance are at exemplary levels and internal audit function is structured in providing an independent appraisal function which aims to meet the needs of the Group and is committed to working with the management to assist GUH Group in achieving its corporate ambitions and objectives.

GUH continues to seek mutually beneficial relationships with its customers, contractors, suppliers, joint ventures and business partners. Efforts are continuous to identify new and innovative commercial opportunities to strengthen our market presence.

CARE FOR THE WORKPLACE

Employees are assets of GUH. To respect the human rights of the employees, we provide conducive and safe working conditions with competitive terms and conditions of employment.

The Occupational, Safety & Health Act places a legal duty on GUH to ensure that the health, safety and welfare of all the employees are safeguarded at work. Hence, our business properties in Malaysia and overseas are conducted with high safety and management standards. Various talks and training are held to educate the employees on safety and health issues. Non-smoking policy has been introduced and enforced in the entire office buildings to mitigate the risk of smoking-related fire incidents. GUH also carries out periodic fire drills for its employees. GUH is always continuing to explore the possibility of strengthening the implementation of insurance policies for all employees.

The Company also works towards the ability of attracting and retaining a talented and diverse work force by providing training. GUH also has a career development system to inspire and attract good caliber employees. We have in place a proper performance review system for the staff. The system of review, discussion, strengths and weaknesses identification, training needs and objective setting based on the overall mission of the Group encourages



people to improve their performance with a focus. Promotions and rewards are awarded to high caliber employees without gender and racial discriminations. Good employees are rewarded accordingly on an annual individual performance review based on a systematic scoring and assessment system. This is expected to provide the synergistic energy to enhance the Group's performance in the future.

For the grass-root level, the Group's manufacturing plant has consistently bettered the minimum wage and benefits market requirements on both local and foreign workers. The workers enjoyed an incentive scheme based on motivation, quality, attendance and discipline weightings. In addition to that the company also provides factory buses, uniforms, medical and insurance and a subsidized canteen for all its employees. Foreign workers enjoy hostel and basic amenities. The current ongoing action is to implement the minimum wage policy for both local and foreign workers.

GUH believes that teamwork amongst its employees is vital for the Group to work towards the heights of success. We appreciate the hard work, dedication and support of our employees, hence teamwork activities have been organized over the years with the aim to foster closer bond among the employees while motivating and improving their morale. All employees of GUH are treated as a big family. Family Day was held on 24 November for the employees and their family members to spend some quality time and interact outside the work environment and in the mean time to establish rapport among the family of GUH. Communication channels such as intranet, internal notice boards and regular

meetings are provided to keep employees and management informed.

GUH is proud to have a healthy work force who has benefited from the health and well being initiatives put together by its management. The Group is always on the lookout on participative events that contribute to a healthy workforce. GUH sponsors a range of sporting events and activities which are conducted before or after work. Yoga classes are conducted with professional yoga instructress comes in weekly to teach and guide the employees to perform yoga practices for the health benefits and overall well being. On 17 September, employees of GUH also participated in the StarWalk "Walk with Us" charity event.

Recognizing the need for spiritual well-being, our manufacturing plant also added a new surau on the ground floor in addition to the existing surau on the first floor. Muslim colleagues conducted a Doa-Selamat to inaugurate the new surau and to pray for a conducive and safe working environment.

GUH hosted several functions for its employees from every Division of the Group to celebrate and the Company took the opportunity to extend its appreciation to the employees for their hard work and dedication to the Group throughout the year. GUH management is constantly on the lookout for opportunities to improve staff morale, better quality of new recruitments and staff retention as the fundamental of a company with good corporate responsibility.

CARE FOR THE ENVIRONMENT

GUH is committing to embedding environmental criteria in our operations and investment decisions. This corporate responsibility is one of the keys to sustainability where we strive to achieve a sustainable balance between development and conservation. Our business and operations are carefully planned and designed to minimize and protect the impact on the ecosystem.

GUH as an ultimate Holding Company, always plays a lead role by educating our associates, employees, suppliers, customers and consumers that global warming to a large extent is caused by the environment footprint of industries. Improving energy efficiency not only reduces emission into atmosphere, it is good to improve the Company's bottom line. Several conservation and efficiency improvement measures have been implemented to address environmental issues and challenges. WLAN system and internet access is implemented throughout the Group with the aim to reduce paper usage in line with our efforts to reduce global warming.

We advocate and encourage the 3R – Reduce, Reuse and Recycle among our employees. All employees have been urged to continuously use the recyclable bags and food containers sponsored by the Company as part of our “Go Green” programmes. Employees are also encouraged to utilize reasonable eating utensils instead of disposable ones, choose

a vegetarian lifestyle and in saving resources to help minimize carbon footprint, GUH has joined in the ranks of recycling by placing recycling bins within its premises with the aim to promote the 3R system in the society.

A coloring contest was held at the Botanic Garden, Penang on 2 September for the children of GUH employees to participate. The theme “Go Green” aimed to create awareness to the employees and their children on the importance of environmental protection and to promote the beauty of the natural surroundings and the love to flora and fauna.

As a manufacturing concern we recognized the need to reduce our carbon footprint to minimal levels through efficient energy management, as well as protect the environment and ensure sustainability by ensuring our emissions and waste treatment and discharge is better than the legal requirements. We have policies and compliance to legislation on occupational health and safety aspects. An important highlight is that we are certified to ISO 14001: 2004 which is our platform for environmental protection, management and review.

In order to minimize the impact on the environment and to do our part for reducing pollution, our PCB plant continuously upgrades its infrastructure and systems with modern facilities to reduce emissions, discharges and to upkeep its principles of reduce, reuse and recycle.



The concept to care for the environment is extended to our Property Division, which provides decorated greenery and landscaped open space for each housing scheme environment. In addition, decorating residential environment with soft and hard landscape helps to spruce up the unkempt road reserves. Trimming overgrown trees provides an enchanted and comfortable view at the entrance road. The development planning and design endeavours to offer extension free concept, which provides adequate and comfortable space that do away with hacking and building extension.

Though the Group's Plantation Division is only at a minimal scale, there is no burning or hazardous weedicide allowed. Only weedicide that is in compliant with the regulations and the application of biological control are used across the operations.

CARE FOR THE COMMUNITY

GUH supports and cares for the community and continuously contributes financial aid to charitable organizations. During the year, GUH gave a RM10,000 donation to Buddhist Tzu-Chi Merits Society Malaysia in conjunction with Penang Starwalk 2012 Charity Walk. The fund raising activities were continuously held to achieve the society's target for their medical centre to fit in dialysis units to help the patients with renal failure in the community. GUH chose Tzu-Chi due to its involvement in helping people in need irrespective of their race and nationality. We also donated RM5,000 to St Nicholas Home Penang, a residential and drop-in care centre that provides free teaching and training for children

aged up to 18 years who suffer from various levels of physical disabilities. Though a minimal amount was given, GUH hopes the donation would be able to help go a long way to ensure these children will be equipped to live their lives to the fullest and become strong and equal members of their communities.

GUH believes that each little effort contributing by every individual, be it a corporation or an employee, will make social responsibility a reality. Care for the community is not a mere talk as the Company and its employees will always work together and show the same commitment and determination in ensuring its success.

As a corporate citizen with a sense of responsibility, GUH continues to look into ways in contributing more towards the community. Employees are also encouraged to participate in providing all kinds of charitable assistance to the poor and needy. As part of the motivation, employees are allowed time off to participate in all the charitable volunteer efforts.



The Board of Directors of GUH Holdings Berhad is committed to exercise their power and to act bona fide in the best interest and benefit of all shareholders and the Company as a whole. Of equal importance, the Board of Directors will continue to enhance the practice of good corporate governance within the Group as a key part of the process, as sound corporate governance ensures the Company's continued high performance and integrity while maintaining the trust of its stakeholders.

The Malaysian Code On Corporate Governance 2012, which came into effect on 31 December 2012, sets out the broad principles and specific recommendations on structures and processes which companies should adopt in making good corporate governance an integral part of their business dealings and culture and it advocates the adoption of standards that go beyond the minimum prescribed by regulation.

The Board, to the best of its knowledge, hereby confirms that the following statements reflect the Company's compliance with the Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") to include the manner in which the Group has applied the principles as set out in Part 1 and has complied with the best practices as set out in Part 2 of the Malaysian Code on Corporate Governance ("MCCG").

The Board supports the objectives of the MCCG and aims to get out principles and best practices on structures and processes that may use in the operations to ensure greater transparency and accountability throughout the Company towards achieving the optimal governance framework.

DIRECTORS **The Board, Duties and Responsibilities**

The Board of Directors of the Company currently comprising the Executive Chairman, the CEO/Managing Director and six (6) other Non-Executive Directors, four (4) of whom are Independent Non-Executive Directors with different experience, skill and expertise, from diverse professional backgrounds. The Company is in compliance with the Listing Requirements which requires one third (1/3) of the Board members to comprise Independent Directors. The profile of each Director is presented in this Annual Report on pages 6 to 13.

The Board is in charge of leading and managing the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders. The Board reviews and adopts the strategic plans for the growth of the Group. To be accountable to

the shareholders, the Board ensures the Group has appropriate corporate governance that operates efficiently and transparently. The Board is also primarily responsible for the following:

- To set policies appropriate for the business of the Group;
- To oversee the conduct of the Group's business and to evaluate whether the business is being properly managed;
- To approve annual budget;
- To set and review budgetary control and conformance strategies;
- To monitor management performance and business results;
- To identify principal risks and to ensure the implementation of appropriate systems that encourage enhancement of effectiveness in Board and management;
- To keep pace with the modern risks of business and other aspects of governance that encourage enhancement of effectiveness in Board and management;
- Succession planning, including appointing, training, fixing the compensation of and where appropriate replacing Board and key management;
- To set and review and approve annual reports to the shareholders; and
- To review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Board Balance

The Board delegates the business strategies and operations of the Group to the Executive Chairman and the CEO/Managing Director who have vast experience in the business of the Group. The Board is also assisted by a management team relevant to the Group's business operations.

The roles of the Executive Chairman and the CEO/Managing Director are distinct and separate with their responsibilities clearly defined to ensure a balance of power and authority. Dato' Seri H'ng Bok San, the Executive Chairman is primarily responsible for running the Board and ensures that the Board accepts full share of responsibilities of governance. He is also responsible for the integrity and effectiveness of the relationship between the Independent and the Non-Independent Directors. Dato' Kenneth H'ng Bak Tee, the CEO/

Managing Director is responsible for the day to day operations of the Group. In addition, his responsibilities include, among others, reporting, clarifying and communicating matters relating to the daily operations to the Board and to ensure the business; policies and strategies formulated by the Board are implemented effectively with the assistance from the management team.

The Chairman is not an Independent Director and neither does the Board comprise a majority of Independent Directors. Nevertheless, the four (4) Independent Non-Executive Directors are of high caliber and possess integrity and extensive experience to provide unbiased and independent views to the Board. They consistently challenged the management and the Board in an effective and constructive manner and therefore are able to function as check and balance and bring in justified opinions to the Board of Directors. The Executive Chairman also encourages healthy debates on important issues and promotes active participation by Board members. The Non-Executive Directors are not involved in the day to day management and do not participate in the business dealing of the Company so as to discharge their duties, free from any business or other relationship, which could materially interfere with their independent judgment and to avoid any conflict of interest possibilities. Their presence is essential to ensure that the interests of other parties, such as the minority shareholders are safeguarded. Mr. Chew Hock Lin has been the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed. With his extensive experience in the accountancy fraternity for more than thirty (30) years, he brings in insight knowledge to the Board, as well as promotes the highest level of corporate governance and to lead in all governance related issues for the benefits of the Company. The Board is always mindful of the potential conflict of interest that may arise in each transaction, in which case, interested Directors are abstained from decision making.

Board Charter

The Board has adopted a Charter, which shall continue and form an integral part of the Director's duties and responsibilities and also serve as a source of reference for the Board members to act on behalf of the Company to ensure that they conduct in the manner that the principles and practices of good corporate governance are applied in all their dealings.

The Charter will be reviewed and updated in accordance with the needs of the Company and on an annual basis.

Board Meetings

The Board of Directors of the Company convened a total of four (4) Board meetings during the financial year ended 31 December 2012. The Board normally meets on a scheduled basis of at least four (4) times a year. Dato' Kenneth H'ng Bak Tee, the CEO/Managing Director tables and presents comprehensive reports, including the Group's financial statements versus budget and financial ratios for the Board's consideration. Other topics such as the operating activities of the Group and subsidiaries, strategic plans and policies, investment decisions, future business planning and capital expenditure are also tabled to the Board for discussion and deliberation. Issues and decisions made during Board meetings are recorded by the Company Secretary. Minutes of each Board meeting are circulated to each Director prior to confirmation of the minutes by the Executive Chairman in the next Board meeting. Minutes and resolutions passed at each Board meeting are kept in the statutory register at the registered office of the Company. The daily operational matters that require immediate Board decision will be sought via Directors' Circular Resolutions, supported by full detailed information. The Board normally ratifies the Circular Resolutions at the subsequent Board meeting.

A summary of attendance for each of the Board members are as follows:

Name of Director	Attendance
Dato' Seri H'ng Bok San	4/4
Dato' Kenneth H'ng Bak Tee	4/4
Dato' Harry H'ng Bak Seah	4/4
Datin Jessica H'ng Hsieh Ling	3/4
Mr. Chew Hock Lin	4/4
Dato' Ismail Bin Hamzah	4/4
Mr. Lai Chang Hun	4/4
En. Wan Ismail Bin Wan Nik	4/4

Board Committees

The Board is assisted by various Board Committees in the execution of its responsibility. Each Board Committee has its own functions and terms of reference which have been clearly defined by the Board. Each Committee reports its recommendations and decisions to the Board for approval. The Company Secretary shall assist in drawing up and circulating the agenda and notice of meetings together with the supporting documentation to the Committee members. The Company Secretary shall also be responsible to record, maintain and circulate the minutes of the meetings of the Board Committees to all other members of the Board.

Executive Committee comprises four (4) members, three (3) of whom are Non-Executive Directors to assist the Board in reviewing and discussing any investment/business development project and to evaluate the viability of the proposed project. This will allow matters that fall within the Committee's terms of reference to be deliberated by the Committee, thus reducing the Board's agenda.

Nomination Committee comprises three (3) Non-Executive Directors, all of whom are Independent. Pursuant to the recommendation of MCCG 2012, the Chair of the Nomination Committee should be the senior independent director identified by the Board. The Board is of the view that Dato' Ismail Bin Hamzah has considerable experience via his key position held in his profession in the past and he has been holding the position of director in many other public listed companies and is therefore considered a senior and competent as the Chairman of the Nomination Committee of the Company.

The Nomination Committee is primarily empowered by its terms of reference in carrying out the functions among others, to review annually the required mix of skills, experience and other qualities including core competencies of each Director shall bring to the Board. Other functions shall include the evaluation and assessment of effectiveness of the Board as a whole, and also all other Committees appointed by the Board.

Remuneration Committee comprises mainly the Independent Non-Executive Directors to review the remuneration of the Executive Directors of the Company, and to recommend to the Board for final decision.

Risk Management Committee comprises all the Non-Executive Directors, two (2) of whom are Independent to assist the Audit Committee and the Board in discharging its risk management, identification of risks related to current business and new investments and/or divestment and control responsibilities. With the support from the senior management of all the Group's business divisions, Risk Management Committee convenes meetings for the purpose of identifying, evaluating and managing the significant risks with appropriate action plans.

The primary objective of the Audit Committee is to review the results of internal and external audit activities and to ensure compliance with all applicable accounting standards and any other relevant regulatory authorities. Further details are disclosed in the Audit Committee Report on pages 55 to 58 of this Annual Report.

Supply of Information

All Directors of the Company have full access to information concerning the Company and the Group. They are provided with the agenda of Board meetings together with the Board papers containing financial and other relevant information for discussion and to be dealt with at the Board meetings by the Company Secretary. The Board is regularly updated on the changes and amendments to the statutory and regulatory requirements.

In assisting the Board, the Company Secretary undertakes, among others, the following functions:

- Preparing the agenda with the Executive Chairman and the CEO/Managing Director and notifying all Directors of the Board meetings;
- Ensuring the meeting flows effectively;
- Advising the Board on the implementation of the MCCG;
- Monitoring compliance with these principles and best practices;
- Ensuring high standards of governance by keeping abreast of the latest enhancement in corporate governance.

The Directors would also seek the advice and services of the senior management staff in the Group and other independent professionals in the discharge of their duties if deemed necessary.

Appointments to the Board

The Nomination Committee shall meet at least once a year and additional meetings may be requested as and when necessary. During the financial year ended 31 December 2012 under review, the Nomination Committee held a meeting on 28 November 2012 to review the required mix of skills and experience and other qualities of the Directors. The Board through the Nomination Committee implemented a process for assessing the effectiveness and contribution of each individual Director, each Board Committee as well as the Board as a whole. The evaluation has been carried out, compiled and left anonymous with the hope that the anonymity would achieve an honest general consensus and facilitated by the Company Secretary's office which circulates an evaluation questionnaire to cover a wide area of scopes for the performance assessment to be carried out by every Director of the Company.

The evaluation and assessment have then been carried out, deliberated and documented. For the financial year under review, the Nomination Committee recommended and the Board approved

and concluded that all Directors, the Board and all its Committees as a whole had operated effectively and possessed the necessary skills and qualities to assist the Board in carrying out their responsibility. The Board would also seek the advice and services from the Company Secretary to ensure that all appointments, if any, are made and that all the necessary information are obtained from Directors, both for the Company's own records and for the purposes of meeting all statutory obligations arising from the Listing Requirements and other regulatory requirements.

Details of the Directors' attendance at meeting of Nomination Committee during 2012 are summarized as follows:

Name of Director	Attendance
Dato' Ismail Bin Hamzah	1/1
Mr. Chew Hock Lin	1/1
Mr. Lai Chang Hun	1/1

Re-election and Re-appointment of Directors

Pursuant to Article 99 of the Company's Articles of Association, all Directors inclusive of Managing Director shall retire from office at least once in every 3 years but shall be eligible for re-election. Pursuant to Article 103, the Directors shall have power at any time and from time to time appoint any person to be a Director either to fill a casual vacancy or as an additional Director so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting ("AGM") and shall then be eligible for re-election. At the Company's 49th AGM, Datin Jessica H'ng Hsieh Ling, Mr. Chew Hock Lin and En. Wan Ismail Bin Wan Nik shall retire and being eligible, will offer themselves for re-election.

Pursuant to Section 129 of the Companies Act, 1965, all Directors who are over 70 years of age shall retire at every AGM but may offer themselves for re-appointment. Mr. Lai Chang Hun and Dato' Seri H'ng Bok San will be seeking re-appointment under the said provision at this 49th AGM. Dato' Chung Chin Fu has retired as the Non-Executive Deputy Chairman at the conclusion of the last 48th AGM held on 28 May 2012 as he did not seek for re-appointment as Director of the Company.

Information on Directors who seek re-appointment to the Board at the forthcoming 49th AGM is contained in the Statement accompanying the Notice of the 49th AGM.

Pursuant to the recommendation of MCCG 2012, the Board should undertake an assessment of

its Independent Directors annually. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. The four (4) Independent Directors of the Company will be subjected to the shareholders approval for their continuing in office as Independent Non-Executive Directors, based on the Board's justifications as well as their assessment on independence which had been carried out for the financial year ended 31 December 2012. They are Dato' Ismail Bin Hamzah, Mr. Chew Hock Lin, En. Wan Ismail Bin Wan Nik and Mr. Lai Chang Hun.

Directors' Remuneration

The Remuneration Committee convenes meeting at least once a year and may be requested as and when necessary. The Remuneration Committee is responsible for ensuring that the compensation and other benefits will encourage Executive Directors to act in ways that enhance the Company's long-term profitability and value. The Remuneration Committee and the Board are mindful that the remuneration for the Executive Directors should be attractive and fairly compensated to maintain high quality individuals in the Board to run the Group successfully. None of the Executive Directors participates in any way in determining their individual remuneration. The determination of the remuneration of the Non-Executive Directors is a matter of the Board as a whole. The Company reimburses expenses incurred by the Directors for attending the Board and Committee meetings.

In respect of the payment of Directors' fees, it is recommended to the shareholders for approval at the AGM of the Company. For the financial year ended 31 December 2012, the Director's fee is proposed at RM50,000 per annum per Director.

Details of Directors' attendance at meeting of Remuneration Committee during 2012 are summarized as follows:

Members	Attendance
Dato' Ismail Bin Hamzah	1/1
Mr. Chew Hock Lin	1/1
Dato' Kenneth H'ng Bak Tee	1/1

Details of the Directors' remuneration for the financial year ended 31 December 2012 are categorized into appropriate components as follows:

RM'000	Executive Directors	Non-Executive Directors
Salaries	1,962	-
Fees	132	321
Bonus	1,553	-
Meeting Allowances	-	36
Ex-Gratia Benefits Receivable	370	-
Benefits In-Kind	15	-
Total	4,032	357

The number of Directors whose remuneration are analysed into bands of RM50,000 is as follows:

	Executive Directors	Non-Executive Directors
RM50,000 and below	-	1
RM50,001 – RM100,000	-	6
RM1,550,001 – RM1,600,000	1	-
RM2,000,001 – RM2,500,000	1	-
Total	2	7

Directors' Training

There has been greater awareness of the importance and benefits of attending and participating in the training and continuing education programmes that will enhance the Directors' knowledge and skill so as to effectively discharge their duties as Directors. All Directors in office have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. The Company Secretary assists the Board by sourcing the relevant courses/topics which are beneficial to the Directors for their participation. There were also briefings by the External and Internal Auditors and the Company Secretary on the relevant updates on statutory and regulatory requirements from time to time during Audit Committee meetings and Board meetings. Expenses incurred by the Directors who attended courses are reimbursed by the Company.

Details of courses attended by Directors during the financial year ended 31 December 2012 are set out in the following table:

Directors	Courses attended
Dato' Seri H'ng Bok San	<ul style="list-style-type: none"> Malaysian Code on Corporate Governance 2012 & Recognition and Management of Risk
Dato' Kenneth H'ng Bak Tee	<ul style="list-style-type: none"> Key Amendments to Listing Requirements and Corporate Disclosure Guide – 2011 Raising the Bar : The New Malaysian Code on Corporate Governance 2012 Directors and Shareholders' Dealing with the Company Securities for Borrowing – Charges and Debentures Managing Board, Committees and Shareholders Disclosure for Chief Executive Officers and Chief Financial Officers Malaysian Code on Corporate Governance 2012 & Recognition and Management of Risk Proficiency in Financial Planning Evaluating Capital Investments & Projects – For Company Directors
Dato' Harry H'ng Bak Seah	<ul style="list-style-type: none"> Malaysian Code on Corporate Governance 2012 & Recognition and Management of Risk
Datin Jessica H'ng Hsieh Ling	<ul style="list-style-type: none"> The Malaysian Code on Corporate Governance 2012 (MCCG 2012)

Directors	Courses attended
Mr. Chew Hock Lin	<ul style="list-style-type: none"> • Corporate Governance Blue Print, Key Amendments, Corporate Disclosure Guide 2011 • Malaysian Code on Corporate Governance 2012 & Recognition and Management of Risk • Disclosure for Chief Executive Officers and Chief Financial Officers • Corporate Governance Programme 2012 – Duties of Audit Committee • Malaysian Financial Reporting Standards Update
Dato' Ismail Bin Hamzah	<ul style="list-style-type: none"> • Malaysian Code on Corporate Governance 2012
Mr. Lai Chang Hun	<ul style="list-style-type: none"> • Malaysian Code on Corporate Governance 2012 & Recognition and Management of Risk
En. Wan Ismail Bin Wan Nik	<ul style="list-style-type: none"> • Corporate Frauds – Detection & Prevention

Relationship with Shareholders/Investors

The Company values dialogues with shareholders and investors. In order to ensure that shareholders and investors are well informed of the Group's business and corporate developments, information is disseminated via the Company's annual reports, circulars, quarterly financial results, various announcements and press releases made from time to time.

As part of the Group's initiatives to support green environment, GUH has been producing its annual reports in CD-ROM format together with a summarized version of financial statement, Notice of AGM and Form of Proxy.

The shareholders and investors are also encouraged to visit the Group's website at www.guh.com.my for information and may also raise any queries through the website. They may also obtain the Group's latest information via the website of Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

General meeting serves as a principal forum for dialogue with shareholders and is conducted annually for the shareholders' participation, both individual and institutional to discuss, consider and if thought fit, to pass the businesses of the Company. The shareholders are at liberty to raise questions while the Directors will provide answers and clarifications during the Company's AGM. The management of the Company also had conferences and meetings with the research analysts and fund managers to provide updates on the latest developments within the Group and to give the best information possible so that they can accurately apply it to evaluate the Company.

ACCOUNTABILITY AND AUDIT Financial Reporting

The Board is accountable to shareholders in ensuring the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and the applicable accounting standards in Malaysia. The Board also embraces the philosophy of transparency, accuracy and competency in providing the financial statements to the shareholders. In this respect, the Audit Committee assists the Board to ensure accuracy, adequacy and completeness of the financial statements of the Group.

In preparing the financial statements for the financial year ended 31 December 2012, the Directors have selected and used appropriate accounting policies and applied them consistently; made judgments and estimates that are reasonable and prudent; and ensured that all applicable approved accounting standards have been complied. The financial statements of the Company have been prepared on a going concern basis as the Directors have a reasonable expectation, having made enquiries that the Company has adequate resources to continue in operational existence for the foreseeable future.

Internal Control

The Board acknowledges the responsibilities for maintaining a sound system of internal control to safeguard the shareholders' investment and the Group's assets. The internal control system is designed to provide reasonable assurance against material misstatement and losses. The Board reviewed the effectiveness of the system of internal controls through the Audit Committee which had supervised the work of the Internal Audit Function of the Group and the comments made by the Company's External Auditors. The Statement on Risk Management and Internal Control is disclosed on pages 52 to 54 of this Annual Report.

Internal Audit Function

The Group's internal audit function is performed in-house by the Group Internal Audit Department which is independent from the operations and activities of the Group in order to maintain impartiality. Internal Audit Department reports directly to the Audit Committee. The internal audits involve the review of operational controls, adequacy of risk management, management efficiency, and compliance with the Group policies, procedures, laws and regulations, among others. In addition, areas such as efficient use of resources, safeguarding assets, response to assertions of fraud and reliability and integrity of financial information are also audited.

Thus, the Internal Audit has added value by improving the Group's operations through provision of consulting services and independent and objective evaluation of the control processes in the Group.

Details of the Group's Internal Audit Function and responsibilities are set out in the statement of Internal Audit Function of the Audit Committee Report on pages 55 to 58 of this Annual Report.

Relationship with External Auditors

The Audit Committee has been delegated with responsibilities on behalf of the Board, to meet with the Group's External Auditors, Messrs. Crowe Horwath to review the scope and adequacy of the audit process, the annual financial statements and their audit findings. The Board also maintains cordial and formal relationship with the External Auditors. During the year under review, the Audit Committee met with the External Auditors on 29 February, 3 April and 28 November 2012. The Board and the management have and will not interfere the meeting made between the Audit Committee and the External Auditors to ensure free liaison and unrestricted communication. The External Auditors were also invited to attend the Company's AGM on 28 May 2012 in order to clarify shareholders' queries where necessary.

Non-Audit Fees

The amount of non-audit fees incurred for services rendered to GUH Group by the External Auditors for the financial year under review amounted to RM34,650 only.

Related Party Transactions

The Group has an internal compliance framework in connection with related party transactions, to ensure it meets the obligations under the Listing Requirements. The Board, through its Audit Committee, reviews all related party transactions involved. Any Director who has an interest in the

related party transaction(s) must abstain from deliberations and voting on the relevant resolution, in respect of such transaction(s) at the Board meeting and any general meeting convened to consider the matter.

There are procedures established by the Company to ensure that all related party transactions are undertaken on an arm's length basis and on normal commercial terms, consistent with the company's usual business practices and policies, which are generally not more favorable than those generally available to the public and are not detrimental to the minority shareholders.

At the last AGM held on 28 May 2012, the Company obtained its shareholders' mandate to enable the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature, which is necessary for day to day operations and in the ordinary course of business of GUH Group and on terms not more favorable to the related parties than those generally available to the public. The said mandate shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming 49th AGM. Details of the recurrent related party transactions are set out under the Additional Disclosure on page 50 of this Annual Report.

The Company intends to seek the shareholders approval for a renewal mandate to be tabled at the forthcoming 49th AGM. Further information is set out in Part B of the Circular to Shareholders dated 29 April 2013 which is enclosed together with this Annual Report.

For all other transactions with any related parties which do not fall within the ambit of the above mentioned Proposed Mandate, will be subject to other applicable provisions of the Listing Requirements, the Companies Act 1965 and/or any other applicable law. During the financial year under review, the Company has made the necessary announcements to Bursa Malaysia Securities Berhad in respect of the related party transactions which had transacted.

Share Buy-Back

At the last AGM of the Company held on 28 May 2012, the Company obtained its shareholders' approval for the renewal authority for Share Buy-Back. The authority for the Company to purchase its own shares will be valid until the conclusion of the forthcoming 49th AGM. The Company proposed to seek a renewal authority for Share Buy-Back from its shareholders at the forthcoming 49th AGM.

Details of the share buy-back transactions are set out under the Schedule of Share Buy-Back on

page 51 of this Annual Report. Further information is set out in Part A of the Circular to Shareholders dated 29 April 2013 which is enclosed together with this Annual Report.

Material Contract

On 14 September 2012, GUH announced that its wholly-owned subsidiary, GUH Water Holdings Sdn. Bhd. has completed the acquisition of 70% of the issued and fully paid up share capital of Teknoserv Engineering Sdn. Bhd. ("Teknoserv") for a total purchase consideration of RM8,972,473.00. Teknoserv has become one of the subsidiaries of GUH with immediate effect thereof.

The acquisition of Teknoserv is part of the Group's plan to reduce its heavy reliance on printed circuit boards business, which currently generates about 80% of the Group's revenue. It also marks the entry of GUH into the water industry. GUH Water Division will be able to position itself as a significant player in the local and regional water industry. In addition, the acquisition also allows GUH to leverage on Teknoserv's expertise in water and wastewater business especially on its technical capability and project management skill. The technical expertise from Teknoserv combined with the financial support from GUH will enable the Group to undertake larger water and/or wastewater contracts or concessionary businesses in the future.

Other Compliance Information

Save as aforesaid disclosed, none of the following transactions have been entered by the Company during the financial year ended 31 December 2012:

- Issuance of any Options, Warrants or Convertible Securities;
- Sponsorship of any American Depository Receipt or Global Depository Receipt programmes;
- Sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies;
- Issuance or announcement of any profit estimate, forecast or projection;
- Profit guarantee given by the Company; and
- Material contract entered into by the Group, Directors and major shareholders.

Compliance Statement

As there is no 'one size fits all' approach to corporate governance while maintaining the best approach to adopting the principles, the Board is pleased to report to the shareholders that the Company has to its best endeavors maintained the compliance of the relevant principles and recommendations as set out in MCCG 2012 throughout the financial year ended 31 December 2012.

For any non-compliance of certain recommendations, the Board shall continue to uphold the spirit of the highest possible standards to maintain and apply to the principles and recommendations in the near future.

- The Board should formalize ethical standards through a code of conduct and ensure its compliance.
- The Nomination Committee will be tasked to implement nomination and election process of Board members and to disclose in the Annual Report.
- The Board should establish a policy formalizing its approach to Boardroom diversity and to explicitly disclose in the Annual Report its gender diversity policies and targets and the measures taken to meet those targets.
- The Board remuneration policies and procedures should be disclosed in the Annual Report.
- The Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director.
- The Audit Committee should have policies and procedures to assess the suitability and independence of External Auditors.
- The Board should have internal corporate disclosure policies and procedures which are practical and include feedback from management.

This Statement is made in accordance with a resolution of the Board of Directors dated 3 April 2013.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Annual General Meeting held on 28 May 2012, the Company obtained its Shareholders' mandate to allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with the prescribed thresholds under Paragraph 10.09(1) of the Listing Requirements, details of the recurrent related party transactions transacted during the financial year ended 31 December 2012 pursuant to shareholders' mandate are disclosed as follows:

Transacting Party of the Group	Transacting Party	Nature of Relationship	Nature of Transactions	Actual Value Transacted from 28 May 2012, to the latest practicable date on 29 March 2013
GUH Circuit Industry (PG) Sdn. Bhd. (Recipient & Provider)	Kiyamas Chemical Sdn. Bhd. ["KCSB"] (Provider & Recipient)	Lizheng Holdings Sdn. Bhd. has a direct shareholding of approximately 23.3% in Kiyamas Holdings Sdn. Bhd. Gan Chern Nee has a direct shareholding of approximately 8.3% in Kiyamas Holdings Sdn. Bhd.	Transactions of raw materials, goods and services	RM4,681,744.25
GUH Circuit Industry (PG) Sdn. Bhd. (Recipient)	Kiyamas Trading & Services Sdn. Bhd. ["KTSSB"] (Provider)	Lizheng Holdings Sdn. Bhd. has a direct shareholding of approximately 23.3% in Kiyamas Holdings Sdn. Bhd. Gan Chern Nee has a direct shareholding of approximately 8.3% in Kiyamas Holdings Sdn. Bhd.	Transactions of raw materials, goods and services	RM242,446.00

Notes:

- (1) Kiyamas Holdings Sdn. Bhd. is the Holding Company of KCSB and KTSSB
- (2) Dato' Kenneth H'ng Bak Tee, the CEO/Managing Director of the Group, is also a director and shareholder of Lizheng Holdings Sdn. Bhd.
- (3) Dato' Harry H'ng Bak Seah, the Non-Executive Director and a shareholder of GUH, is the spouse of Gan Chern Nee.
- (4) Dato' Seri H'ng Bok San, the Executive Chairman and the major shareholder of GUH, is the brother of Dato' Harry H'ng Bak Seah and Dato' Kenneth H'ng Bak Tee.
- (5) Datin Jessica H'ng Hsieh Ling, the Non-Executive Director and the major shareholder of GUH, is the daughter of Dato' Seri H'ng Bok San and the niece of Dato' Harry H'ng Bak Seah and Dato' Kenneth H'ng Bak Tee.

SHARE BUY-BACK DURING THE FINANCIAL YEAR

The Company purchased a total of 17,655,900 ordinary shares of RM1.00 each and kept as treasury shares pursuant to the Share Buy-Back authority obtained from its shareholders at the Annual General Meeting held on 19 May 2010 and subsequent renewal of authority at the Annual General Meeting held on 24 May 2011. On 13 April 2012, GUH cancelled all the 17,655,900 ordinary shares of RM1.00 each and the total issued and paid-up share capital of the Company reduced from RM203,069,963 divided into 203,069,963 ordinary shares of RM1.00 each to RM185,414,063 divided into 185,414,063 ordinary shares of RM1.00 each.

At the Annual General Meeting held on 28 May 2012, the Company obtained its shareholders' mandate to give the Company the renewal authority to purchase its own shares, up to the maximum of 10% of its total issued and paid up share capital. The authority will be lapsed upon the conclusion of the forthcoming 49th Annual General Meeting, unless a renewal mandate is given by its shareholders.

Details on the purchases made by the Company of its own shares for financial year ended 31 December 2012, are set out as follows:

Monthly Breakdown	No. of Shares Purchased and Retained as Treasury Shares	Purchase Price Per Share		Average Cost Per Share RM	Total Cost RM
		Lowest RM	Highest RM		
May 2012	199,900	1.23	1.28	1.26	252,598.01
June 2012	2,047,800	1.24	1.30	1.30	2,667,140.60
July 2012	569,700	1.29	1.30	1.31	743,980.49
August 2012	1,532,100	1.29	1.38	1.34	2,055,559.07
September 2012	3,334,500	1.28	1.34	1.33	4,419,496.70
October 2012	1,436,700	1.30	1.34	1.34	1,919,459.45
	9,120,700			1.32	12,058,234.32

The Company purchased 40,000 ordinary shares at average of RM1.13 per share on 25 February 2013. All its owned shares purchased by the Company are retained as treasury shares. As at 29 March 2013, being the last practicable date prior to the printing of this Annual Report, the total treasury shares is 9,160,700 ordinary shares of RM1.00 each.

Introduction

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board is required to include in its Annual Report, a statement on the state of internal control of the Group. The Board is pleased to provide the following statement that outlines the nature and scope of internal controls of the Group during the financial year, which has been prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" established as a guidance by Bursa Malaysia Securities Berhad.

Responsibility

The Board through its Audit Committee is ultimately responsible for the Group's system of internal controls and for reviewing its integrity, adequacy and effectiveness. Such a system is designed to reduce or eliminate if possible the risk of failure to achieve business objectives.

Risk Management and Internal Control

In line with Principle 6 of the Malaysian Code of Corporate Governance 2012, the Group has established a sound risk management framework and internal control system.

The Group has an in-house structured risk management framework for an on-going process in identifying, evaluating, monitoring and reporting the significant risks faced by the Group except for associated company which are not under the control of the Group, to ensure its system of internal control is carried out efficiently. Such process is regularly reviewed and examined as and when there are significant new issues which require changes to be made to the current system and policies.

A Risk Management Committee comprising one (1) Non-Independent and two (2) Independent Directors of whom are all Non-Executive and supported by Senior Management from the Group's business Divisions convened meetings for the purpose of identifying, evaluating and managing the significant risks.

Risks records, which identify key risks, potential financial impact, the likelihood of those risks occurring, as well as the control strategies to manage those risks associated with the Group's activities are presented to the Risk Management Committee for review. The Risk Management Committee reviews and discusses the performance of the business Divisions of the Group and reports to the Board. This risk management process will help GUH to achieve its performance and profitability targets by providing risk information to enable better decision-making. The Board will have ultimate responsibility for managing risks and internal controls associated with the operations of each Division.

The Board is committed to articulate, implement and review the Group's internal control system. The internal control system is designed to facilitate achievement of the Group's business objectives and to assist the Board to maintain a proper control environment. Internal controls also promote efficiency, reduce risk of asset loss, and help to ensure the reliability of financial statements which are in compliance with laws and regulations.

Review of Risk Management and Internal Control System

Reviewing the effectiveness of risk management and internal control through on-going assessment and annual assessment is an essential part of the Board's responsibilities.

The Group has an on-going process for identifying, evaluating and managing the significant risks faced by the company in its achievement of objectives and strategies. On a quarterly basis, the Board receives management reports from Senior Management in respect of business risks that have impacted or likely to impact the company and its achievement of its objectives and strategies and actions taken in response to the risks reported. The Risk Management Committee also meets with the Divisional heads once a year for an annual assessment of any significant aspects of risks and internal control matters.

To identify, evaluate and manage the significant risks faced by the company in its achievement of objectives and strategies, the Board reviews the risk management and internal control system and confirms the necessary actions carried out or to be carried out to remedy any significant weaknesses identified from the review.

The Group has an in-house Internal Audit Function, which is independent of the activities or operations of the subsidiaries, departments, and sections it audits. Its principal responsibility is to undertake regular and systematic reviews of the risk management and system of internal control in order to provide reasonable assurance that such system operates satisfactorily and effectively and to report directly to the Audit Committee.

The Internal Audit Function adopts a risk-based approach in preparation of its yearly internal audit plan and strategy which is reviewed and approved by the Audit Committee. Internal Audit will review on the adequacy and effectiveness of the risk management and internal control system and report its findings on major weaknesses and risk control procedures, and makes recommendations for improvements; and follow up audits are conducted to assess the status of implementation thereof by Management.

Internal Audit also investigates complaints of misuse and abuse of the Group's systems and processes, mismanagement of the Group's property/ assets and other instances of fraud and malpractice, if any.

Principal Risk Management and Control Features

The key features of the Group's risk management framework and internal control system which has been in place for the year under review and up to the date of approval of this statement for inclusion in the annual report, are summarized as follows:

1. Clear definition of the terms of reference, functions, authorities and responsibilities of the various Committees of the Board.
2. Well defined organizational structure with clear lines of accountability and responsibility to enable the Group's vision, mission, strategies and operational objectives to be achieved.
3. Documented internal policies and procedures are set out in the Group Policies to govern the financial and operational functions; which are subject to regular review and improvement.
4. Where appropriate, certain subsidiaries have ISO 9001: 2008, ISO 14001: 2004 and TS 16949: 2009 accreditations for their operational processes.
5. Clear definitions of authorization procedures and delegated authority levels for all operational transactions.
6. Review of all major proposals for investment and divestment by the Risk Management Committee and Executive Committee before being deliberated and approved by the Board.
7. The CEO/ Managing Director holds monthly management meetings with the Divisional heads. At these meetings all key performance indices were discussed and monitored; including discussions of significant issues. Accordingly, the Board is updated by the CEO/ Managing Director and is able to assess significant operational and financial risks of the business units concerned.
8. Performance Reports, benchmarked against budgets and objectives are provided to the Board at each Board meeting.
9. Detailed budgeting process where companies under the Group prepare annual budgets, which are approved at the Company level and reviewed by the CEO/ Managing Director.
10. Progress reports, financial summary and current issues which may significantly affect the company's business for all divisions are discussed at each Board meeting.
11. The Risk Management framework of the Group is in place to assist in the risk management process of the Group.
12. The Group's Internal Audit Function performs regular reviews, monitor compliance with policies and procedures, thus providing an independent assurance on the adequacy and effectiveness of the Group's system of internal control and advising Management on areas for further improvement.
13. The Audit Committee, on behalf of the Board, reviews reports from the Group Internal Auditor and from the External Auditors and reports its conclusion to the Board.

An associated company in Cambodia that has contributed to the Group's results has not been dealt with as part of the Group for the purpose of this Internal Control Statement.

Conclusion

The Board has received assurance from the Chief Executive Officer, Senior Manager – Accounts, Finance and Tax and the Divisional heads that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the company.

The Board affirms that the system of internal controls, with key features highlighted above, was generally sound and effective to safeguard the shareholders' investment, the interests of customers, regulators and employees, as well as the Group's assets. There were no controls weaknesses identified that have resulted in any material losses that would require disclosure in the Annual Report. The Board and Management will continuously take measures to improve and strengthen the internal control framework and environment of the Group.

This statement is made in accordance with a resolution of the Board of Directors dated 3 April 2013. The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report in the financial year ended 31 December 2012. Based on their review, nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of internal control of the Group.

The Board of Directors ("Board") is pleased to present the Audit Committee Report and its activities held throughout the financial year ended 31 December 2012 in compliance with Paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"). The Audit Committee has been set up by the Board to assist the Directors of the Company to carry out the duties and responsibilities which are governed by the following terms of reference.

Composition

The Audit Committee shall be appointed by the Board from among its members and shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors with a majority must be independent. The Chairman is one of the appointed Independent Non-Executive Directors.

The composition of the Audit Committee is in compliance with Paragraph 15.09 of the Listing Requirements. All members of the Audit Committee shall be financially literate and at least one (1) member of the Audit Committee must be:

- (a) a member of the Malaysian Institute of Accountants ("MIA"); or
- (b) if he is not a member of MIA, he must have at least three (3) years of working experience; and
 - (i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (ii) he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (c) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

No Alternate Director of the Board shall be appointed as a member of the Audit Committee.

Members

The members of the Audit Committee are as follows:

1. Chairman	Chew Hock Lin	Senior Independent Non-Executive Director
2. Member	Dato' Ismail Bin Hamzah	Independent Non-Executive Director
3. Member	Datin Jessica H'ng Hsieh Ling	Non-Independent Non-Executive Director

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

For the financial year ended 31 December 2012, the Nomination Committee has reviewed the required skills, qualities and experience of each member of the Audit Committee. The Company has also carried out the assessment and evaluation of all Board Committees including the Audit Committee and recommended to the Board that all the Audit Committee members are competent to carry out their duties in accordance with the terms of reference.

In the event of any vacancy in Audit Committee resulting in non compliance to the composition as above mentioned, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

Quorum and Meetings

A quorum shall consist of a majority of Independent Directors.

Meeting shall be held at least four (4) times a year with the attendance of the CEO / Managing Director, Senior Manager of Accounts, Finance and Tax and Internal Auditor. Other Board members, senior management and External Auditors may attend meetings upon the invitation of the Audit Committee.

Upon the request of the External Auditors, the Audit Committee shall convene a meeting to consider any matter that the External Auditors believe should be brought to the attention of the Directors and shareholders.

Audit Committee convenes meetings with the External Auditors, Internal Auditors or both, excluding the attendance of other Directors and employees of the Group, whenever necessary.

The Company Secretary acts as secretary to the Audit Committee. Minutes of each meeting are distributed to each Board member, and the Chairman of the Audit Committee reports on key issues discussed at each meeting to the Board.

During the financial year ended 31 December 2012, the Audit Committee convened five(5) meetings. Detail of the attendance of each Audit Committee member is as follows:

Name	Attendance
Chew Hock Lin	5/5
Dato' Ismail Bin Hamzah	5/5
Datin Jessica H'ng Hsieh Ling	4/5

The External Auditors attended three (3) of the meetings held during the financial year ended 31 December 2012.

Authority

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

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

Functions and Responsibilities of the Audit Committee

The primary objective of the Audit Committee is to provide assistance to the Board in fulfilling its statutory and fiduciary responsibilities and to ensure that the corporate governance, internal control, proper accounting and financial reporting systems of the Group are adequately managed.

In fulfilling its primary objective, the Audit Committee undertakes the following functions:

1. To consider the appointment of the External Auditors, the audit fee, and any questions of resignation or dismissal and where applicable;
2. To consider whether there is reason (supported by grounds) to believe that the External Auditors are not suitable for re-appointment and to recommend the nomination of a person as External Auditor;
3. To review the management letter and management's response of the External Auditors;
4. To discuss with the External Auditors on the following and report the same to the Board:
 - (i) the nature and scope of audit before the audit commences, and to ensure coordination where more than one audit firms are involved;
 - (ii) the audit report, audit plan and their evaluation of the system of internal control; and
 - (iii) the assistance given by the employees to the External Auditors.
5. To review the quarterly results and year-end financial statements of the Company, prior to the approval by the Board, focusing particularly on:
 - (i) going concern assumption;
 - (ii) changes in or implementation of major accounting policy;
 - (iii) significant and unusual events; and
 - (iv) compliance with accounting standards and other legal requirements.

6. To carry out the following in relation to the Internal Audit Function:
 - (i) to review the adequacy of competency of the scope, functions and resources of the Internal Audit Function to ensure it has the necessary authority to carry out its work;
 - (ii) to review the Internal Audit programme, processes, the results of internal audit or investigation undertaken and ensure that appropriate action is taken on the recommendations of the Internal Audit Function;
 - (iii) to review any appraisal or assessment of the performance of member(s) of the Internal Audit Function;
 - (iv) to approve any appointment or termination of member(s) of the Internal Audit Function; and
 - (v) to take cognizance of resignation of Internal Audit staff members and provide the resigning staff member an opportunity to submit his / her reason for resigning.
7. To consider any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
8. To carry out other functions as may be agreed to by the Audit Committee and the Board.

Summary of Activities of the Audit Committee

During the financial year ended 31 December 2012, the Audit Committee carried out the following activities:

1. Financial Results

- Reviewed the quarterly results and year-end financial statements of the Company and the Group including announcements, and recommended to the Board for approvals; focusing particularly on:
 - going concern assumption;
 - changes in or implementation of major accounting policy;
 - significant and unusual events; and
 - compliance with accounting standards and other legal requirements.

2. External Audit

- Reviewed and approved the audit reports, audit plan and the evaluation of the system of internal control for tabling to the Board;
- Deliberated and reported the results of the annual audit to the Board;
- Assessed the performance of the External Auditors and recommended their appointment and remuneration to the Board;
- Met with the External Auditors without the presence of management of the Company.

3. Internal Audit

- Reviewed and approved the annual risk-based Internal Audit Plans and tabled to the Board;
- Reviewed the adequacy of resources and competencies and coverage of auditable activities by the Internal Audit Function;
- Reviewed the internal audit reports, processes and results of internal audit to ensure appropriate actions were taken on the recommendations of the Internal Audit Function;
- Assessed the performance of the Group's Internal Audit Function and advised whether the appointment of additional Internal Audit staff's is necessary;
- Deliberated the results of ad-hoc investigations and reports performed by the Internal Audit Function and tabled to the Board.

4. Risk Management

- Reviewed the risk records from all business divisions of the Group and reported to the Board.

5. Related Party Transactions

- Reviewed the procedures and processes established by the Company with regards to related party transactions and monitored the related party transactions every quarter;
- Reviewed the related party transactions that arose within the Group to ensure that the transactions are fair, reasonable, and not detrimental to the minority shareholders;
- Considered any conflict of interest situation that may arise within the Company or the Group during the financial year under review.

6. Annual Reporting

- Considered and recommended the statutory financial statements of the Group to the Board for approval;
- Reviewed the Audit Committee Report, reports on related party transactions and recurrent related party transactions, Corporate Governance Statement, Statement on Risk Management and Internal Control, Corporate Responsibility Statement, Sustainability Report, record on Share Buy-Back and any other statements of the Annual Report and recommended to the Board for approval.

Internal Audit Function

The Group has an in-house Internal Audit Department, an independent supervisory body that reports directly to the Audit Committee on its activities based on the approved annual risk-based Internal Audit Plans. Its principal role is to provide independent assurance on the adequacy and effectiveness of governance, risk management and control processes.

The Internal Audit Function provides an independent appraisal function which aims to meet the needs of the organization and is committed to working in partnership with management to assist GUH Group in achieving its corporate ambitions and objectives. It objectively examines, evaluates and reports on the adequacy of internal controls as a contribution to the proper, economic and effective use of resources. The Audit Committee reviews and approves the internal audit plan of the Group submitted by the Internal Audit Manager.

During the year, various internal audit assignments have been undertaken covering a range of areas, departments and subsidiaries within the Group. Internal audit reports incorporating audit recommendations and management responses were presented to the Audit Committee for deliberations and forwarded to management to carry out necessary preventive and corrective actions.

Summary of Activities of the Internal Audit Function

Summary of activities undertaken by the Internal Audit Department includes the following:

- Prepared annual risk-based audit plan for Audit Committee's deliberations;
- Performed risk assessment to evaluate risk within the organization for audit planning purposes;
- Implemented the annual audit plan, performed financial, operational and compliance audits on various areas and companies in the Group to ascertain the adequacy and integrity of their system of internal controls;
- quarterly reviews of related party transactions to assess compliance with Listing Requirements;
- Carried out ad-hoc appraisals and reviews requested by the Audit Committee or by management;
- Performed follow up reviews to monitor and ensure that agreed management actions have been effectively implemented;
- Provided consulting services, i.e. provide advice and assistance to management and staff on procedures, systems, internal control matters etc, throughout the year to assist management in meeting its objectives.

The total costs incurred for the Internal Audit Function of the Group for 2012 is RM226,600 (2011: RM216,600).

FINANCIAL STATEMENTS

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The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of the principal activities of the Group and the Company during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:-		
- Owners of the Company	36,111	24,181
- Non-controlling interests	99	0
	<u>36,210</u>	<u>24,181</u>

DIVIDENDS

During the financial year, the Company declared and paid an interim dividend of 6.0 sen per share (less tax at 25%) amounting to RMB,147,911 in respect of the financial year ended 31 December 2012.

The directors do not propose any final dividend in respect of the financial year ended 31 December 2012.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year apart from those disclosed in the financial statements.

ISSUE OF SHARES OR DEBENTURES

There was no issue of shares or debentures by the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No share options were granted by the Company during the financial year.

PURCHASE OF OWN SHARES

The shareholders of the Company, by a resolution passed at the Annual General Meeting held on 19 May 2010, approved the Company's plan to purchase its own shares. The directors are committed to enhancing the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interests of the Company and its shareholders.

The details of the shares purchased from the open market using internally generated funds and held as treasury shares during the financial year are as follows:-

	2012		2011	
	No. of Shares '000	Cost RM'000	No. of Shares '000	Cost RM'000
At 1 January	15,884	18,968	4,749	5,660
Shares purchased	10,813	14,348	11,115	13,308
Shares cancelled	(17,058)	(21,258)	0	0
At 31 December	<u>8,121</u>	<u>12,058</u>	<u>15,884</u>	<u>18,968</u>
Average unit cost for the year (RM)		<u>1.315</u>		<u>1.187</u>

The mandate given by the shareholders at the Annual General Meeting held on 28 May 2012 will expire at the forthcoming Annual General Meeting at which a resolution will be tabled for shareholders to grant a fresh mandate for another year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the allowance made for doubtful debts inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps to ascertain whether any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and the Company had been written down to an amount that they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group or the Company that 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 or the Company that has arisen since the end of the financial year.

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, in the opinion of the directors, will or may substantially affect the ability of the Group or the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or in the financial statements of the Group and the Company that would render any amount stated in the respective financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which, in the opinion of the directors, will affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

DIRECTORS OF THE COMPANY

The directors who served since the date of the last report are:-

Dato' Seri H'ng Bok San, DGPN, DSPN, PKT, PJK, JP
 Dato' Chung Chin Fu, DSPN, DIN (retired on 28.5.2012)
 Dato' Kenneth H'ng Bak Tee, DSPN, PKT, PUM
 Dato' Harry H'ng Bak Seah, DSPN, PJK
 Datin Jessica H'ng Hsieh Ling
 Chew Hock Lin
 Dato' Ismail Bin Harizah, AMN, KUM, DMIP
 Lai Chang Hun, PKT
 Wan Ismail Bin Wan Nik

Particulars of the interests in shares in the Company of the directors in office at the end of the financial year, as shown in the Register of Directors' Shareholdings, are as follows:-

Name of Director	Number of Ordinary Shares of RM1.00 each			
	At 1.1.2012	Bought	Sold	At 31.12.2012
Dato' Seri H'ng Bok San, DGPN, DSPN, PKT, PJK, JP				
- Indirect ^(a)	20,408,617	0	0	20,408,617
- Indirect ^(b)	12,243,000	0	0	12,243,000
Dato' Kenneth H'ng Bak Tee, DSPN, PKT, PUM				
- Indirect ^(b)	1,908,500	0	0	1,908,500
Dato' Harry H'ng Bak Seah, DSPN, PJK				
- Direct	1,707,952	0	0	1,707,952
Datin Jessica H'ng Hsieh Ling				
- Direct	1,509,000	0	0	1,509,000
- Indirect ^(c)	20,408,617	0	0	20,408,617
Lai Chang Hun, PKT				
- Direct	1,825,288	0	0	1,825,288
- Indirect ^(b)	941,324	0	(866,300)	75,024
- Indirect ^(c)	2,309,563	0	0	2,309,563
Wan Ismail Bin Wan Nik				
- Direct	3,796,035	4,000	(1,357,500)	2,442,535

^(a) Deemed interest by virtue of shares held by company controlled by family members

^(b) Deemed interest by virtue of shares held by family members (who are not directors of the Company)

^(c) Deemed interest by virtue of shares held by company in which the director has interest

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the directors' remuneration disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the 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 except for any benefits which may be deemed to have arisen by virtue of those related party transactions as disclosed in Note 27 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 3 APRIL 2013**

Dato' Seri H'ng Bok San, DGPW, DSPW, PKT, PJK, JP

Dato' Kenneth H'ng Bak Tee, DSPW, PKT, PJM

We, Dato' Seri H'ng Bok San, DGN, DSPN, PKT, PJK, JP and Dato' Kenneth H'ng Bak Tee, DSPN, PKT, PJM, being two of the directors of GUH Holdings Berhad, do hereby state that in the opinion of the directors, the financial statements set out on pages 69 to 133 give a true and fair view of the financial position of the Group and the Company as at 31 December 2012 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

In the opinion of the directors, the supplementary information set out on page 134 is prepared, in all material respects, in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 3 APRIL 2013**

**Dato' Seri H'ng Bok San,
DGN, DSPN, PKT, PJK, JP**

**Dato' Kenneth H'ng Bak Tee,
DSPN, PKT, PJM**

STATUTORY DECLARATION

I, Yeoh Saw Gaik, being the officer primarily responsible for the financial management of GUH Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 69 to 133 are to the best of my knowledge and belief, 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
Yeoh Saw Gaik at Georgetown in the
State of Penang on this 3 April 2013

Yeoh Saw Gaik

Before me
Tan Cheng Kuan
Commissioner for Oaths (No. A-P058)

Report on the Financial Statements

We have audited the financial statements of GUH Holdings Berhad, which comprise the statements of financial position as at 31 December 2012 of the Group and the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 69 to 133.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2012 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (i) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (ii) We have considered the financial statements and the auditors' report of Grand Circuit Industry (Philippines) Inc. of which we have not acted as auditors. We have also considered the unaudited financial statements of GUH International (HK) Private Limited, GUH Water (Jiangsu) Pte. Limited and GUH Water (Gaochun) Co., Ltd.
- (iii) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (iv) The audit reports on the financial statements of the subsidiaries did not contain any qualification that is material to the financial statements of the Group or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out on page 134 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("the MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Horwath
Firm No: AF 1018
Chartered Accountants**

**Chan Kheng Hoe
Approval No: 297903/14(J)
Chartered Accountant**

Date: 3 April 2013

Penang

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

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	Note	31.12.2012 RM'000	31.12.2011 RM'000 (Restated)	1.1.2011 RM'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment	4	125,754	118,887	129,747
Investment property	5	6,389	6,580	6,470
Goodwill	6	3,348	0	0
Investment in associate	8	20,218	22,231	23,137
Available-for-sale financial assets	9	13,511	30,444	27,591
Investments in club memberships	10	140	278	250
Property development costs	11	49,601	41,679	41,578
Deferred tax assets	12	0	279	459
		<u>218,971</u>	<u>220,338</u>	<u>229,241</u>
CURRENT ASSETS				
Property development costs	11	22,284	15,278	13,459
Accrued billings	11	1,909	4,431	8,463
Assets held for sale	13	0	0	3,302
Amounts due from customers for contract work	14	703	0	0
Inventories	15	32,602	36,660	38,107
Trade and other receivables	16	51,624	65,029	75,754
Prepayments		1,287	2,884	1,174
Current tax assets		1,589	952	2,015
Cash and cash equivalents	17	160,288	142,562	84,849
		<u>272,254</u>	<u>267,808</u>	<u>228,123</u>
CURRENT LIABILITIES				
Trade and other payables	18	57,795	63,583	59,751
Loans and borrowings - secured	19	54	0	1,328
Financial liabilities at fair value through profit or loss		0	0	30
Current tax liabilities		1,578	1,891	1,738
		<u>59,427</u>	<u>65,474</u>	<u>62,846</u>
NET CURRENT ASSETS		<u>212,827</u>	<u>202,362</u>	<u>165,278</u>
NON-CURRENT LIABILITIES				
Loans and borrowings - secured	19	63	0	0
Deferred tax liabilities	12	6,517	4,593	4,483
		<u>6,580</u>	<u>4,593</u>	<u>4,483</u>
NET ASSETS		<u>425,218</u>	<u>418,105</u>	<u>300,038</u>
EQUITY				
Share capital	20	185,414	203,070	203,070
Treasury shares	20	(12,058)	(18,988)	(5,680)
Reserves		249,352	234,003	192,628
Equity attributable to owners of the Company		<u>422,708</u>	<u>418,105</u>	<u>300,038</u>
Non-controlling interests		2,510	0	0
TOTAL EQUITY		<u>425,218</u>	<u>418,105</u>	<u>300,038</u>

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

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM'000	2011 RM'000 (Restated)
Revenue	21	280,388	311,280
Cost of sales		(230,158)	(264,231)
Gross profit		<u>50,227</u>	<u>47,049</u>
Other operating income		6,997	8,294
Administrative expenses		(11,378)	(11,282)
Distribution expenses		(4,288)	(4,818)
Other operating expenses		(2,715)	(4,032)
Profit from operations		<u>38,832</u>	<u>38,211</u>
Finance costs		(2)	(28)
Share of profit of associate		8,067	7,748
Profit before tax	22	<u>46,897</u>	<u>43,623</u>
Tax expense	25	(10,687)	(7,805)
Profit for the financial year		<u><u>36,210</u></u>	<u><u>38,018</u></u>
Profit for the financial year attributable to:-			
- Owners of the Company		36,111	38,018
- Non-controlling interests		99	0
		<u><u>36,210</u></u>	<u><u>38,018</u></u>
Earnings per share:-	28		
- Basic (sen)		<u>18.85</u>	<u>18.57</u>
- Diluted (sen)		<u>18.85</u>	<u>18.57</u>

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	2012 RM'000	2011 RM'000 (Restated)
Profit for the financial year	36,210	38,018
Other comprehensive income:-		
(Loss)/Gain on available-for-sale financial assets	(5,505)	2,843
Reclassification adjustments on:-		
- Derecognition of available-for-sale financial assets	858	(579)
- Impairment of available-for-sale financial assets	0	2,516
Currency translation differences for foreign operations	(4,165)	9,384
Other comprehensive income for the financial year	(9,012)	13,844
Total comprehensive income for the financial year	27,198	48,882
Total comprehensive income for the financial year attributable to:-		
- Owners of the Company	27,008	48,882
- Non-controlling interests	98	0
	27,198	48,882

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012**

	Non-distributable					Distributable		Equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Capital redemption reserve RM'000	Resortation surplus RM'000	Fair value reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000			
Balance at 1 January 2011	203,070	(5,660)	47,632	12,526	1,279	(5,308)	136,553	389,892	0	389,892
- As previously reported	0	0	0	0	0	0	144	144	0	144
- Effects of adopting amendments to FRS 112	203,070	(5,660)	47,632	12,526	1,279	(5,308)	136,687	390,036	0	390,036
- As restated	0	0	0	0	2,543	0	0	2,543	0	2,543
Gain on available-for-sale financial assets	0	0	0	0	(579)	0	0	(579)	0	(579)
Reclassification adjustments on:-	0	0	0	0	2,516	0	0	2,516	0	2,516
- Derecognition of available-for-sale financial assets	0	0	0	0	0	0	0	0	0	0
- Impairment of available-for-sale financial assets	0	0	0	0	0	0	0	0	0	0
Currency translation differences for foreign operations	0	0	0	0	0	9,364	0	9,364	0	9,364
Other comprehensive income for the financial year	0	0	0	0	4,588	9,364	0	13,944	0	13,944
Profit for the financial year	0	0	0	0	0	0	36,018	36,018	0	36,018
Total comprehensive income for the financial year	0	0	0	0	4,588	9,364	36,018	49,962	0	49,962
Purchase of own shares	0	(13,308)	0	0	0	0	0	(13,308)	0	(13,308)
Interest dividend of 6.00 cent per share (tax free at 25%)	0	0	0	0	0	0	(8,565)	(8,565)	0	(8,565)
Total transactions with owners	0	(13,308)	0	0	0	0	(8,565)	(21,893)	0	(21,893)
Transfer of resortation surplus	0	0	0	(374)	0	0	374	0	0	0
Balance at 31 December 2011	203,070	(10,968)	47,632	12,152	5,858	3,856	164,504	478,105	0	478,105

* Retained profits as at 31 December 2011 amounting to RM14,089,000, being the total cost of the treasury shares purchased, were considered as non-distributable.

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (cont'd)**

	Non-distributable					Distributable		Equity attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
	Treasury shares RMB'000	Capital redemption reserve RMB'000	Residual surplus RMB'000	Fair value reserve RMB'000	Currency transition reserve RMB'000	Retained profits RMB'000	Company RMB'000			
Balance at 1 January 2012	203,070	47,632	12,152	5,859	3,856	164,353	417,954	0	417,954	
- As previously reported	0	0	0	0	0	151	151	0	151	
- Effects of adopting amendments to FRS 112	(10,950)	47,632	12,152	5,859	3,856	164,304	418,105	0	418,105	
- As restated	0	0	0	(5,016)	0	0	(5,016)	0	(5,016)	
Loss on available-for-sale financial assets	0	0	0	638	0	0	638	0	638	
Reclassification adjustment on derecognition of available-for-sale financial assets	0	0	0	(4,165)	(4,165)	0	(4,165)	0	(4,165)	
Currency transition consequences for foreign operations	0	0	0	(4,165)	(4,165)	0	(8,330)	0	(8,330)	
Other comprehensive income for the financial year	0	0	0	(4,165)	(4,165)	0	(8,330)	0	(8,330)	
Profit for the financial year	0	0	0	0	0	36,111	36,111	99	36,210	
Total comprehensive income for the financial year	0	0	0	(4,165)	(4,165)	36,111	27,089	99	27,198	
Purchase of own shares	(14,348)	0	0	0	0	0	(14,348)	0	(14,348)	
Interim dividend of 6.0 cen per share (less tax at 25%)	0	0	0	0	0	(8,148)	(8,148)	0	(8,148)	
Total transactions with owners	(14,348)	0	0	0	0	(8,148)	(22,496)	0	(22,496)	
Acquisition of subsidiary	0	0	0	0	0	0	0	2,411	2,411	
Cancellation of treasury shares	(17,656)	17,656	0	0	0	(21,258)	0	0	0	
Balance at 31 December 2012	165,114	65,288	12,152	1,012	(309)	171,209	422,708	2,510	425,218	

* Retained profits as at 31 December 2012 amounting to RMB12,058,000, being the total cost of the treasury shares purchased, were considered as non-distributable.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		46,897	43,823
Adjustments for:-			
Allowance for slow moving inventories		154	187
Deposit written off		4	0
Depreciation		12,408	12,282
Dividend income		(10,518)	(384)
Gain on disposal of assets held for sale		0	(4,885)
Gain on disposal of investment property		(378)	0
Gain on fair value adjustment of investment property		(2,868)	(90)
Impairment loss on available-for-sale financial assets		0	2,516
Impairment loss on loans and receivables		11	0
Interest expense		2	26
Interest income		(4,858)	(2,893)
Loss/(Gain) on derecognition of available-for-sale financial assets		548	(579)
Loss/(Gain) on disposal of property, plant and equipment		118	(281)
Property, plant and equipment written off		888	155
Reversal of allowance for slow moving inventories		(98)	(1,529)
Reversal of impairment loss on loans and receivables		0	(1)
Share of profit of associate		(8,067)	(7,748)
Unrealised loss/(gain) on foreign exchange		157	(338)
Operating profit before working capital changes		<u>34,402</u>	<u>40,803</u>
Changes in:-			
Property development costs		(14,838)	(1,820)
Accrued billings		2,522	5,032
Amounts due from customers for contract work		(893)	0
Inventories		4,000	2,789
Receivables and prepayments		17,468	8,087
Payables		(7,082)	3,825
Financial instruments at fair value through profit or loss		0	(30)
Cash generated from operations		<u>35,400</u>	<u>58,586</u>
Interest paid		(2)	(26)
Tax paid		(7,082)	(8,893)
Tax refunded		<u>228</u>	<u>284</u>
Net cash from operating activities		<u>28,542</u>	<u>53,131</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (cont'd)

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	Note	2012 RM'000	2011 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary, net of cash acquired	7	(1,978)	0
Dividends received		17,093	8,307
Interest received		4,858	2,693
Proceeds from disposal of assets held for sale		0	22,456
Proceeds from disposal of available-for-sale financial assets		17,814	12,818
Proceeds from disposal of investment property		3,208	0
Proceeds from disposal of investments in club memberships		134	0
Proceeds from disposal of property, plant and equipment		207	288
Purchase of available-for-sale financial assets		(6,277)	(13,028)
Purchase of property, plant and equipment		(21,262)	(12,189)
Net cash from investing activities		<u>13,768</u>	<u>22,345</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(8,148)	(8,585)
Proceeds from loans and borrowings		0	7,021
Purchase of own shares		(14,348)	(13,308)
Repayment of loans and borrowings		(18)	(8,347)
Net cash used in financing activities		<u>(22,514)</u>	<u>(23,219)</u>
Currency translation differences		(2,072)	5,456
Net increase in cash and cash equivalents		17,724	57,713
Cash and cash equivalents brought forward		142,562	84,849
Cash and cash equivalents carried forward	17	<u><u>160,286</u></u>	<u><u>142,562</u></u>

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	2012 RM'000	2011 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	4	327	373
Investments in subsidiaries	7	181,207	184,898
Investment in associate	8	6,046	6,046
Available-for-sale financial assets	9	13,481	30,394
Investments in club memberships	10	8	8
		<u>211,049</u>	<u>221,719</u>
CURRENT ASSETS			
Asset held for sale	13	14,800	14,800
Receivables	16	87,291	76,170
Prepayments		23	17
Current tax assets		424	424
Cash and cash equivalents	17	33,898	17,842
		<u>136,336</u>	<u>109,053</u>
CURRENT LIABILITIES			
Payables	18	23,598	3,821
		<u>23,598</u>	<u>3,821</u>
NET CURRENT ASSETS		112,740	105,232
NET ASSETS		<u>323,789</u>	<u>326,951</u>
EQUITY			
Share capital	20	185,414	203,070
Treasury shares	20	(12,058)	(18,988)
Reserves		150,433	142,849
TOTAL EQUITY		<u>323,789</u>	<u>326,951</u>

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

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM'000	2011 RM'000
Revenue	21	29,579	24,888
Cost of services		(8,087)	(6,164)
Gross profit		23,512	18,504
Other operating income		6,309	8,008
Administrative expenses		(1,428)	(1,531)
Other operating expenses		(1,638)	(3,075)
Profit before tax	22	26,757	21,804
Tax expense	25	(2,578)	(423)
Profit for the financial year		24,181	21,481

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	2012 RM'000	2011 RM'000
Profit for the financial year	24,181	21,481
Other comprehensive income:-		
(Loss)/Gain on available-for-sale financial assets	(5,505)	2,643
Reclassification adjustments on:-		
- Derecognition of available-for-sale financial assets	658	(579)
- Impairment of available-for-sale financial assets	0	2,518
Other comprehensive income for the financial year	(4,847)	4,580
Total comprehensive income for the financial year	19,334	26,061

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012**

	Non-distributable				Distributable*		Total equity RMB'000
	Share capital RMB'000	Treasury shares RMB'000	Capital redemption reserve RMB'000	Revaluation surplus RMB'000	Fair value reserve RMB'000	Retained profits RMB'000	
Balance at 1 January 2011	203,070	(5,868)	47,632	2,468	1,279	73,804	322,783
Gain on available-for-sale financial assets	0	0	0	0	2,643	0	2,643
Reclassification adjustments on:-							
- Derecognition of available-for-sale financial assets	0	0	0	0	(579)	0	(579)
- Impairment of available-for-sale financial assets	0	0	0	0	2,516	0	2,516
Other comprehensive income for the financial year	0	0	0	0	4,580	0	4,580
Profit for the financial year	0	0	0	0	0	21,481	21,481
Total comprehensive income for the financial year	0	0	0	0	4,580	21,481	26,061
Purchase of own shares	0	(13,308)	0	0	0	0	(13,308)
Interim dividend of 0.0 sen per share (less tax of 25%)	0	0	0	0	0	(8,585)	(8,585)
Total transactions with owners	0	(13,308)	0	0	0	(8,585)	(21,893)
Balance at 31 December 2011	203,070	(19,868)	47,632	2,468	5,859	86,000	326,961

* Retained profits as at 31 December 2011 amounting to RM18,968,000, being the total cost of the treasury shares purchased, were considered as non-distributable.

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (cont'd)**

	Non-distributable					Distributable*		Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Capital redemption reserve RM'000	Revaluation surplus RM'000	Fair value reserve RM'000	Retained profits RM'000		
Balance at 1 January 2012	213,070	(18,068)	47,632	2,468	5,859	88,060	328,951	
Loss on available-for-sale financial assets	D	0	D	0	(5,505)	0	(5,505)	
Reclassification adjustment on derecognition of available-for-sale financial assets	D	0	D	0	658	0	658	
Other comprehensive income for the financial year	D	0	D	0	(4,847)	0	(4,847)	
Profit for the financial year	D	0	D	0	0	24,181	24,181	
Total comprehensive income for the financial year	0	0	0	0	(4,847)	24,181	19,334	
Purchase of own shares	0	(14,348)	0	0	0	0	(14,348)	
Interim dividend of 0.0 sen per share (less tax at 25%)	0	0	0	0	0	(8,148)	(8,148)	
Total transactions with owners	0	(14,348)	0	0	0	(8,148)	(22,496)	
Cancellation of treasury shares	(17,656)	21,258	17,656	0	0	(21,258)	0	
Balance at 31 December 2012	185,414	(12,158)	65,288	2,468	1,012	81,065	323,789	

* Retained profits as at 31 December 2012 amounting to RM12,058,000, being the total cost of the treasury shares purchased, were considered as non-distributable.

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

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	2012	2011
Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	26,757	21,804
Adjustments for:-		
Depreciation	158	278
Dividend income	(22,819)	(19,482)
Gain on disposal of property, plant and equipment	0	(75)
Impairment loss on available-for-sale financial assets	0	2,516
Impairment loss on loans and receivables	537	0
Interest income	(1,280)	(803)
Loss/(Gain) on derecognition of available-for-sale financial assets	549	(578)
Property, plant and equipment written off	2	0
Reversal of impairment loss on investments in subsidiaries	(6,308)	(7,352)
Operating loss before working capital changes	<u>(2,385)</u>	<u>(3,385)</u>
Changes in:-		
Receivables and prepayments	(11,664)	1,527
Payables	19,775	1,112
Cash generated from/(absorbed by) operations	<u>5,728</u>	<u>(758)</u>
Tax paid	0	(303)
Tax refunded	0	283
Net cash from/(used in) operating activities	<u>5,728</u>	<u>(798)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	20,243	19,482
Interest received	1,280	803
Proceeds from disposal of available-for-sale financial assets	17,814	12,818
Proceeds from disposal of property, plant and equipment	0	203
Purchase of available-for-sale financial assets	(6,277)	(13,028)
Purchase of property, plant and equipment	(114)	(157)
Net cash from investing activities	<u>32,928</u>	<u>19,821</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(8,148)	(8,585)
Purchase of own shares	(14,348)	(13,308)
Net cash used in financing activities	<u>(22,496)</u>	<u>(21,893)</u>
Net increase/(decrease) in cash and cash equivalents	16,158	(2,768)
Cash and cash equivalents brought forward	17,842	20,810
Cash and cash equivalents carried forward	17 <u>33,998</u>	<u>17,842</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at Part of Plot 1240 & 1241, Bayan Lepas Free Industrial Zone, Phase 3, Bayan Lepas, 11900 Penang.

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 7.

The consolidated financial statements set out on pages 69 to 75 together with the notes thereto cover the Company and its subsidiaries ("the Group") and the Group's interest in an associate. The separate financial statements of the Company set out on pages 76 to 81 together with the notes thereto cover the Company solely.

The presentation currency is Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM000") except when otherwise indicated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 3 April 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

The financial statements of the Group and the Company are prepared under the historical cost convention, modified to include other bases of measurement as disclosed in other sections of the significant accounting policies, and in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act 1965 in Malaysia.

The following FRSs became effective for the financial year under review:-

FRS	Effective for annual periods beginning on or after
FRS 124 <i>Related Party Disclosures</i> (revised in 2010)	1 January 2012
IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 July 2011
Amendments to FRS 1 <i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>	1 January 2012
Amendments to FRS 7 <i>Disclosures - Transfers of Financial Assets</i>	1 January 2012
Amendments to FRS 112 <i>Deferred Tax: Recovery of Underlying Assets</i>	1 January 2012
Amendments to IC Interpretation 14 <i>Prepayments of a Minimum Funding Requirement</i>	1 July 2011

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation of Financial Statements (cont'd)

The adoption of the above FRSs did not result in any significant changes in the accounting policies of the Group and the Company except as follows:-

Amendments to FRS 112 Deferred Tax Recovery of Underlying Assets

The amendments to FRS 112 provide a practical approach for measuring deferred tax by introducing a rebuttable presumption that the carrying amount of investment property stated at fair value will be recovered entirely through sale. Accordingly, unless the presumption is rebutted, the measurement of deferred tax shall reflect the tax consequences of recovering the carrying amount of the investment property entirely through sale. The effects of adopting the amendments have been accounted for retrospectively in accordance with FRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* by restating the following comparative figures:-

	As previously reported RM'000	Effects of adopting amendments to FRS 112 RM'000	As restated RM'000
<u>Consolidated Statement of Financial Position (Extract)</u>			
<u>As at 1 January 2011</u>			
Deferred tax liabilities	4,827	(144)	4,483
Retained profits	138,553	144	138,897
<u>As at 31 December 2011</u>			
Deferred tax liabilities	4,744	(151)	4,593
Retained profits	184,353	151	184,504
<u>Consolidated Income Statement (Extract)</u>			
<u>For the financial year ended 31 December 2011</u>			
Tax expense	7,912	(7)	7,905

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Future Accounting Standards

Financial Reporting Standards

For the existing FRS framework, the Malaysian Accounting Standards Board ("MASEB") has issued the following FRSs which are not yet effective:-

<u>FRS (Issued as at the end of the reporting period)</u>	<u>Effective for annual periods beginning on or after</u>
FRS 8 <i>Financial Instruments</i>	1 January 2015
FRS 10 <i>Consolidated Financial Statements</i>	1 January 2013
FRS 11 <i>Joint Arrangements</i>	1 January 2013
FRS 12 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
FRS 13 <i>Fair Value Measurement</i>	1 January 2013
FRS 11B <i>Employee Benefits</i> (amended in 2011)	1 January 2013
FRS 127 <i>Separate Financial Statements</i> (amended in 2011)	1 January 2013
FRS 128 <i>Investments in Associates and Joint Ventures</i> (amended in 2011)	1 January 2013
IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013
Amendments to FRS 1 <i>Government Loans</i>	1 January 2013
Amendments to FRS 7 <i>Disclosures - Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12 <i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i>	1 January 2013
Amendments to FRS 101 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
Amendments to FRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2012)"	1 January 2013

Management foresees that the initial application of the above FRSs will not have any significant impacts on the financial statements except as follows:-

FRS 9 *Financial Instruments*

FRS 9 replaces the guidance in FRS 139 *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets by dividing them into 3 classifications: (1) those measured at amortized cost; (2) those measured at fair value through profit or loss; and (3) those measured at fair value through other comprehensive income. Management foresees that the adoption of these new classifications will not result in any significant changes to the existing measurement bases of financial assets of the Group and the Company except that the unquoted investments will be classified as and measured at fair value through other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Future Accounting Standards (cont'd)

Financial Reporting Standards (cont'd)

FRS 10 Consolidated Financial Statements

FRS 10 replaces the consolidation guidance in FRS 127 *Consolidated and Separate Financial Statements* and IC Interpretation 112 *Consolidation - Special Purpose Entities* by introducing a single consolidation model for all entities based on control. Under FRS 10, control is based on whether an investor has (1) power over the investee; (2) exposure, or rights, to variable returns from its involvement with the investee; and (3) the ability to use its power over the investee to affect the amount of the returns. Management foresees that the adoption of these new control criteria will not result in any significant changes to the existing composition of the Group.

Malaysian Financial Reporting Standards

In November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") framework. The issuance was made in conjunction with the MASB's plan to converge with International Financial Reporting Standards ("IFRS") in 2012. The MFRS framework is a fully IFRS-compliant framework and equivalent to IFRSs.

The MFRS framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for Construction of Real Estate*, including their parents, significant investors and venturers ("Transitioning Entities"). Transitioning Entities are allowed to defer the adoption of the MFRS framework to annual periods beginning on or after 1 January 2014.

Being a Transitioning Entity as defined above, the Group and the Company have elected to defer the adoption of the MFRS framework to the financial year ending 31 December 2014. Management is currently examining the financial impacts of transition to the MFRS framework.

2.3 Basis of Consolidation

A subsidiary is an entity that is controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Basis of Consolidation (cont'd)

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the end of the reporting period using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:-

- (a) the aggregate of:-
 - (i) the acquisition-date fair value of the consideration transferred;
 - (ii) the amount of any non-controlling interests; and
 - (iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.
- (b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.11. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Basis of Consolidation (cont'd)

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

2.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost or at valuation less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.11.

Revaluations of land and buildings are made with sufficient regularity at an interval of not more than five years such that the carrying amounts of the assets do not differ materially from their fair values at the end of the reporting period.

A revaluation increase is recognised in other comprehensive income and accumulated in equity as revaluation surplus or recognised in profit or loss to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in profit or loss. A revaluation decrease is recognised in profit or loss or recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of the same asset.

Freehold land and capital work-in-progress are not depreciated. Leasehold land is depreciated on a straight-line basis over the lease terms of 48 to 60 years. Plantation development expenditure, which represents the capitalised costs on new planting and replanting of oil palm, is depreciated on a straight-line basis over the estimated useful life of the oil palm of 20 years. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:-

Buildings	2 - 5%
Plant and machinery	10 - 20%
Furniture, fittings and office equipment	5 - 50%
Motor vehicles	20 - 25%
Estate improvement	10%

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Investment Property

Investment property, being a property held to earn rentals and/or for capital appreciation, is stated at fair value. Any gain or loss arising from a change in the fair value of investment property is recognised in profit or loss.

2.6 Investments in Subsidiaries

As required by the Companies Act 1965, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.11.

2.7 Investment in Associate

An associate is an entity, other than a subsidiary or a joint venture, over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over those policies.

In the consolidated financial statements, investment in associate is accounted for using the equity method. Under the equity method, the investment in associate is initially recognised at cost and the carrying amount is subsequently adjusted to recognise the Group's share of the post-acquisition profit or loss and other comprehensive income of the associate. After application of the equity method, the carrying amount of the investment is subject to further impairment assessment. The impairment policy is disclosed in Note 2.11.

In the separate financial statements of the Company, investment in associate is stated at cost less impairment loss, if any. The impairment policy is disclosed in Note 2.11.

2.8 Investments in Club Memberships

Investments in club memberships are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.11.

2.9 Property Development Activities

Land held for property development is stated at cost less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.11.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Property Development Activities (cont'd)

Property development revenue comprises the selling price agreed in the sale and purchase agreement and any additional revenue due to variation in development work. Property development costs comprise costs associated with the acquisition of land, costs related directly to a specific development project and other costs attributable to development activities in general and can be allocated to the project. The portion of property development costs for development projects where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle is classified as non-current assets. All other property development costs are classified as current assets.

When the outcome of a development activity can be estimated reliably, property development revenue and costs attributable to the development units sold are recognised in profit or loss by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined by reference to the proportion that property development costs incurred to date bear to the estimated total costs.

When the outcome of a development activity cannot be estimated reliably, property development revenue is recognised in profit or loss only to the extent of property development costs incurred that are probable to be recoverable whereas property development costs attributable to the development units sold are recognised in profit or loss in the period in which they are incurred. Any expected loss on a development project is recognised in profit or loss immediately.

2.10 Non-current Assets (or Disposal Groups) Held for Sale

A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the initial classification as held for sale, the carrying amounts of the asset (or all the assets and liabilities of the disposal group) are measured in accordance with applicable FRSs. Upon classification as held for sale, the asset (or disposal group), other than deferred tax assets, financial assets within the scope of FRS 139 *Financial Instruments: Recognition and Measurement* and investment property stated at fair value, is measured at the lower of its carrying amount and fair value less costs to sell. Any initial or subsequent write-down to, or any subsequent increase in, fair value less costs to sell is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Impairment of Non-financial Assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than inventories, assets arising from construction contracts, deferred tax assets, investment property stated at fair value and non-current assets (or disposal groups) classified as held for sale, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs to sell and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss or, in respect of a revalued asset, treated as a revaluation decrease.

An impairment loss on an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. The reversal is recognised in profit or loss or, in respect of a revalued asset, treated as a revaluation increase. An impairment loss on goodwill is not reversed.

2.12 Construction Contracts

Contract revenue comprises the initial amount of revenue agreed in the contract, variations in contract work, claims and incentive payments. Contract costs consist of costs that relate directly to the specific contract, costs that are attributable to contract activity in general and can be allocated to the contract and such other costs as are specifically chargeable to the customer under the terms of the contract.

When the outcome of a contract can be estimated reliably, contract revenue and contract costs are recognised in profit or loss by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is determined by reference to the proportion that contract costs incurred to date bear to the estimated total costs.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised in profit or loss only to the extent of contract costs incurred that are probable to be recoverable whereas contract costs are recognised in profit or loss in the period in which they are incurred. Any expected loss on a contract is recognised in profit or loss immediately.

When contract costs incurred plus recognised profits less recognised losses exceed progress billings, the excess represents the gross amount due from customers for contract work and is presented as an asset. When progress billings exceed contract costs incurred plus recognised profits less recognised losses, the excess represents the gross amount due to customers for contract work and is presented as a liability.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Inventories

Inventories of materials and goods are valued at the lower of cost (determined principally on the weighted average basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Inventories of unsold completed development units are valued at the lower of cost and net realisable value. Cost comprises the components of property development costs as stated in Note 2.9 and is allocated based on relative sales values.

2.14 Financial Assets

Financial assets of the Group and the Company consist of investments in equity instruments, receivables, derivatives and cash and cash equivalents.

Recognition and Measurement

A financial asset is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets is recognised or derecognised using settlement date accounting. A financial asset is initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, directly attributable transaction costs. The subsequent measurement of a financial asset depends on its classification as follows:-

(i) Financial assets at fair value through profit or loss

All derivatives, except for those designated as hedges, are classified as held for trading under this category. After initial recognition, such financial assets are measured at fair value. Any gain or loss arising from a change in the fair value is recognised in profit or loss.

(ii) Held-to-maturity investments

The Group and the Company do not have any financial assets classified under this category.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Financial Assets (cont'd)

Recognition and Measurement (cont'd)

(iii) Loans and receivables

All receivables and cash and cash equivalents are classified under this category. After initial recognition, such financial assets are measured at amortised cost using the effective interest method. Any gain or loss is recognised in profit or loss when the financial asset is derecognised or impaired as well as through the amortisation process.

(iv) Available-for-sale financial assets

All investments in equity instruments (other than interests in subsidiaries and associates) are classified under this category. After initial recognition, such financial assets are measured at fair value, except for those unquoted investments whose fair values cannot be reliably measured, which are measured at cost. Any gain or loss arising from a change in the fair value, except for impairment loss, is recognised in other comprehensive income and accumulated in equity as fair value reserve until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset have expired or all the risks and rewards of ownership have been substantially transferred.

Impairment

At the end of each reporting period, the Group and the Company assess whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the impairment loss is measured as follows:-

(i) Financial assets carried at amortised cost

An impairment loss on loans and receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using the asset's original effective interest rate. The asset's carrying amount is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. The gross carrying amount and the associated allowance are written off when there is no realistic prospect of future recovery.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Financial Assets (cont'd)

Impairment (cont'd)

(i) Financial assets carried at amortised cost (cont'd)

If, in a subsequent period, the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the increased carrying amount does not exceed what the amortised cost would have been had no impairment loss been recognised at the reversal date. The reversal is recognised in profit or loss.

(ii) Financial assets carried at cost

An impairment loss on an unquoted investment whose fair value cannot be reliably measured is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using the current market rate of return for a similar asset. The impairment loss is recognised in profit or loss and is not reversed in any subsequent period.

(iii) Available-for-sale financial assets

When there is a significant or prolonged decline in the fair value of an investment in equity instrument classified as available-for-sale, the cumulative loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised. Such cumulative loss reclassified from equity to profit or loss represents an impairment loss and is measured as the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in profit or loss. The impairment loss is not reversed through profit or loss in any subsequent period.

Determination of Fair Values

The carrying amounts of receivables and cash and cash equivalents which are short-term in nature or repayable on demand are assumed to be reasonable approximations of fair values.

Fair value measurements recognised in the statement of financial position are categorised into the following levels of fair value hierarchy:-

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Financial Assets (cont'd)

Determination of Fair Values (cont'd)

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of quoted investments are determined by reference to their quoted closing bid prices at the end of the reporting period (i.e. Level 1).

The fair values of forward exchange contracts are quoted by the financial institutions. If such quotation is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (i.e. Level 2).

2.15 Financial Liabilities

Financial liabilities of the Group and the Company consist of payables, loans and borrowings and derivatives (including financial guarantee contracts).

Recognition and Measurement

A financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value less, in the case of a financial liability not at fair value through profit or loss, directly attributable transaction costs. After initial recognition, all financial liabilities, except for financial liabilities at fair value through profit or loss and financial guarantee contracts, are measured at amortised cost using the effective interest method. Any gain or loss is recognised in profit or loss when the financial liability is derecognised as well as through the amortisation process.

(i) Financial liabilities at fair value through profit or loss

All derivatives, except for financial guarantee contracts or those designated as hedges, are classified as held for trading under this category. After initial recognition, such financial liabilities are measured at fair value. Any gain or loss arising from a change in the fair value is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Financial Liabilities (cont'd)

Recognition and Measurement (cont'd)

(iii) Financial guarantee contracts

After initial recognition at fair value, if any, financial guarantee contracts are measured at the higher of the amount initially recognised less appropriate amortisation and the estimate of any probable obligation.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

Determination of Fair Values

The carrying amounts of payables and loans and borrowings which are short-term in nature or repayable on demand are assumed to be reasonable approximations of fair values.

The fair values of long-term loans and borrowings are estimated by discounting the expected future cash flows using the current market interest rates for similar liabilities.

Fair value measurements recognised in the statement of financial position are categorised into the following levels of fair value hierarchy:-

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of forward exchange contracts are quoted by the financial institutions. If such quotation is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (i.e. Level 2).

The fair values of financial guarantee contracts are estimated based on probability-adjusted discounted cash flow analysis after considering the probability of default by the debtors (i.e. Level 3).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Leases

Finance Lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee.

A finance lease, including hire purchase, is initially recognised as an asset and liability at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The minimum lease payments are subsequently apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. The depreciation policy for depreciable leased assets is consistent with that for equivalent owned assets.

Operating Lease

An operating lease is a lease other than a finance lease.

Lease payments under an operating lease are recognised in profit or loss on a straight-line basis over the lease term.

2.17 Foreign Currency Transactions and Translation

The consolidated financial statements and separate financial statements of the Company are presented in Ringgit Malaysia, which is also the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in profit or loss. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. in profit or loss or in other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Foreign Currency Transactions and Translation (cont'd)

In translating the financial position and results of a foreign operation whose functional currency is not the required presentation currency, i.e. Ringgit Malaysia, assets and liabilities are translated into the presentation currency using the closing rate whereas income and expenses are translated using the exchange rates at transaction dates. All resulting exchange differences are recognised in other comprehensive income and accumulated in equity as currency translation reserve until the foreign operation is disposed of, at which time the cumulative exchange differences previously recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

Any goodwill and fair value adjustments arising from the acquisition of a foreign operation occurring after 1 January 2006 are treated as assets and liabilities of the foreign operation to be expressed in its functional currency and translated into the presentation currency using the closing rate. As allowed by the transitional provisions of FRS 121 *The Effects of Changes in Foreign Exchange Rates*, goodwill and fair value adjustments arising from the acquisition which occurred before 1 January 2006 have not been restated and continue to be treated as assets and liabilities of the acquirer. Accordingly, these goodwill and fair value adjustments are reported using the exchange rate at acquisition date.

2.18 Share Capital

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Own shares purchased are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act 1965. The total amount of consideration paid, including directly attributable costs, is recognised directly in equity. When treasury shares are distributed as share dividends, the cost of the shares distributed is applied in the reduction of share premium and/or distributable reserves. When treasury shares are cancelled, an amount equivalent to their nominal value is transferred from share capital to a capital redemption reserve and the total cost of the treasury shares cancelled is adjusted to share premium and/or other suitable reserves.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

2.19 Income Recognition

Income from the sale of goods and plantation produce is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.19 Income Recognition (cont'd)

Income from the rendering of services is recognised when the services are performed.

Property development revenue is recognised in accordance with Note 2.9.

Contract revenue is recognised in accordance with Note 2.12.

Dividend income is recognised when the shareholder's right to receive payment is established.

Interest income is recognised using the effective interest method.

Rental income is recognised on an accrual basis.

2.20 Employee Benefits

Short-term Employee Benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss or included in property development costs, where appropriate, in the period in which the associated services are rendered by the employee.

Defined Contribution Plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). The Group's foreign subsidiaries make contributions to their respective countries' statutory pension schemes. Contributions to defined contribution plans are recognised in profit or loss or included in property development costs, where appropriate, in the period in which the associated services are rendered by the employee.

Ex-gratia Benefits

Ex-gratia benefits are directors' resignation compensation and are accrued for certain directors based on their emoluments and length of service as at the end of the reporting period as stated in their Service Agreements with the Group.

2.21 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 Income Taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax represents the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable results at the time of the transaction.

A deferred tax liability is recognised for all taxable temporary differences whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.23 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, term deposits (including those pledged as security), bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. JUDGEMENTS AND ESTIMATION UNCERTAINTY

Judgements Made in Applying Accounting Policies

In the process of applying the accounting policies of the Group and the Company, management makes the following judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements:-

Impairment of available-for-sale financial assets

When there is a significant or prolonged decline in the fair value of an investment in equity instrument classified as available-for-sale, the cumulative decline represents an impairment loss. The determination of what constitutes "significant or prolonged" requires judgement. In making this judgement, management continuously evaluates the historical share price movements and the duration and extent of the decline in fair value below cost. For the financial year ended 31 December 2012, the Group has not recognised any impairment loss on available-for-sale financial assets.

Sources of Estimation Uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Property development activities

The Group recognises property development revenue and costs by reference to the stage of completion of the development activity. The determination of the stage of completion involves estimating the outcome of the development activity based on past experience and work of specialists. The carrying amounts of property development costs and accrued billings are disclosed in Note 11.

Allowance for inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews require the use of judgements and estimates. Possible changes in these estimates may result in revisions to the valuation of inventories. The carrying amounts of inventories are disclosed in Note 15.

Impairment of loans and receivables

The Group and the Company make allowance for impairment based on an assessment of the recoverability of loans and receivables. Allowance is applied to loans and receivables when there is objective evidence that the balances may not be recoverable. Management specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment. Where expectations are different from previous estimates, the difference will impact on the carrying amounts of loans and receivables as disclosed in Note 16.

4. PROPERTY, PLANT AND EQUIPMENT

Group

	Land and buildings RMB'000	Plant and machinery RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Plantation development expenditure and estate improvement RMB'000	Capital work-in- progress RMB'000	Total RMB'000
COST/VALUATION							
At 1 January 2011	81,407	171,927	7,465	4,965	775	24	266,563
Additions	388	4,987	154	470	0	6,190	12,189
Dispose/Write-offs	0	(7,957)	(1,672)	(994)	0	0	(10,623)
Reclassifications to assets held for sale	(15,000)	0	0	0	0	0	(15,000)
Currency translation differences	2,432	4,795	119	52	0	0	7,398
At 31 December 2011	69,227	173,752	6,066	4,493	775	6,214	260,527
Representing:-							
- Cost	5,037	173,752	6,066	4,493	775	6,214	196,337
- Valuation	64,190	0	0	0	0	0	64,190
At 1 January 2012	69,227	173,752	6,066	4,493	775	6,214	260,527
Acquisition of subsidiary	0	63	415	655	0	0	1,133
Additions	508	8,214	887	399	17	11,266	21,292
Dispose/Write-offs	(298)	(13,900)	(634)	(488)	0	0	(15,618)
Reclassifications	11,695	5,785	0	0	0	(17,480)	0
Currency translation differences	(852)	(1,684)	(42)	(18)	0	0	(2,596)
At 31 December 2012	80,180	172,230	6,492	5,041	792	0	264,735
Representing:-							
- Cost	16,637	172,230	6,492	5,041	792	0	201,292
- Valuation	63,543	0	0	0	0	0	63,543

DEPRECIATION AND IMPAIRMENT LOSSES

At 1 January 2011	2,730	123,453	5,782	3,308	118	0	135,391
Accumulated depreciation	379	854	174	18	0	0	1,425
Accumulated impairment losses	3,108	124,367	5,956	3,386	118	0	136,815
Depreciation	2,741	8,420	461	613	47	0	12,282
Dispose/Write-offs	0	(7,906)	(1,654)	(881)	0	0	(10,441)
Reclassifications to assets held for sale	(531)	0	0	0	0	0	(531)
Currency translation differences	226	3,192	82	34	0	0	3,534
At 31 December 2011	5,166	128,006	4,814	3,074	165	0	141,225
Accumulated depreciation	379	7	31	18	0	0	435
Accumulated impairment losses	5,545	128,013	4,845	3,092	165	0	141,660
Acquisition of subsidiary	0	57	198	528	0	0	783
Depreciation	2,815	8,560	454	532	48	0	12,409
Dispose/Write-offs	(70)	(13,261)	(772)	(481)	0	0	(14,604)
Currency translation differences	(87)	(1,134)	(30)	(13)	0	0	(1,264)
At 31 December 2012	7,824	122,208	4,669	3,658	213	0	138,572
Accumulated depreciation	379	7	26	0	0	0	412
Accumulated impairment losses	8,201	122,215	4,695	3,658	213	0	138,984

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group

	Land and buildings RM'000	Plant and machinery RM'000	Furniture, fixtures and office equipment RM'000	Motor vehicles RM'000	Plantation development expenditure and estate improvement RM'000	Capital work-in- progress RM'000	Total RM'000
CARRYING AMOUNT							
At 1 January 2011	78,298	47,620	1,509	1,639	657	24	129,747
At 31 December 2011	63,682	45,739	1,221	1,401	610	6,214	118,867
At 31 December 2012	71,980	50,015	1,797	1,363	579	0	125,734

Certain motor vehicles with a total carrying amount of RM112,000 (2011 : NIL) were acquired under hire purchase financing which remained outstanding as at the end of the reporting period.

The details of land and buildings are as follows:-

Group

	Freehold land and buildings RM'000	Short-term leasehold land and buildings RM'000	Total RM'000
COST/VALUATION			
At 1 January 2011	30,730	50,677	81,407
Additions	0	388	388
Reclassifications to assets held for sale	(15,000)	0	(15,000)
Currency translation differences	0	2,432	2,432
At 31 December 2011	15,730	53,497	69,227
Representing:-			
- Cost	0	5,037	5,037
- Valuation	15,730	48,460	64,190
	15,730	53,497	69,227
At 1 January 2012	15,730	53,497	69,227
Additions	0	509	509
Disposals	0	(388)	(388)
Reclassifications	0	11,885	11,885
Currency translation differences	0	(852)	(852)
At 31 December 2012	15,730	64,453	80,183
Representing:-			
- Cost	0	16,837	16,837
- Valuation	15,730	47,616	63,346
	15,730	64,453	80,183

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land and buildings RM'000	Short-term leasehold land and buildings RM'000	Total RM'000
DEPRECIATION AND IMPAIRMENT LOSSES			
At 1 January 2011			
Accumulated depreciation	345	2,385	2,730
Accumulated impairment losses	379	0	379
	724	2,385	3,109
Depreciation	237	2,504	2,741
Reclassifications to assets held for sale	(531)	0	(531)
Currency translation differences	0	228	228
At 31 December 2011			
Accumulated depreciation	51	5,115	5,166
Accumulated impairment losses	379	0	379
	430	5,115	5,545
Depreciation	24	2,791	2,815
Disposals	0	(70)	(70)
Currency translation differences	0	(87)	(87)
At 31 December 2012			
Accumulated depreciation	75	7,749	7,824
Accumulated impairment losses	379	0	379
	454	7,749	8,203
CARRYING AMOUNT			
At 1 January 2011			
	30,006	48,292	78,298
At 31 December 2011			
	15,300	48,382	63,682
At 31 December 2012			
	15,276	58,704	71,980

The land and buildings stated at valuation were revalued on 31 December 2009 based on the market values given by independent professional valuers using the comparison method. Had the land and buildings been carried at historical cost less accumulated depreciation and accumulated impairment losses, the total carrying amounts of the entire class of land and buildings that would have been recognised in the financial statements are as follows:-

	Group	
	2012 RM'000	2011 RM'000
Freehold land and buildings	11,740	11,746
Short-term leasehold land and buildings	49,865	41,164
	<u>61,605</u>	<u>52,910</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company

	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
<u>COST</u>			
At 1 January 2011	168	2,022	2,188
Additions	12	145	157
Disposals/Write-offs	0	(791)	(791)
At 31 December 2011	178	1,378	1,554
Additions	5	108	114
Disposals/Write-offs	(37)	0	(37)
At 31 December 2012	148	1,485	1,631
<u>ACCUMULATED DEPRECIATION</u>			
At 1 January 2011	111	1,457	1,568
Depreciation	19	257	276
Disposals/Write-offs	0	(863)	(863)
At 31 December 2011	130	1,051	1,181
Depreciation	15	143	158
Disposals/Write-offs	(35)	0	(35)
At 31 December 2012	110	1,194	1,304
<u>CARRYING AMOUNT</u>			
At 1 January 2011	55	565	620
At 31 December 2011	48	325	373
At 31 December 2012	38	291	327

5. INVESTMENT PROPERTY

Group

	Freehold land and buildings RM'000	Short-term leasehold land and buildings RM'000	Total RM'000
<u>FAIR VALUE</u>			
At 1 January 2011	6,050	420	6,470
Fair value adjustments	80	10	90
At 31 December 2011	6,130	430	6,560
Disposals	(2,830)	0	(2,830)
Fair value adjustments	2,628	40	2,668
At 31 December 2012	5,928	470	6,398

5. INVESTMENT PROPERTY (cont'd)

The fair values of investment property were determined based on the market values given by independent professional valuers using the comparison method.

6. GOODWILL

Group	RM'000
At 1 January 2012	0
Acquisition of subsidiary	3,348
At 31 December 2012	<u>3,348</u>

Goodwill is attributable to a subsidiary, Teknoserv Engineering Sdn. Bhd., which represents a separate cash-generating unit ("CGU").

The recoverable amount of the CGU was determined based on its value in use calculated using cash flow projections. The cash flow projections were based on the most recent financial budgets/forecasts approved by management which covered a period of 5 years. A growth rate of 0% was used to extrapolate the cash flow projections beyond the 5 years covered by the financial budgets/forecasts. A discount rate of 9.40% per annum was applied to the cash flow projections.

Barring any unforeseen circumstances, management believes that no reasonably possible change in the above key assumptions would cause the carrying amount of the CGU to materially exceed its recoverable amount.

7. INVESTMENTS IN SUBSIDIARIES

Company	2012 RM'000	2011 RM'000
Unquoted shares - at cost	216,476	216,476
Impairment losses	<u>(25,269)</u>	<u>(31,578)</u>
	<u>191,207</u>	<u>184,898</u>

The details of the subsidiaries are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Ownership Interest		Principal Activity
		2012	2011	
GUH Electronic Holdings Sdn. Bhd.	Malaysia	100%	100%	Investment holding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

7. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of Subsidiary	Country of Incorporation	Effective Ownership Interest		Principal Activity
		2012	2011	
GUH Electrical Holdings Sdn. Bhd.	Malaysia	100%	100%	Investment holding
GUH Properties Sdn. Bhd.	Malaysia	100%	100%	Property development
GUH Plantations Sdn. Bhd.	Malaysia	100%	100%	Cultivation of oil palm
GUH International (HK) Private Limited ^(a)	Hong Kong	100%	100%	Dormant
GUH Water Holdings Sdn. Bhd.	Malaysia	100%	100%	Investment holding
<u>Subsidiaries of GUH Electronic Holdings Sdn. Bhd.</u>				
GUH Circuit Industry (PG) Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of hybrid printed circuit boards
GUH Circuit Industry (Suzhou) Co., Ltd.	People's Republic of China	100%	100%	Manufacture and sale of hybrid printed circuit boards
Grand United (BVI) Co., Ltd.	British Virgin Islands	100%	100%	Sale of hybrid printed circuit boards
Grand Circuit Industry (Philippines) Inc. ^(a)	Philippines	100%	100%	Dormant
<u>Subsidiaries of GUH Electrical Holdings Sdn. Bhd.</u>				
GUH Electrical Appliances Sdn. Bhd.	Malaysia	100%	100%	Ceased operation
GUH Electrical (BW) Sdn. Bhd.	Malaysia	100%	100%	Trading in electrical goods and appliances
GUH Realty Sdn. Bhd.	Malaysia	100%	100%	Investment in real estate
GUH Electrical (KL) Sdn. Bhd.	Malaysia	100%	100%	Dormant
Malaysian Mechanical Engineering Industries Sdn. Bhd.	Malaysia	100%	100%	Dormant
Tecnovac Marketing Sdn. Bhd.	Malaysia	100%	100%	Dormant
<u>Subsidiary of GUH Realty Sdn. Bhd.</u>				
Jeladon Sdn. Bhd.	Malaysia	100%	100%	Dormant

7. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of Subsidiary	Country of Incorporation	Effective Ownership Interest		Principal Activity
		2012	2011	
Subsidiaries of GUH Water Holdings Sdn. Bhd.				
GUH Water (Jiangsu) Pte. Limited ^(a)	Hong Kong	100%	100%	Dormant
Teknoserv Engineering Sdn. Bhd.	Malaysia	70%	N/A	Project managers and contractors for installation of waste water and water treatment plant
Subsidiary of GUH Water (Jiangsu) Pte. Limited				
GUH Water (Gaochun) Co., Ltd. ^(a)	People's Republic of China	100%	N/A	Dormant

^(a) Not required to be audited, and consolidated using unaudited financial statements

^(b) Not audited by Crowe Horwath

Acquisition of Subsidiary

In September 2012, the Group, through GUH Water Holdings Sdn. Bhd., acquired 70% of the equity interest in Teknoserv Engineering Sdn. Bhd. ("TESB") for total purchase consideration of RMB,972,000. The acquisition gave rise to goodwill of RM3,348,000. The amounts recognised at the acquisition date for each major class of assets acquired and liabilities assumed are as follows:-

	RM'000
Property, plant and equipment	350
Receivables	2,533
Cash and cash equivalents	5,994
Amounts due to customers for contract work	(290)
Payables	(360)
Loans and borrowings	(135)
Current tax liabilities	(48)
Deferred tax liabilities	(9)
Net assets	8,035
Non-controlling interests recognised at proportionate share of net assets acquired	2,411

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

7. INVESTMENTS IN SUBSIDIARIES (cont'd)

Acquisition of Subsidiary (cont'd)

TESB's revenue and profit since the acquisition date included in the consolidated income statement amounted to RM2,002,000 and RM331,000 respectively. Had the acquisition date been 1 January 2012, management estimates that the Group's revenue and profit for the financial year would have been approximately RM286,663,000 and RM36,791,000 respectively. The effects of the acquisition on the consolidated statement of cash flows are as follows:-

	RM'000
Total purchase consideration	8,972
Contingent consideration (Note 18)	(1,000)
Cash and cash equivalents acquired	<u>(5,994)</u>
Acquisition of subsidiary, net of cash acquired	<u>1,978</u>

8. INVESTMENT IN ASSOCIATE

	Group	
	2012 RM'000	2011 RM'000
Share of net assets	<u>20,218</u>	<u>22,231</u>
	Company	
	2012 RM'000	2011 RM'000
Unquoted shares - at cost	<u>6,046</u>	<u>6,046</u>

The details of the associate are as follows:-

Name of Associate	Country of Incorporation	Effective Ownership Interest	
		2012	2011
Cambodia Utilities Pte. Ltd.	Cambodia	20%	20%

8. INVESTMENT IN ASSOCIATE (cont'd)

The summarised financial information of the associate is as follows:-

	2012 RM'000	2011 RM'000
Total assets	122,581	134,187
Total liabilities	21,491	23,032
Revenue	137,209	130,103
Profit for the financial year	40,333	38,858

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Shares quoted in Malaysia, at fair value (Level 1)	13,481	30,304	13,481	30,304
Unquoted shares, at cost less impairment losses	50	50	0	0
	13,511	30,444	13,481	30,304

The fair values of unquoted investments cannot be measured reliably due to the lack of comparable quoted market prices and the expected significant variability in the range of reasonable fair value estimates.

10. INVESTMENTS IN CLUB MEMBERSHIPS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cost	225	301	78	78
Impairment losses	(85)	(85)	(70)	(70)
	140	278	8	8

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

11. PROPERTY DEVELOPMENT ACTIVITIES

Group

Property Development Costs

	2012 RM'000	2011 RM'000
At 1 January		
- Freehold land	31,533	32,068
- Development costs	<u>38,148</u>	<u>29,827</u>
	69,681	61,895
Development costs incurred during the year	35,962	19,586
Reversal of completed project		
- Freehold land	(1,462)	(535)
- Development costs	<u>(23,395)</u>	<u>(11,265)</u>
	(24,857)	(11,800)
Costs recognised in profit or loss		
- Prior year	(12,724)	(6,858)
- Current year	(16,740)	(15,619)
- Adjustment to completed project	<u>20,573</u>	<u>9,753</u>
	(8,891)	(12,724)
At 31 December	<u><u>71,895</u></u>	<u><u>56,957</u></u>
Disclosed as:-		
- Non-current assets	49,601	41,679
- Current assets	<u>22,294</u>	<u>15,278</u>
	<u><u>71,895</u></u>	<u><u>56,957</u></u>

Accrued Billings

	2012 RM'000	2011 RM'000
Property development revenue recognised in profit or loss	17,066	22,554
Billings to purchasers	<u>(15,157)</u>	<u>(18,123)</u>
	<u><u>1,909</u></u>	<u><u>4,431</u></u>

12. DEFERRED TAX ASSETS/(LIABILITIES)

Group	2012 RM'000	2011 RM'000 (Restated)
At 1 January		
- As previously reported	(4,465)	(4,168)
- Effects of adopting amendments to FRS 112	151	144
- As restated	<u>(4,314)</u>	<u>(4,024)</u>
Acquisition of subsidiary	(9)	0
Deferred tax income/(expense) relating to origination and reversal of temporary differences	379	(271)
Deferred tax liabilities underprovided in prior years	<u>(2,573)</u>	<u>(19)</u>
At 31 December	<u><u>(6,517)</u></u>	<u><u>(4,314)</u></u>
Disclosed as:-		
- Deferred tax assets	0	279
- Deferred tax liabilities	<u>(6,517)</u>	<u>(4,593)</u>
	<u><u>(6,517)</u></u>	<u><u>(4,314)</u></u>
In respect of:-		
- Deductible temporary differences of:-		
- Property development costs	0	294
- Inventories	115	89
- Financial instruments	305	39
- Unused capital allowances	763	274
- Unused tax losses	114	187
- Taxable temporary differences of:-		
- Property, plant and equipment	(5,759)	(5,193)
- Investment property	(6)	(4)
- Property development costs	<u>(2,049)</u>	<u>0</u>
	<u><u>(6,517)</u></u>	<u><u>(4,314)</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

12. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

Save as disclosed above, as at 31 December 2012, deferred tax liabilities and deferred tax assets have also effectively been recognised and offset against each other by the Group and the Company to the extent of approximately RM28,000 and RM24,000 (2011 : RM21,000 and RM17,000) respectively. No further deferred tax assets have been recognised for the excess of the deductible temporary differences, unused capital allowances and tax losses over the taxable temporary differences as follows:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deductible temporary differences of:-				
- Inventories	785	802	0	0
- Financial instruments	1,875	1,305	1,875	1,305
Unused capital allowances	727	888	884	807
Unused tax losses	18,853	19,138	8,882	8,138
Taxable temporary differences of property, plant and equipment	(113)	(85)	(85)	(87)
	<u>22,807</u>	<u>21,828</u>	<u>11,126</u>	<u>9,984</u>

13. ASSETS HELD FOR SALE

Group

	Freehold land and buildings	Short-term leasehold land and buildings	Total
	RM'000	RM'000	RM'000
At 1 January 2011	2,102	1,200	3,302
Reclassifications from property, plant and equipment	14,488	0	14,488
Disposals	(16,571)	(1,200)	(17,771)
At 31 December 2011	0	0	0
Movement during the year	0	0	0
At 31 December 2012	0	0	0

Company

	Freehold land RM'000
At 1 January 2011	14,600
Movement during the year	0
At 31 December 2011	14,600
Movement during the year	0
At 31 December 2012	14,600

13. ASSETS HELD FOR SALE (cont'd)

In December 2009, the Company entered into a sale and purchase agreement to sell the freehold land to a subsidiary, GUH Plantations Sdn. Bhd. Pending the registration of transfer, the land is classified as held for sale.

14. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

Group	2012 RM'000	2011 RM'000
Contract costs incurred	1,603	0
Recognised profits	701	0
	<u>2,304</u>	<u>0</u>
Progress billings	(1,601)	0
	<u>703</u>	<u>0</u>

15. INVENTORIES

Group	2012 RM'000	2011 RM'000
Raw materials	7,447	9,621
Work-in-progress	5,103	6,907
Finished goods	5,962	7,498
Consumables	3,042	3,840
Goods-in-transit	1,101	2,679
Completed development units	9,947	6,115
	<u>32,602</u>	<u>36,660</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade receivables:-				
- Related parties ^(a)	54	3	0	0
- Unrelated parties	51,200	84,850	0	0
- Allowance for impairment	(379)	(583)	0	0
	<u>50,911</u>	<u>84,269</u>	<u>0</u>	<u>0</u>
	50,965	84,268	0	0
Other receivables:-				
- Subsidiaries	0	0	87,819	76,163
- Allowance for impairment	0	0	(537)	0
	<u>0</u>	<u>0</u>	<u>87,282</u>	<u>76,163</u>
- Unrelated parties	659	733	9	7
	<u>659</u>	<u>733</u>	<u>87,291</u>	<u>76,170</u>
	<u>51,624</u>	<u>85,028</u>	<u>87,291</u>	<u>76,170</u>

^(a) Being companies in which certain directors have substantial financial interests

The currency profile of trade and other receivables is as follows:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Ringgit Malaysia	20,156	17,937	87,291	76,170
Renminbi	20,203	27,904	0	0
US Dollar	11,265	19,188	0	0
	<u>51,624</u>	<u>65,028</u>	<u>87,291</u>	<u>76,170</u>

Trade Receivables

Trade receivables are unsecured, non-interest bearing and generally on 21 to 120 day terms.

Included in trade receivables are retention sums for contract work totalling RM188,000 (2011 : NIL).

16. TRADE AND OTHER RECEIVABLES (cont'd)

Trade Receivables (cont'd)

The movements in allowance for impairment are as follows:-

	Group	
	2012 RM'000	2011 RM'000
At 1 January	563	568
Impairment loss recognised	11	0
Impairment loss reversed	0	(1)
Impairment loss written off	(195)	(4)
At 31 December	379	563

All the above impairment losses were individually determined after considering the adverse financial conditions of the debtors who have defaulted/delayed in payments.

The ageing analysis of trade receivables not impaired is as follows:-

	Group	
	2012 RM'000	2011 RM'000
Not past due	44,397	54,646
Past due 1 to 30 days	3,319	7,036
Past due 31 to 120 days	2,922	2,581
Past due more than 120 days	327	33
	50,965	64,296

Trade receivables that are neither past due nor impaired mainly relate to creditworthy customers who have regular transactions and good payment records with the Group.

Management determines credit risk concentrations in terms of counterparties and geographical areas. As at 31 December 2012, there were 2 (2011 : 3) major customers that accounted for 10% or more of the Group's trade receivables and the total outstanding balances due from these major customers amounted to RM12,368,000 (2011 : RM27,167,000). The credit risk concentration profile by geographical areas of trade receivables is as follows:-

	Group	
	2012 RM'000	2011 RM'000
Malaysia	23,121	21,709
China	25,557	39,083
Others	2,287	3,504
	50,965	64,296

NOTES TO THE FINANCIAL STATEMENTS
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16. TRADE AND OTHER RECEIVABLES (cont'd)

Other Receivables

Other receivables are unsecured and non-interest bearing. The amounts owing by subsidiaries are repayable on demand. The amounts owing by unrelated parties mainly consist of refundable deposits which have no fixed repayment terms.

The movements in allowance for impairment are as follows:-

	Company	
	2012 RM'000	2011 RM'000
At 1 January	0	0
Impairment loss recognised	537	0
At 31 December	537	0

All the above impairment losses were individually determined after considering the adverse financial conditions of the debtors who have defaulted/delayed in payments.

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Short-term investments	8,150	20,748	8,545	5,875
Term deposits with licensed banks (fixed rate)	120,273	72,423	27,142	4,560
Cash and bank balances	31,883	49,390	311	7,807
	160,286	142,562	33,898	17,842

Certain term deposits of the Group totalling RM6,333,000 (2011 : RM4,949,000) have been pledged as security for credit facilities granted to the Group. Accordingly, these term deposits are not freely available for use.

Included in cash and bank balances of the Group are amounts totalling RM20,056,000 (2011 : RM15,227,000) held under Housing Development Accounts opened and maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

The effective interest rates of term deposits as at 31 December 2012 ranged from 0.05% to 4.50% (2011 : 0.01% to 6.00%) per annum.

17. CASH AND CASH EQUIVALENTS (cont'd)

The currency profile of cash and cash equivalents is as follows:-

	Group		Company	
	2012 RMD00	2011 RMD00	2012 RMD00	2011 RMD00
Ringgit Malaysia	77,481	83,223	33,888	17,842
Renminbi	74,087	52,258	0	0
US Dollar	8,728	7,082	0	0
Others	0	1	0	0
	<u>160,286</u>	<u>142,562</u>	<u>33,888</u>	<u>17,842</u>

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2012 RMD00	2011 RMD00	2012 RMD00	2011 RMD00
Trade payables:-				
- Related parties ^(a)	1,282	1,380	0	0
- Related party ^(b)	823	851	0	0
- Unrelated parties	40,373	48,100	0	0
	<u>42,458</u>	<u>50,141</u>	<u>0</u>	<u>0</u>
Other payables:-				
- Subsidiaries	0	0	18,709	200
- Other related party ^(a)	81	23	0	0
- Unrelated parties	14,276	13,418	3,887	3,821
- Contingent consideration	1,000	0	0	0
	<u>15,337</u>	<u>13,442</u>	<u>23,596</u>	<u>3,821</u>
	<u>57,795</u>	<u>83,583</u>	<u>23,596</u>	<u>3,821</u>

^(a) Being companies in which certain directors have substantial financial interests

^(b) Being companies in which close family members of certain directors have substantial financial interests

The currency profile of trade and other payables is as follows:-

	Group		Company	
	2012 RMD00	2011 RMD00	2012 RMD00	2011 RMD00
Ringgit Malaysia	28,547	21,824	23,596	3,821
Renminbi	18,381	17,278	0	0
US Dollar	11,885	23,911	0	0
Others	882	772	0	0
	<u>57,795</u>	<u>83,583</u>	<u>23,596</u>	<u>3,821</u>

18. TRADE AND OTHER PAYABLES (cont'd)

Trade and other payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Trade Payables

Trade payables are unsecured, non-interest bearing and generally on 30 to 120 day terms.

Other Payables

Other payables are unsecured and non-interest bearing. The amounts owing to subsidiaries are repayable on demand. The amounts owing to other related party and unrelated parties mainly consist of sundry payables and accruals for operating expenses which are generally due within 30 to 90 days. The contingent consideration is payable to the sellers of Teknoserv Engineering Sdn. Bhd. upon the subsidiary meeting an earnings target in 2013.

19. LOANS AND BORROWINGS - SECURED

Group

	2012 RM'000	2011 RM'000
Hire purchase payables	<u>117</u>	<u>0</u>
Disclosed as:-		
- Current liabilities	54	0
- Non-current liabilities	63	0
	<u>117</u>	<u>0</u>

Hire purchase payables are secured against the assets acquired thereunder (Note 4). The effective interest rates as at 31 December 2012 ranged from 4.53% to 6.09% per annum.

19. LOANS AND BORROWINGS - SECURED (cont'd)

Hire purchase payables are repayable over 5 years. The repayment analysis is as follows:-

	2012 RM'000	2011 RM'000
Minimum hire purchase payments:-		
- Within 1 year	58	0
- Later than 1 year and not later than 2 years	42	0
- Later than 2 years and not later than 5 years	24	0
Total contractual undiscounted cash flows	124	0
Future finance charges	(7)	0
Present value of hire purchase payables:-		
- Within 1 year	54	0
- Later than 1 year and not later than 2 years	40	0
- Later than 2 years and not later than 5 years	23	0
	117	0

The carrying amounts of hire purchase payables are reasonable approximations of fair values as their effective interest rates also approximate to the current market interest rates for similar liabilities.

20. SHARE CAPITAL

	2012		2011	
	No. of Shares '000	RM'000	No. of Shares '000	RM'000
Ordinary shares of RM1.00 each				
Authorised	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid-up:-				
At 1 January	203,070	203,070	203,070	203,070
Cancellation of treasury shares	(17,656)	(17,656)	0	0
At 31 December	185,414	185,414	203,070	203,070

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20. SHARE CAPITAL (cont'd)

Purchase of Own Shares

The shareholders of the Company, by a resolution passed at the Annual General Meeting held on 19 May 2010, approved the Company's plan to purchase its own shares. The directors are committed to enhancing the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interests of the Company and its shareholders.

The details of the shares purchased from the open market using internally generated funds and held as treasury shares during the financial year are as follows:-

	2012		2011	
	No. of Shares '000	Cost RM'000	No. of Shares '000	Cost RM'000
At 1 January	15,884	18,968	4,749	5,860
Shares purchased	10,913	14,348	11,115	13,308
Shares cancelled	(17,658)	(21,258)	0	0
At 31 December	<u>8,121</u>	<u>12,058</u>	<u>15,864</u>	<u>18,968</u>
Average unit cost for the year (RM)		<u>1.315</u>		<u>1.187</u>

The number of outstanding shares in issue after excluding the treasury shares is as follows:-

	2012	2011
	No. of Shares '000	No. of Shares '000
At 1 January	187,206	198,321
Shares purchased	<u>(10,913)</u>	<u>(11,115)</u>
At 31 December	<u>176,293</u>	<u>187,206</u>

21. REVENUE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Income from sale of goods	230,501	275,310	0	0
Income from sale of plantation produce	2,176	2,143	0	0
Income from rendering of services	0	0	5,500	4,583
Property development revenue	33,782	32,508	0	0
Contract revenue	2,002	0	0	0
Dividend income	10,519	364	22,819	19,482
Interest income	1,280	603	1,280	603
Rental income	146	262	0	0
	<u>280,386</u>	<u>311,280</u>	<u>29,579</u>	<u>24,668</u>

22. PROFIT BEFORE TAX

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit before tax is arrived at after charging:-				
Allowance for slow moving inventories	154	187	0	0
Auditors' remuneration:-				
- Current year	144	142	33	30
- Prior year	0	2	0	0
Deposit written off	4	0	0	0
Depreciation	12,409	12,282	158	278
Direct operating expenditure for investment property	26	47	0	0
Fee expense for financial instruments not at fair value through profit or loss	288	342	2	35
Impairment loss on available-for-sale financial assets	0	2,518	0	2,518
Impairment loss on loans and receivables:-				
- Subsidiary	0	0	537	0
- Unrelated parties	11	0	0	0
Interest expense for financial liabilities not at fair value through profit or loss	2	28	0	0

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

22. PROFIT BEFORE TAX (cont'd)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Loss on derecognition of available-for-sale financial assets	549	0	549	0
Loss on disposal of property, plant and equipment	118	0	0	0
Loss on financial instruments at fair value through profit or loss (classified as held for trading)	7	0	0	0
Loss on foreign exchange:-				
- Realised	171	455	0	0
- Unrealised	157	0	0	0
Property development costs	17,330	17,285	0	0
Property, plant and equipment written off	689	155	2	0
Rental of premises	244	120	121	121
and crediting:-				
Bad debts recovered	0	5	0	0
Compensation for loss of property, plant and equipment	103	174	0	0
Dividend income from:-				
- Subsidiaries	0	0	3,150	10,175
- Associate	0	0	0,150	8,943
- Quoted investments in Malaysia	10,519	364	10,519	364
Gain on derecognition of available-for-sale financial assets	0	578	0	578
Gain on disposal of assets held for sale	0	4,885	0	0
Gain on disposal of investment property	379	0	0	0
Gain on disposal of property, plant and equipment	0	261	0	75
Gain on fair value adjustment of investment property	2,689	90	0	0
Gain on financial instruments at fair value through profit or loss (classified as held for trading)	0	27	0	0
Interest income for financial assets not at fair value through profit or loss	4,858	2,693	1,280	803
Rental income from:-				
- Investment property	153	288	0	0
- Others	125	58	0	0

22. PROFIT BEFORE TAX (cont'd)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Reversal of allowance for slow moving inventories	96	1,528	0	0
Reversal of impairment loss on investments in subsidiaries ^(b)	0	0	8,309	7,352
Reversal of impairment loss on loans and receivables	0	1	0	0
Unrealised gain on foreign exchange	0	338	0	0
	<u>0</u>	<u>338</u>	<u>0</u>	<u>0</u>

^(b) Included in other operating income

23. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Salaries and bonuses	40,824	39,791	5,371	5,487
Defined contribution plans	3,853	3,283	783	778
Ex-gratia benefits	370	323	370	323
	<u>44,847</u>	<u>43,377</u>	<u>6,524</u>	<u>6,588</u>

24. DIRECTORS' REMUNERATION

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Fees:-				
- Current year	447	381	421	360
- Prior year	6	7	0	0
Salaries and bonuses:-				
- Current year	2,899	2,742	2,899	2,742
- Prior year	1	254	1	254
Defined contribution plans:-				
- Current year	551	502	551	502
- Prior year	0	48	0	48
Ex-gratia benefits	370	323	370	323
	<u>4,374</u>	<u>4,257</u>	<u>4,342</u>	<u>4,228</u>

The estimated monetary value of benefits-in-kind provided to certain directors by way of usage of the Group's assets and other similar benefits amounted to RM15,000 (2011 : RM23,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

24. DIRECTORS' REMUNERATION (cont'd)

The directors' remuneration represents the entire key management personnel compensation of the Group and the Company as there were no other key management personnel apart from all the directors who have the authority and responsibility, directly or indirectly, for planning, directing and controlling the activities of the Group and the Company.

25. TAX EXPENSE

	Group		Company	
	2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Tax based on results for the year:-				
- Malaysian income tax	8,496	5,129	2,576	0
- Overseas income tax	1,878	1,981	0	0
- Deferred tax	(379)	271	0	0
	<u>7,995</u>	<u>7,381</u>	<u>2,576</u>	<u>0</u>
Tax (over)/under provided in prior years:-				
- Malaysian income tax	(50)	287	0	423
- Overseas income tax	184	238	0	0
- Real Property Gains Tax	5	0	0	0
- Deferred tax	2,573	18	0	0
	<u>10,687</u>	<u>7,905</u>	<u>2,576</u>	<u>423</u>

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate on results for the year is as follows:-

	Group		Company	
	2012 %	2011 % (Restated)	2012 %	2011 %
Applicable tax rate	25.00	25.00	25.00	25.00
Non-deductible expenses	1.80	5.00	1.54	3.57
Non-taxable income	(8.37)	(6.85)	(17.88)	(31.84)
Reinvestment allowances claimed	0.00	(0.80)	0.00	0.00
Increase/(Decrease) in unrecognised deferred tax assets	0.58	(0.89)	1.07	3.27
Effect of differential tax rates	(4.08)	(4.70)	0.00	0.00
Average effective tax rate	<u>17.05</u>	<u>18.78</u>	<u>9.63</u>	<u>0.00</u>

The tax saving of the Group for which credit has been taken in the current year as a result of the realisation of unused tax losses brought forward that had not been accounted for previously amounted to approximately RM2,000 (2011 : RM612,000).

25. TAX EXPENSE (cont'd)

As at 31 December 2012, the Company has sufficient tax credits and tax exempt income to frank/distribute its entire retained profits if paid out as dividends. It may also distribute its entire retained profits as at 31 December 2012 as tax exempt dividends under the single tier tax system.

26. EARNINGS PER SHARE

Group

The basic earnings per share is calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:-

	2012	2011 (Restated)
Profit for the financial year attributable to owners of the Company (RM'000)	36,111	36,018
Number of shares in issue at 1 January ('000)	187,206	198,321
Effect of shares purchased ('000)	(5,308)	(4,363)
Weighted average number of shares in issue ('000)	181,898	193,958
Basic earnings per share (sen)	19.85	18.57

The diluted earnings per share equals the basic earnings per share as the Company did not have any dilutive potential ordinary shares during the financial year.

27. RELATED PARTY DISCLOSURES

Other than the directors' remuneration as disclosed in Note 24, significant transactions with related parties during the financial year are as follows:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Disposal of property, plant and equipment to subsidiary	0	0	0	128
Dividend declared from associate	8,150	8,943	8,150	8,943
Dividends declared from subsidiaries	0	0	3,150	10,175
Rendering of management services to subsidiaries	0	0	5,500	4,583

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

27. RELATED PARTY DISCLOSURES (cont'd)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Renting of premises from subsidiary	0	0	121	121
Purchase of goods from other related parties ^(a)	8,310	6,038	0	0
Purchase of property, plant and equipment from other related party ^(a)	318	538	0	0
Purchase of property, plant and equipment from other related party ^(a)	32	0	0	0
Receiving of services from other related parties ^(a)	1,240	1,708	0	0
Renting of premises from other related party ^(a)	82	0	0	0
Sale of development units to other related parties ^(a)	3,142	3,517	0	0
Sale of development units to other related party ^(a)	0	870	0	0
Sale of goods to other related parties ^(a)	203	24	0	0

^(a) Being companies in which certain directors have substantial financial interests

^(b) Being companies in which close family members of certain directors have substantial financial interests

28. SEGMENT REPORTING

Group

Operating Segments

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:-

- (i) Manufacture of printed circuit boards
- (ii) Property development
- (iii) Sale of electrical appliances
- (iv) Cultivation of oil palm
- (v) Water and waste water treatment

No operating segments have been aggregated to form the above reportable segments.

28. SEGMENT REPORTING (cont'd)

Operating Segments (cont'd)

The accounting policies and measurement bases of the segment items reported are the same as those disclosed in Note 2. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with external parties.

	Manufacture of printed circuit boards RM'000	Property develop- ment RM'000	Sale of electrical appliances RM'000	Cultivation of oil palm RM'000	Water and waste water treatment RM'000	Unallocated non- operating segments RM'000	Total RM'000
31.12.2012							
Segment assets	265,409	116,782	4,796	843	12,576	68,952	469,438
Investment in associate	0	0	0	0	0	20,218	20,218
Income tax assets	739	290	51	0	41	440	1,561
Total assets	266,228	117,080	4,847	843	12,617	89,610	491,225
Additions to non-current assets	20,550	595	2	19	3,710	114	24,990
Segment liabilities	36,548	14,070	1,370	96	1,770	3,933	57,796
Leases and borrowings	0	0	0	0	117	0	117
Income tax liabilities	6,125	1,786	0	160	16	8	8,095
Total liabilities	42,673	15,856	1,370	256	1,993	3,941	65,089
External revenue	222,927	33,782	7,574	2,176	2,002	11,925	280,386
Intersegment revenue	0	0	11	0	0	8,497	8,508
Total revenue	222,927	33,782	7,585	2,176	2,002	20,422	288,894
Segment profit	11,043	11,163	236	1,180	136	10,216	33,974
Interest income	2,863	662	47	0	36	1,260	4,868
Interest expense	0	0	0	0	(2)	0	(2)
Share of profit of associate	0	0	0	0	0	8,067	8,067
Profit before tax	13,906	11,815	283	1,180	170	19,543	46,897
Tax expense	(2,140)	(5,493)	(51)	(298)	(87)	(2,618)	(10,687)
Profit for the financial year	11,766	6,322	232	882	83	16,925	36,210
Non-cash income	109	0	37	0	0	2,619	2,765
Depreciation	11,996	118	12	72	30	181	12,409
Other non-cash expenses	944	53	4	0	12	2	1,015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

28. SEGMENT REPORTING (cont'd)

Operating Segments (cont'd)

	Manufacture of printed circuit boards RM'000	Property develop- ment RM'000	Sale of electrical appliances RM'000	Cultivation of oil palm RM'000	Water and waste water treatment RM'000	Uncultivated non- operating segments RM'000	Total RM'000
31.12.2011 (Revised)							
Segment assets	272,694	97,915	24,160	837	32	69,042	464,680
Investment in associate	0	0	0	0	0	22,231	22,231
Income tax assets	153	556	73	12	0	437	1,231
Total assets	272,847	98,471	24,233	849	32	91,710	486,142
Additions to non-current assets	11,995	33	3	0	0	157	12,188
Segment liabilities	50,471	8,078	1,260	74	2	3,698	63,583
Income tax liabilities	6,374	0	0	75	0	5	6,454
Total liabilities	56,845	8,078	1,260	149	2	3,703	70,037
External revenue	267,635	32,598	7,675	2,143	0	1,229	311,280
Intersegment revenue	0	0	13	0	0	14,643	14,656
Total revenue	267,635	32,598	7,688	2,143	0	15,872	325,936
Segment profit/(loss)	22,913	10,299	4,077	1,179	(421)	(4,538)	33,508
Interest income	1,358	577	155	0	0	603	2,693
Interest expense	(26)	0	0	0	0	0	(26)
Share of profit of associate	0	0	0	0	0	7,748	7,748
Profit before tax	24,245	10,876	4,232	1,179	(421)	3,812	43,923
Tax expense	(4,201)	(3,121)	(14)	(75)	0	(494)	(7,905)
Profit for the financial year	20,044	7,755	4,218	1,104	(421)	3,318	36,018
Non-cash income	1,824	0	102	0	0	30	1,956
Depreciation	11,569	111	232	70	0	300	12,282
Other non-cash expenses	341	0	1	0	0	2,516	2,858
1.1.2011 (Revised)							
Segment assets	249,462	86,794	22,090	777	0	72,630	431,753
Investment in associate	0	0	0	0	0	23,137	23,137
Income tax assets	5	1,626	36	0	0	807	2,474
Total assets	249,467	88,420	22,126	777	0	96,574	457,364
Segment liabilities	51,205	4,235	1,460	40	0	2,841	59,781
Loans and borrowings	1,326	0	0	0	0	0	1,326
Income tax liabilities	6,217	0	0	0	0	4	6,221
Total liabilities	58,748	4,235	1,460	40	0	2,845	67,288

28. SEGMENT REPORTING (cont'd)

Geographical Information

In presenting information about geographical areas, segment revenue is based on the geographical location of customers whereas segment assets are based on the geographical location of assets.

	External Revenue		Non-current Assets	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Malaysia	147,871	150,865	135,194	112,818
China	112,340	133,748	50,048	54,563
Other countries	20,175	26,568	0	0
	<u>280,386</u>	<u>311,280</u>	<u>185,242</u>	<u>167,382</u>

Major Customers

The major customers that contributed 10% or more of the Group's total revenue are as follows:-

	External Revenue		Operating Segment
	2012 RM'000	2011 RM'000	
Customer I ^(a)	46,240	58,354	Manufacture of printed circuit boards
Customer II ^(a)	<u>34,477</u>	<u>50,572</u>	Manufacture of printed circuit boards

^(a) The identity of the major customer has not been disclosed as permitted by FRS 8 Operating Segments.

29. CAPITAL COMMITMENT

Group

	2012 RM'000	2011 RM'000
Contracted but not provided for:-		
- Property, plant and equipment	278	2,889
- Subsidiary	0	8,972
	<u>278</u>	<u>11,861</u>

30. CONTINGENT LIABILITIES - UNSECURED

Company

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions and trade suppliers for credit facilities granted to certain subsidiaries up to a total limit of approximately RM34,920,000 (2011 : RM34,920,000). The total utilisation of these credit facilities as at 31 December 2012 amounted to approximately RM9,122,000 (2011 : RM10,924,000).

The aforementioned financial guarantee contracts should have been recognised in the statement of financial position in accordance with the recognition and measurement policies as stated in Note 2.15. After considering that the probability of the subsidiaries defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

31. FINANCIAL RISK MANAGEMENT

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk and other price risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

Credit Risk

The Group's exposure to credit risk arises mainly from receivables, derivative financial assets and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statement of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 30.

As the Group only deals with reputable financial institutions, the credit risk associated with derivative financial assets and deposits placed with them is minimal. The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms.

31. FINANCIAL RISK MANAGEMENT (cont'd)

Liquidity Risk

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

Currency Risk

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currencies. The major functional currencies within the Group are Ringgit Malaysia ("RM") and Renminbi ("RMB") whereas the major foreign currency transacted is US Dollar ("USD").

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:-

- (i) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.
- (ii) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Group	
	Increase/ (Decrease) in Profit 2012 RM'000	Increase/ (Decrease) in Profit 2011 RM'000
Appreciation of USD against RM by 5% (2011 : 10%)	(19)	(32)
Depreciation of USD against RM by 5% (2011 : 10%)	19	32
Appreciation of USD against RMB by 5% (2011 : 10%)	277	69
Depreciation of USD against RMB by 5% (2011 : 10%)	<u>(277)</u>	<u>(69)</u>

31. FINANCIAL RISK MANAGEMENT (cont'd)

Other Price Risk

The Group's exposure to other price risk arises mainly from quoted investments.

The Group manages its investments on an individual basis by continuously evaluating the share price movements, investment returns and the general industrial conditions relevant to the investees.

The Group's quoted investments are listed on Bursa Malaysia Securities Berhad. Based on the assumption that the share prices of these investments moved in correlation with the FTSE Bursa Malaysia KLCI ("FBMVKLCI"), the following table demonstrates the sensitivity of profit or loss and other comprehensive income ("OCI") to changes in FBMVKLCI that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Group and Company			
	Increase/ (Decrease) in Profit 2012 RM'000	Increase/ (Decrease) in Profit 2011 RM'000	Increase/ (Decrease) in OCI 2012 RM'000	Increase/ (Decrease) in OCI 2011 RM'000
Increase in FBMVKLCI by 10% (2011 : 20%)	0	0	1,348	6,079
Decrease in FBMVKLCI by 10% (2011 : 20%)	0	(810)	(1,348)	(5,289)

32. CAPITAL MANAGEMENT

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

32. CAPITAL MANAGEMENT (cont'd)

The Group considers its total equity (including non-controlling interests) and total loans and borrowings to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total loans and borrowings divided by total equity as follows:-

	Group		Company	
	2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Total loans and borrowings	117	0	0	0
Total equity	425,218	418,105	323,789	328,951
Total capital	<u>425,335</u>	<u>418,105</u>	<u>323,789</u>	<u>328,951</u>
Debt-to-equity ratio	<u>0.03%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

	Group		Company	
	2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Total retained profits of the Company and its subsidiaries:-				
- Realised	235,114	214,574	81,885	88,880
- Unrealised	2,253	5,345	0	0
	<u>237,367</u>	<u>219,919</u>	<u>81,885</u>	<u>88,880</u>
Total share of retained profits of associate:-				
- Realised	18,381	17,474	0	0
- Unrealised	0	0	0	0
	<u>18,381</u>	<u>17,474</u>	<u>0</u>	<u>0</u>
Consolidation adjustments and eliminations	<u>(82,549)</u>	<u>(72,888)</u>	<u>0</u>	<u>0</u>
Total retained profits as per statement of financial position	<u>171,209</u>	<u>164,504</u>	<u>81,885</u>	<u>88,880</u>

The above supplementary information is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Class of Shares	: Ordinary Shares of RM1.00 each
Authorized Capital	: RM1,000,000,000 divided into 1,000,000,000 ordinary shares of RM1.00 each
Issued and Fully Paid-Up Capital	: RM185,414,063 divided into 185,414,063 ordinary shares of RM1.00 each
Voting Rights	: One vote per ordinary share
No. of Shareholders	: 14,285

Distribution Schedule of Shares

As at 29 March 2013

Holdings	No. of Holders	Total Holdings	%
Less than 100	1,092	51,007	0.03
100 - 1,000	6,055	4,137,453	2.35
1,001 – 10,000	6,010	23,581,974	13.38
10,001 – 100,000	1,014	27,868,799	15.81
100,001 – less than 5% of issued shares	112	69,980,713	39.70
5% and above of issued shares	2	50,633,417	28.73
	14,285	*176,253,363	100.00

* Exclusive of 9,160,700 ordinary shares bought-back by the Company and retained as treasury shares.

Substantial Shareholders

As at 29 March 2013

No.	Name of Substantial Shareholders	Direct Interest		Deemed Interest	
		No. of Shares	%	No. of Shares	%
1.	HSBC Nominees (Asing) Sdn. Bhd. <i>HPBS SG For Gold Connection Assets Limited</i>	30,224,800	17.15	-	-
2.	Zun Holdings Sdn. Bhd.	20,408,617	11.58	-	-
3.	Datin Seri Ang Gaik Nga	7,663,000	4.35	20,408,617 ^a	11.58
4.	Dato' H'ng Chun Hsiang	1,544,000	0.88	20,408,617 ^a	11.58
5.	H'ng Hsieh Fern	1,536,000	0.87	20,408,617 ^a	11.58
6.	Datin Jessica H'ng Hsieh Ling	1,509,000	0.86	20,408,617 ^a	11.58
7.	H'ng Chun Ching	1,500,000	0.85	20,408,617 ^a	11.58
8.	Dato' Seri H'ng Bok San	-	-	34,160,617 ^b	19.38

Directors' Shareholding

As at 29 March 2013

No.	Name of Directors	Direct Interest		Deemed Interest	
		No. of Shares	%	No. of Shares	%
1.	Dato' Seri H'ng Bok San	-	-	34,160,617 ^b	19.38
2.	Dato' Kenneth H'ng Bak Tee	-	-	1,908,500 ^c	1.08
3.	Dato' Harry H'ng Bak Seah	1,707,952	0.97	-	-
4.	Datin Jessica H'ng Hsieh Ling	1,509,000	0.86	20,408,617 ^a	11.58
5.	Lai Chang Hun	1,825,288	1.04	2,384,587 ^d	1.35
6.	Wan Ismail Bin Wan Nik	2,452,535 ^e	1.39	-	-
7.	Chew Hock Lin	-	-	-	-
8.	Dato' Ismail Bin Hamzah	-	-	-	-

Notes:

- a Deemed interest via shares held by Zun Holdings Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.
- b Deemed interest via shares held by Zun Holdings Sdn. Bhd. and his spouse and children by virtue of Sections 6A and 134(12)(c) of the Companies Act, 1965.
- c Deemed interest via shares held by his spouse and children by virtue of Section 134(12)(c) of the Companies Act, 1965.
- d Deemed interest via shares held by Laico Jaya Sdn. Bhd. and his children by virtue of Sections 6A and 134(12)(c) of the Companies Act, 1965.
- e 2,441,500 shares are pledged under HLB Nominees (Tempatan) Sdn. Bhd.

Thirty (30) Largest Shareholders

As at 29 March 2013

No.	Name of Securities Account Holders	No. of Shares	%
1.	HSBC Nominees (Asing) Sdn. Bhd. <i>HPBS SG For Gold Connection Assets Limited (501999)</i>	30,224,800	17.15
2.	Zun Holdings Sdn. Bhd.	20,408,617	11.58
3.	Datin Seri Ang Gaik Nga	7,663,000	4.35
4.	Song Siew Gnoh	6,433,845	3.65
5.	Kan Yu Oi Ling	2,853,717	1.62
6.	Howell Chen Chung	2,733,000	1.55
7.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for W Ismail Bin W Nik</i>	2,441,500	1.39
8.	Laico Jaya Sdn. Bhd.	2,309,563	1.31
9.	Tham Kok Hong @ Tam Kok Ang	1,947,800	1.11
10.	Amanahraya Trustees Berhad <i>Public Smallcap Fund</i>	1,843,400	1.05
11.	How Kim Chai	1,830,000	1.04
12.	Lai Chang Hun	1,825,288	1.04
13.	Dato' Harry H'ng Bak Seah	1,707,952	0.97
14.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. <i>Deutsche Bank AG Singapore For Horizon Growth Fund N.V.</i>	1,598,900	0.91
15.	Shoptra Jaya (M) Sdn. Bhd.	1,558,100	0.88
16.	Dato' H'ng Chun Hsiang	1,544,000	0.88
17.	H'ng Hsieh Fern	1,536,000	0.87
18.	Datin Jessica H'ng Hsieh Ling	1,509,000	0.86
19.	H'ng Chun Ching	1,500,000	0.85
20.	Tay Teck Ho	1,330,000	0.75
21.	Malaysia Nominees (Asing) Sendirian Berhad <i>Oversea-Chinese Bank Nominees Pte Ltd for Oversea-Chinese Banking Corporation Limited (OCB33076-000FM)</i>	1,225,000	0.70
22.	Lim Khuan Eng	1,147,100	0.65
23.	Amanahraya Trustees Berhad <i>Public Strategic Smallcap Fund</i>	1,013,200	0.57
24.	H'ng Chun Li	968,300	0.55
25.	Zulkifli Bin Hussain	960,000	0.54
26.	OSK Nominees (Tempatan) Sdn. Berhad <i>DBS Vickers Secs (S) Pte Ltd for Kuok Khoon Ho</i>	812,315	0.46
27.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt An For UBS AG Singapore (Foreign)</i>	733,100	0.42
28.	Yeo Khee Huat	591,000	0.34
29.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. <i>Exempt An For British and Malayan Trustees Limited (Yeoman 3-Rights)</i>	575,000	0.33
30.	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. <i>Tham Hooi Loon (0151)</i>	500,000	0.28

LIST OF PROPERTIES
AS AT 31 DECEMBER 2012

No.	Address/ Location	Tenure	Description	Area (square metre)	Approximate Age of properties/ buildings	Net Book Value (RM'000)	Date of Re-Valuation
1	Plot 1240 & 1241, Bayan Lepas Free Industrial Zone, Phase 3, Bayan Lepas 11900 Penang	Leasehold 60 years Expiring on 27/8/2041	Office/ Factory building	16,339	26 years	22,622	31/12/2009
2	Plot 208A Bayan Lepas Free Industrial Zone, Phase 3, Bayan Lepas, 11900 Penang	Leasehold 60 years Expiring on 20/10/2049	Office/ Factory building	6,167	26 years	5,401	31/12/2009
3	160-4-3 Anson Road, 10400 Penang	Freehold	Apartment	153	31 years	350	31/12/20112
4	588 Changjiang Road, New District Suzhou, Jiangsu, China	Leasehold 50 years Expiring on 17/8/2047	Office/ Factory building	53,325	15 years	28,682	31/12/2009
5	Along Kuala Lumpur/ Seremban Highway Mukim Labu District of Seremban Negeri Sembilan	Freehold	Ongoing mixed development scheme known as Taman Bukit Kepayang	549,774	-	27,021	30/9/2004
6	Lot No. 5 Mukim Telui Kiri, Daerah Kuala Muda, Kedah	Freehold	Agricultural land	1,559,724	-	14,600	31/12/2009
7	4935 Jalan Siram, 12100 Butterworth, Penang	Freehold	3-storey terrace shophouse	511	21 years	680	31/12/2009
8	22 Jalan 6/89B, Kawasan Perindustrian Trisegi, Off Batu 3 1/2, Jalan Sungai Besi, 57100 Kuala Lumpur	Leasehold 66 years Expiring on 21/3/2043	4 storey light Industrial building	156	25 years	470	31/12/2012
9	15 Jalan Nafiri, 14200 Sungai Bakap, Penang	Freehold	1 1/2 storey terrace shplot	268	20 years	265	31/12/2012
10	17 Jalan Nafiri, 14200 Sungai Bakap, Penang	Freehold	1 1/2 storey terrace shplot	251	20 years	265	31/12/2012
11	1 Jalan Nafiri, 14200 Sungai Bakap, Penang	Freehold	1 1/2 storey terrace shplot	248	20 years	265	31/12/2012
12	3 Jalan Nafiri 2, 14200 Sungai Bakap, Penang	Freehold	1 1/2 storey terrace shplot	251	20 years	265	31/12/2012
13	15 Jalan Nafiri, 14200 Sungai Bakap, Penang	Freehold	1 1/2 storey terrace shplot	354	20 years	265	31/12/2012

LIST OF PROPERTIES
AS AT 31 DECEMBER 2012

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No.	Address/ Location	Tenure	Description	Area (square metre)	Approximate Age of properties/ buildings	Net Book Value (RM'000)	Date of Re-Valuation
14	Flat No. 27-C, Unit 75, 3rd Floor, Jalan Tembikai, Taman Mutiara, 14000 Bukit Mertajam, Penang	Freehold	3rd floor of a 3-storey shophouse	86	25 years	45	31/12/2009
15	1-1-05 No. 1, Persiaran Bukit Jambul 1, Complex Relau, 11900 Penang	Freehold	Shoplot	86	18 years	250	31/12/2012
16	Unit No. 24, 25, 26, 91, 100, 101 & 103, Lembah Beringin, Sector 26-2, Selangor	Freehold	7 units of double storey terrace houses	1,169	14 years	-	31/12/2009
17	Lot No. 1692, Mukim 12, Province Wellesley South, Penang	Freehold	Industrial land	21,250	-	3,660	31/12/2012
18	Lot No. 1693, Mukim 12, Province Wellesley South, Penang	Freehold	Industrial land	1,998	-	344	31/12/2012

Revaluation Policy

The land and buildings of the Group were revalued by firms of independent professional valuers using open market value basis.

Revaluation of these assets will be conducted in an interval of at least once in every five years.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Ninth Annual General Meeting of GUH Holdings Berhad will be held at the Auditorium of the Company at 2nd Floor, Plot 1240 & 1241, Bayan Lepas Free Industrial Zone, Phase 3, Bayan Lepas, 11900 Penang on Tuesday, 21 May 2013 at 10:30 a.m. to transact the following businesses:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and the Auditors thereon. **Resolution 1**

2. To approve the payment of Directors' fees for the financial year ended 31 December 2012. **Resolution 2**

3. To re-elect the following Directors who retire by rotation pursuant to Article 99 of the Company's Articles of Association and being eligible, offer themselves for re-election:
 - (i) Datin Jessica H'ng Hsieh Ling **Resolution 3**
 - (ii) Mr. Chew Hock Lin **Resolution 4**
 - (iii) En. Wan Ismail Bin Wan Nik **Resolution 5**

4. To pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:
 - (i) "THAT Mr. Lai Chang Hun, retiring pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 6**
 - (ii) "THAT Dato' Seri H'ng Bok San, retiring pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 7**

5. To re-appoint Messrs. Crowe Horwath as Auditors of the Company for the financial year ending 31 December 2013 and to authorize the Directors to fix their remuneration. **Resolution 8**

As Special Business

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

6. **ORDINARY RESOLUTION – AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** **Resolution 9**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorized to issue shares in the capital of the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their

absolute discretion deem fit, provided that the aggregate number of shares to be issued, pursuant to this resolution does not exceed 10% of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued, subject always to the approval of all relevant regulatory bodies being obtained for such issues.”

7. ORDINARY RESOLUTION – PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

Resolution 10

“THAT subject to the Company’s compliance with all applicable rules, regulations and orders made pursuant to the Companies Act, 1965 (“Act”), the provisions of the Company’s Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) and the approvals of all other relevant authorities, the Company be and is hereby authorized to utilize an amount not exceeding the total retained profits of the Company to purchase such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased pursuant to this resolution does not exceed 10% of the issued and paid-up share capital as quoted on Bursa Malaysia Securities Berhad at any given point in time (“Proposed Share Buy-Back”).

AND THAT the Directors of the Company be and are hereby authorized to deal with the shares so purchased by the Company pursuant to the Proposed Share Buy-Back in the following manner:

- (i) to retain the shares as treasury shares; and/or
- (ii) to cancel the shares; and/or
- (iii) to resell the shares; and/or
- (iv) to distribute as share dividends; and/or
- (v) any combination of the above; and/or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements and any other relevant authority for the time being in force;

AND THAT such authority for the Proposed Share Buy-Back conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following this AGM, at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.

whichever occurs first;

AND THAT, the Directors of the Company or any of them be and are hereby authorized to take all such steps as are necessary or expedient to implement, finalize and to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations, and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.”

8. ORDINARY RESOLUTION –

Resolution 11

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the related parties, which are necessary for the day-to-day operations, in the ordinary course of business, made at arm’s length basis and on normal commercial terms which are not more favourable to the related parties than those normally available to the public and are not to the detriment of the minority shareholders, details are set out in the Circular to Shareholders dated 29 April 2013; AND THAT the authority conferred by this mandate shall commence immediately upon the passing of this resolution and is subject to annual renewal. In this respect the authority shall only continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at that AGM;
- (ii) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but not extending to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

AND THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transaction contemplated and/or authorized by this Ordinary Resolution.”

**9. ORDINARY RESOLUTION –
CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE
DIRECTOR**

- (i) “THAT authority be and is hereby given to Dato’ Ismail Bin Hamzah who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director.” **Resolution 12**
- (ii) “THAT subject to passing of Ordinary Resolution 4, authority be and is hereby given to Mr. Chew Hock Lin who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director.” **Resolution 13**
- (iii) “THAT subject to passing of Ordinary Resolution 5, authority be and is hereby given to En. Wan Ismail Bin Wan Nik who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director.” **Resolution 14**
- (iv) “THAT subject to passing of Ordinary Resolution 6, authority be and is hereby given to Mr. Lai Chang Hun who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director.” **Resolution 15**

**10. SPECIAL RESOLUTION –
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE
COMPANY**

Resolution 16

“THAT the amendments to the Articles of Association of the Company as contained in Appendix I of the Circular to Shareholders dated 29 April 2013 be and are hereby approved, and that the Directors of the Company be and are hereby authorized to take all steps as are necessary in order to implement, finalize and give full effect to the Proposed Amendments.”

11. To transact any other business of the Company for which due notice shall have been given.

By Order of the Board,

Dato’ Kenneth H’ng Bak Tee (LS0008988)
Kee Gim Tee (MAICSA 7014866)
Company Secretaries

Penang
Dated this 29 April 2013

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. *Every Member is entitled to appoint a proxy/proxies (or in the case of a corporation to appoint a representative) to attend and vote in his place. A proxy/proxies need not be a Member of the Company. The proxy/proxies appointed shall have the same right as the Member to speak at the Meeting.*
2. *A Member shall not be entitled to appoint more than 2 proxies to attend and vote at the same meeting and where a Member appoints 2 proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
3. *The instrument appointing a proxy must be signed by the appointor or his attorney duly authorized in writing, and in the case of corporation, either under the Common Seal or signed by its attorney or an officer duly authorized.*
4. *Where a Member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) pursuant to Paragraph 7.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
5. *Any instrument appointing a proxy or the power of attorney or other authority, if any must be deposited at the Company's Registered Office at Part of Plot 1240 & 1241 Bayan Lepas Free Industrial Zone, Phase 3, Bayan Lepas, 11900 Penang, not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.*
6. *For the purpose of determining who shall be entitled to attend the Annual General Meeting of the Company, the Company shall request Bursa Malaysia Depository Sdn. Bhd. in accordance with Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a Record of Depositors as at 15 May 2013 (General Meeting Record of Depositors) and only a Depositor whose name appears on such General Meeting Record of Depositors shall be regarded as Member to attend, speak and vote at this Meeting or appoint proxy to attend, speak and vote on his stead.*

EXPLANATORY NOTES ON SPECIAL BUSINESS:

1. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

As at the date of this notice, no new shares in the Company were issued pursuant to the general authority granted to the Directors for issuance of shares pursuant to Section 132D of the Companies Act, 1965 at the last AGM held on 28 May 2012 which will lapse at the conclusion of the 49th AGM.

The proposed Resolution 9, if passed, will provide flexibility for the Company to empower the Directors to allot and issue new shares in the Company not exceeding 10% of its issued share capital for the time being should the need arise. In order to avoid any delay and costs involved in convening a general meeting to approve such issuance of shares, the approval is a renewal mandate given to the Directors as the Board is always looking into prospective areas and seeking opportunities to broaden the operating base and increase earnings potential of the Company which may involve the issue of new shares. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

2. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

The proposed Resolution 10, if passed, would empower the Directors of the Company to purchase the Company's shares up to 10% of the issued and paid-up share capital of the Company for the time being, quoted on Bursa Malaysia Securities Berhad, by utilizing the funds allocated which shall not exceed the audited retained profits of the Company. Further information is set out in the Share Buy-Back Statement, contained in Part A of the Circular to Shareholders dated 29 April 2013, which is dispatched together with the Company's Annual Report 2012.

3. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The proposed Resolution 11, if passed, would allow the Company and/or its subsidiaries and related companies to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations with the related parties.

This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM, or the expiration of the period within which the next AGM is required by law to be held, or revoked or varied by a resolution passed by the shareholders of the Company in general meeting, whichever is earlier. Further information is set out in Part B of the Circular to Shareholders dated 29 April 2013, which is dispatched together with the Company's Annual Report 2012.

4. CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

In line with the Recommendation of Malaysian Code on Corporate Governance 2012 – Principle 3.3, the Board of Directors had via the Nomination Committee conducted the annual performance evaluation and assessment on their independence to continue in office as Independent Directors. The Board hereby unanimously in its opinion that all the following Directors' independence, have not been compromised or impaired in any way after having noted the following considerations/justifications. The Board hereby strongly recommends to the shareholders to approve and retain the Directors to continue in office as Independent Directors at the 49th AGM:

i) Dato' Ismail Bin Hamzah

- Fulfill the criteria and definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- He has not developed or established any significant personal or social relationship with the Executive Directors and/or the major shareholders and/or the management of the Company (including their family members) other than normal engagement and interactions on a professional way of carrying out his duties as an Independent Director and Chairman of the Nomination and the Remuneration Committee.
- He is able to exercise due care in all undertakings of the Group and carry out the fiduciary duties as an Independent Director to protect the interest of the Company and its minority shareholders.
- He has sufficient time and attention devoted to the Company to carry out the professional obligations for informed and balanced decision making, at the meetings of the Board of Directors and the Audit Committee and to chair the meetings of the Nomination and the Remuneration Committee of the Company.

ii) Mr. Chew Hock Lin

- Fulfill the criteria and definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- He actively participates in Board deliberations and decision making and is able to chair the Audit Committee in an effective, just and equitable manner through his extensive experience obtained during his service in the accountancy profession as a partner in an international audit firm.
- He has thorough understanding of the diversified businesses of the Group and is able to provide the Board diverse set of experience, skills and expertise in the relevant business industry of the Group.
- He consistently challenged the management and the Board in an effective and constructive manner and therefore is able to function as check and balance and bring in justified opinions to the Board of Directors.

iii) En. Wan Ismail Bin Wan Nik

- Fulfill the criteria and definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- He has vast experience and expertise in a diversified business industry and therefore is able to participate in the Board meetings to give independent opinion and view as well as to contribute to development of strategy.
- He is resolute in maintaining his own views and resisting pressures from other Board members.
- His independence is not appointed barely based on any influence of him in the Company but with his extensive experience with tactful way of communicating with the external would be additional benefit to bring in positive value to the Company.

iv) Mr. Lai Chang Hun

- Fulfill the criteria and definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- He is familiar with the Company's business operations and equipped with vast experience and expertise in the relevant field/business industry of the Group and participated in the meetings by giving independent and objective judgment to the Board.
- He devoted sufficient time and attention to the Company by giving informed and balanced decision making without bias. Neither has he been compromised by his familiarity and long relationship with other Board members.
- He strongly acknowledged all the regulatory requirements and updates especially in area such as corporate governance framework and therefore he is able to provide equitable and impartial judgment.

5. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The proposed amendments would bring the Company's Articles of Association in line with the amendments made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Further information is set out in Part C of the Circular to Shareholders dated 29 April 2013, which is dispatched together with the Company's Annual Report 2012.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. The Directors who are retiring pursuant to Article 99 of the Articles of Association of the Company and seeking re-election are:
 - i. Datin Jessica H'ng Hsieh Ling
 - ii. Mr. Chew Hock Lin
 - iii. En. Wan Ismail Bin Wan Nik

2. The Directors who are standing for re-appointment in accordance to Section 129 of the Companies Act, 1965, are:
 - i. Mr. Lai Chang Hun
 - ii. Dato' Seri H'ng Bok San

Profiles of the above Directors are set out in the section entitled "Directors' Profile" on pages 6 to 13. Their shareholdings in the Company are stated on page 63 of the Financial Statements of the Company's Annual Report 2012.

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PROXY FORM

No. of Shares Held

I/We NRIC No. / Company No.
(FULL NAME IN BLOCK LETTERS)

of
ADDRESS

being a Member/Members of GUH HOLDINGS BERHAD hereby appoint:-

Name/NRIC No.	No. of Shares	Percentage (%)
Proxy.....		and/or;
Proxy.....		

or failing him, the Chairman of the Meeting as my/our proxy(ies) to vote for me/us and on my/our behalf at the 49th Annual General Meeting of the Company to be held at the Auditorium of the Company at 2nd Floor, Plot 1240 & 1241 Bayan Lepas Free Industrial Zone, Phase 3, Bayan Lepas, 11900 Penang on Tuesday, 21 May, 2013 at 10:30 a.m. and at any adjournment thereof.

Please indicate with an "X" as to how you wish to cast your vote. If no instruction as to voting is given, the proxy will vote or abstain from voting at his discretion.

Ordinary Business	RESOLUTIONS	FOR	AGAINST
To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and the Auditors thereon	1		
To approve the payment of Directors' fees for the financial year ended 31 December 2012	2		
To re-elect Datin Jessica H'ng Hsieh Ling who is retiring pursuant to Article 99 of the Company's Articles of Association	3		
To re-elect Mr. Chew Hock Lin who is retiring pursuant to Article 99 of the Company's Articles of Association	4		
To re-elect En. Wan Ismail Bin Wan Nik who is retiring pursuant to Article 99 of the Company's Articles of Association	5		
To re-appoint Mr. Lai Chang Hun who is retiring pursuant to S129 of the Companies Act, 1965	6		
To re-appoint Dato' Seri H'ng Bok San who is retiring pursuant to S129 of the Companies Act, 1965	7		
To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorize the Directors to fix their remuneration	8		
Special Business	RESOLUTIONS	FOR	AGAINST
Authority to issue shares pursuant to Section 132D of the Companies Act, 1965	9		
Proposed renewal of authority for the Company to purchase its own shares	10		
Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature	11		
To approve Dato' Ismail Bin Hamzah to continue in office as Independent Non-Executive Director	12		
To approve Mr. Chew Hock Lin to continue in office as Independent Non-Executive Director	13		
To approve En. Wan Ismail Bin Wan Nik to continue in office as Independent Non-Executive Director	14		
To approve Mr. Lai Chang Hun to continue in office as Independent Non-Executive Director	15		
Proposed amendments to the Articles of Association of the Company	16		

Dated this day of,2013

.....
 Signature of Member/ Common Seal

Fold this flag sealing

Notes:

1. Every Member is entitled to appoint a proxy/proxies (or in the case of a corporation to appoint a representative) to attend and vote in his place. A proxy/proxies need not be a Member of the Company. The proxy/proxies appointed shall have the same right as the Member to speak at the Meeting.
2. A Member shall not be entitled to appoint more than 2 proxies to attend and vote at the same meeting and where a Member appoints 2 proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorized in writing, and in the case of corporation, either under the Common Seal or signed by its attorney or an officer duly authorized.
4. Where a Member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) pursuant to Paragraph 7.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. Any instrument appointing a proxy or the power of attorney or other authority, if any must be deposited at the Company's Registered Office at Part of Plot 1240 & 1241 Bayan Lepas Free Industrial Zone, Phase 3, Bayan Lepas, 11900 Penang, not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
6. For the purpose of determining who shall be entitled to attend the Annual General Meeting of the Company, the Company shall request Bursa Malaysia Depository Sdn. Bhd. in accordance with Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a Record of Depositors as at 15 May 2013 (General Meeting Record of Depositors) and only a Depositor whose name appears on such General Meeting Record of Depositors shall be regarded as Member to attend, speak and vote at this Meeting or appoint proxy to attend, speak and vote on his stead.

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The Company Secretary

GUH Holdings Berhad (4104-W)

Plot 1240 & 1241 Bayan Lepas Free Industrial Zone
Phase 3, Bayan Lepas
11900 Penang, Malaysia

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www.guh.com.my