2011 ANNUAL REPORT

GUH HOLDINGS BERHAD (4104-W)

CORPORATE PROFILE

GUH Holdings Berhad ("GUH" or "the Company") was incorporated on 1 March 1961 and is listed on the Main Market of Bursa Malaysia Securities Berhad under the Industrial Products sector.

BUSINESS

The principal activities of GUH are investment holding and provision of management services to its subsidiaries.

GUH Group is involved in several businesses and is engaging in electronic, electrical, property, plantation and power.

ELECTRONIC

Through its subsidiaries, the Electronic Division is principally engaged in the manufacture and sales of printed circuit boards catering to television, audio and video, home appliances, electronic components, auto, office automation, telecom communications and other consumer products.

The manufacturing activity is carried out in the manufacturing facilities in Bayan Lepas Free Industrial Zone in Bayan Lepas, Penang and in New District of Suzhou, China.

PROPERTY

The Property Division is actively involved in its flagship property development project in Taman Bukit Kepayang, a well-mixed development township in Seremban, Negeri Sembilan. It is strategically located adjacent to the Seremban interchange of the North-South Highway, a gateway to Seremban.

GUH Properties has established itself as a well-known and leading housing developer in the community with its good reputation in delivering quality and innovative houses, as well as commercial shop houses through its well planned integrated development project.

ELECTRICAL

The core activity of the Electrical Division is trading of electrical goods and appliances.

PLANTATION

GUH currently operates a small size of oil palm estate in Daerah Kuala Muda, Kedah.

POWER

The Group also has an overseas investment with a 20% shareholding in an associated company that operates a power plant in Cambodia.

CORPORATE

VISION

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

MISSION

FOR ITS SHAREHOLDERS

- Practice 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

BOARD OF DIRECTORS

Dato' Seri H'ng Bok San
Executive Chairman

Dato' Chung Chin Fu
Non-Executive Deputy Chairman

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

Dato' H'ng Bak Seah
Non-Executive Director

Datin H'ng Hsieh Ling
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 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

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

STOCK NAME

GUH (3247)

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 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 Properties 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.
100%	**GUH International (HK) Pte. Ltd.**
20%	**Cambodia Utilities Pte. Ltd.**

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• Form of Proxy

From Left to Right

Dato' Seri H'ng Bok San, Dato' Chung Chin Fu, Dato' Kenneth H'ng Bak Tee, Dato' H'ng Bak Seah

From Left to Right

Datin H'ng Hsieh Ling, Mr. Chew Hock Lin, Dato' Ismail Bin Hamzah, Mr. Lai Chang Hun, En. Wan Ismail Bin Wan Nik

Dato' Seri H'ng Bok San
Executive Chairman

Age 72, Malaysian

Dato' Seri H'ng Bok San was appointed to the Board as the Executive Chairman on 6 January 1994. Apart from his directorship in the Company, Dato' Seri H'ng is also the Executive Deputy Chairman of Leader Universal Holdings Berhad. He also serves on the board of Sarawak Cable Berhad Group and several private companies. Dato' Seri H'ng completed high school examinations and obtained his certificate in Business Administration and Accounting in the early years. He has been in the manufacturing and marketing management business for more than 40 years. His daughter, Datin H'ng Hsieh Ling and two brothers, Dato' H'ng Bak Seah and Dato' Kenneth H'ng Bak Tee are also Directors of the Company.

Dato' Seri H'ng Bok San 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 48th Annual General Meeting.

Dato' Seri H'ng Bok San attended all of the 4 Board meetings which were held in the financial year ended 31 December 2011.

Dato' Chung Chin Fu
Non-Executive Deputy Chairman

Age 74, Taiwanese

Dato' Chung Chin Fu was appointed to the Board as the Managing Director on 13 January 1994. He has been elected as Non-Executive Deputy Chairman of the Group since 1 January 2006. Dato' Chung is a director of several other private limited companies. Dato' Chung graduated from the Electrical Department of Taipei Engineering College of Taiwan. He has over 40 years of experience and wide knowledge in the manufacturing of electrical and electronics engineering and cable industry.

Dato' Chung Chin Fu attended all of the 4 Board meetings which were held in the financial year ended 31 December 2011.

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

Age 52, Malaysian

Dato' Kenneth H'ng Bak Tee was appointed to the Board as the Chief Executive Officer/Managing Director on 1 September 2004. He is also a member of the Remuneration Committee of the Board. He graduated with a Bachelor of Mathematics with Double Honours in Computer Science and Combinatoric and Optimization and a Master's Degree in Management Science from the University of Waterloo, Canada. He is a member of the Institute of Approved Company Secretaries, an affiliate of Malaysian Institute of Chartered Secretaries and Administrators and an affiliate of Registered Financial Planner. Dato' Kenneth joined International Business Machines in Kuala Lumpur in 1985 as a System Engineer. After a short period of 2 years, he was posted to the regional headquarters (Asia-South Pacific Area) in Hong Kong. He was awarded an Informal Manager's Award and the Asia-South Pacific Area Excellence Award in 1988 for his role in the business planning and development. He returned to Malaysia in 1989 and joined Leader Cable Industry Berhad as the Deputy General Manager. He was later 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 to GUH Group of Companies. He also sits on the board of Binary University College of Management & Entrepreneurship and several private companies. He is the brother of the Group's Executive Chairman, Dato' Seri H'ng Bok San and Non-Executive Director, Dato' H'ng Bak Seah. His niece, Datin H'ng Hsieh Ling is also a Director of the Company.

Dato' Kenneth H'ng Bak Tee 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 48th Annual General Meeting.

Dato' Kenneth H'ng Bak Tee attended all of the 4 Board meetings which were held in the financial year ended 31 December 2011.

Dato' H'ng Bak Seah

Non-Executive Director

Age 62, Malaysian

Dato' H'ng Bak Seah was appointed to the Board as a Non-Executive Director on 13 January 1994. He also serves on the board of several other local and overseas private limited companies. Dato' H'ng began his career in pewter and magnet wire manufacturing and subsequently ventured into the telecommunications and power cable business. He has over 30 years of experience in a manufacturing and diversified business environment. He had been holding the position as the Group Managing Director of Leader Universal Holdings Berhad since 1993. He was then appointed as the Executive Vice Chairman in 1997 until his retirement in 2005. He is the brother of the Executive Chairman, Dato' Seri H'ng Bok San and the Chief Executive Officer/Managing Director, Dato' Kenneth H'ng Bak Tee. His niece, Datin H'ng Hsieh Ling is also a Director of the Company.

Dato' H'ng Bak Seah 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 48th Annual General Meeting.

Dato' H'ng Bak Seah attended all of the 4 Board meetings which were held in the financial year ended 31 December 2011.

Datin H'ng Hsieh Ling

Non-Executive Director

Age 46, Malaysian

Datin H'ng Hsieh Ling was appointed to the Board on 20 February 2001 as a Non-Executive Director. She is a member of the Audit Committee of the Board. She serves as an Alternate Director in Leader Universal Holdings Berhad and is a director of several other private limited companies. She graduated from United States of America with a Bachelor of Science in Accounting and obtained her Master of Science Degree majoring in Taxation. She gained extensive knowledge and experience in business management by holding major key positions in multinational companies prior to joining Leader Universal Holdings Berhad. Datin H'ng is the daughter of the Executive Chairman, Dato' Seri H'ng Bok San. Her uncles, Dato' H'ng Bak Seah and Dato' Kenneth H'ng Bak Tee, both are also the Directors of the Company.

Datin H'ng Hsieh Ling 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 48th Annual General Meeting.

Datin H'ng Hsieh Ling attended all of the 4 Board meetings which were held in the financial year ended 31 December 2011.

Mr. Chew Hock Lin

Independent Non-Executive Director

Age 68, Malaysian

Mr. Chew Hock Lin was appointed to the Board on 20 February 2001 as an Independent Non-Executive Director. 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 the Company to whom all concerns may be conveyed. Other Malaysian public companies in which he is a director are Hunza Properties Berhad and Master Pack Group Berhad. He graduated from the University of Western Australia with a Bachelor of Commerce Degree and is a member of the Institute of Chartered Accountants in Australia. He is also a member of the Malaysian Institute of Certified Public Accountants and a Fellow of Chartered Tax Institute of Malaysia. Mr. Chew is a member of the Malaysian Institute of Accountants and has spent over 30 years in the accountancy profession. He is a former partner of an international audit firm. Save as aforesaid disclosed, he does not have any family relationship with and is not related to any Director and/or major shareholder of GUH Holdings Berhad nor has any personal interest in any business arrangement involving the Company.

Mr. Chew Hock Lin attended all of the 4 Board meetings which were held in the financial year ended 31 December 2011.

Dato' Ismail Bin Hamzah

Independent Non-Executive Director

Age 65, Malaysian

Dato' Ismail Bin Hamzah was appointed to the Board on 19 December 2001 as an Independent Non-Executive Director. 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 also serves on the board of FCW Holdings Berhad, PDZ Holdings Berhad, Engtex Group Berhad and SCC Holdings Berhad and is 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. He has over 30 years of experience from economics to finance acquired through many key positions held in governmental agencies. Save as aforesaid disclosed, he does not have any family relationship with and is not related to any Director and/or major shareholder of GUH Holdings Berhad nor has any personal interest in any business arrangement involving the Company.

Dato' Ismail Bin Hamzah attended all of the 4 Board meetings which were held in the financial year ended 31 December 2011.

Mr. Lai Chang Hun

Independent Non-Executive Director

Age 74, Malaysian

Mr. Lai Chang Hun was appointed to the Board as an Executive Director on 13 January 1994. He has been the Independent Non-Executive Director of the Company since 16 March 2005. He is a member of the Nomination Committee of the Board. His directorship in other public company is Leader Universal Holdings Berhad. He is also a director of several other private limited companies. Mr. Lai started his career in the electrical engineering business and has over 40 years of business experience and knowledge in the manufacturing and marketing of electronics and electrical products and appliances. Mr. Lai was the Chairman of Penang Electrical Merchant Association and is presently holding the position as one of the Trustees in the Association. He is also holding the position as a Director in a number of social societies. He is now a Director of Penang Han Chiang High School and College. Save as aforesaid disclosed, he does not have any family relationship with and is not related to any Director and/or major shareholder of GUH Holdings Berhad nor has any personal interest in any business arrangement involving the Company.

Mr. Lai Chang Hun attended all of the 4 Board meetings which were held in the financial year ended 31 December 2011.

En. Wan Ismail Bin Wan Nik

Independent Non-Executive Director

Age 65, Malaysian

En. Wan Ismail Bin Wan Nik was appointed to the Board on 26 January 1994 as an Independent Director. He was then appointed as an Executive Director of the Company with effect from 20 February 2001 until re-designated as Non-Executive Director on 1 January 2006. He has been the Independent Non-Executive Director of the Company since 1 January 2008. En. Wan sits on the Board of Leader Universal Holdings Berhad. He 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 completed the Institute of Chartered Secretaries and Administrators examinations in June 1970 and Securities Institute of Australia in 1972. He has over 30 years of diversified business experience including commercial banking, investment, property development, manufacturing and trading. Save as aforesaid disclosed, he does not have any family relationship with and is not related to any Director and/or major shareholder of GUH Holdings Berhad nor has any personal interest in any business arrangement involving the Company.

En. Wan Ismail Bin Wan Nik attended all of the 4 Board meetings which were held in the financial year ended 31 December 2011.

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.

On behalf of the Board of Directors of GUH Holdings Berhad, it gives me great pleasure to present the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2011.

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

Financial Performance

For the financial year ended 31 December 2011, GUH Group achieved revenue of RM311.3 million compared to RM309.3 million for year 2010. Notwithstanding a slight increase in revenue, GUH Group recorded a lower profit before taxation of RM43.9 million compared to RM49.9 million in year 2010 mainly due to lower contribution from Electronic Division and impairment loss on available-for-sale financial assets of RM2.5 million which were partially cushioned by the improved earnings from the Property, Electrical and Plantation Divisions.

Significant Event

GUH continues its share buy-back activity following the renewal of authority obtained from its shareholders at the last Annual General Meeting held on 24 May 2011. The authority for share buy-back shall continue to enforce until the conclusion of the next Annual General Meeting which will be held on 28 May 2012. All the necessary announcements have been made accordingly pertaining to the share buy-back exercise. Details of the share buy-back transactions are set out under the Schedule of Share Buy-Back on page 33 of this Annual Report.

It has always been the Group's business objective to embark on the strengthening of its core investment in the Electronic Division through horizontal expansion. The newly expanded process specifically in the double-sided printed circuit boards' capacity enhanced the production output by 31% compared to year 2010. To further strengthen its business existence in the competitive market environment, the Group always strives to improve the quality of the products and customers' services to ensure we provide maximum satisfaction to our valuable customers to maintain long term relationship. We are proud to inform that our subsidiary in China operation received numerous awards and accolades in relation to environmental management and green activity.

In line with the long term strategy in concessionary projects, the Group has marked its inception in the water concessionary sector since the beginning of year 2011. A few new subsidiaries, in Malaysia and overseas have been incorporated to facilitate the investment proposals in relation to water concessionary project. These subsidiary companies are GUH Water Holdings Sdn. Bhd., GUH Water (Jiangsu) Pte. Ltd. and GUH Water (Gaochun) Co. Ltd.

Dividends

The Board has continuously been declaring dividend to its 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 2011 which were duly paid on 13 September 2011 to the shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 5 September 2011.

Board Structure and Governance

The Board is always in support of good corporate governance to ensure the number of independent directors consists of at least 1/3 of its membership.

Executive Directors play an important role to look beyond their executive function and accept their full share of responsibilities of governance whist 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 2012

Electronic Division will remain the major contributor to the Group despite the increase in share of contribution to the Group revenue by other Divisions.

While the rising major material prices continues to weaken our Group's performance especially the Electronic Division, pricing pressure from customers as well as global uncertainties coupled with currency risks caused by the weakening USD and the Euro Zone debt crisis will also weigh heavily on the performance in year 2012. Nevertheless, GUH Electronic will attempt to sustain its selling price at a reasonable level and at the same time balance it with sales volume in order to utilize the new expanded capacity for double-side printed circuit boards. Flood situation in Thailand in year 2011 also presented opportunities for our Electronic Division to expand our market share.

Overall, the Group expects to deliver positive results with minimal growth despite the tough operating environment expected in year 2012. Certainly GUH will continue to seek opportunities in other Divisions such as the Property and the Plantation Divisions. GUH is always mindful to create sustainable businesses with long term growth and profit to maximize its shareholders interests as well as to meet the rising expectations of all the other stakeholders in another year.

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 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.

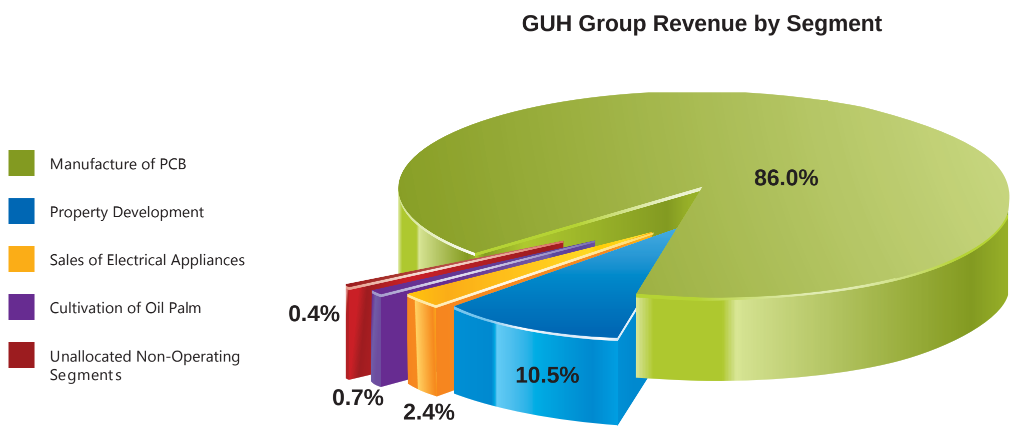
Last but not least, I wish to thank my fellow Board members for their invaluable professional advices, guidance and contribution in making the Board more effective and efficient.

The year ending December 2011 has been without doubt, challenging for all sectors and industries globally, for a variety of unfavorable economy conditions. Though it seemed as if the world has on a recovery path following the financial crisis in year 2008, the unexciting scene in the US economy was further dampened by the Eurozone debt crisis.

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

Financial Overview of the Group

The Group's profit after taxation of RM36.01 million in year 2011 was 18% lower than that of the previous year. Nevertheless, the balance sheet of the Group remained strong. Earnings per share for the year were 18.57 sen (2010: 21.68 sen).



Review of Operations

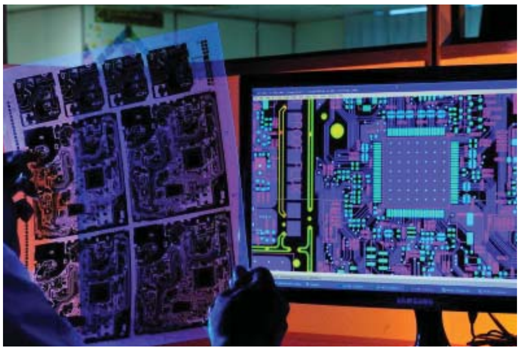
Electronic Division

The printed circuit boards ("PCB") industry in particular, which continues to remain as the dominant driver for the Group's earnings in year 2011 was affected by a series of unfavorable events such as unresolved US economy stagnation, Eurozone debt crisis, Middle East crisis and the most damaging natural disaster of earthquake and tsunami that swiped across the North Eastern part of Japan, dampening consumer confidence. Despite the inevitable negative impact on its business, the Electronic Division managed to sustain commendable revenue of RM267.64 million in year 2011 as compared to RM278.94 million in year 2010.

It is fortunate that profitability of the Electronic Division was maintained despite the unfavorable market conditions with a lower profit before taxation recorded at RM24.25 million as compared to RM37.38 million for the same period a year ago.

Electronic Division attributed the sustained profitable results to the exemplary performance of its China operation, which contributed 63% of the reported profit before taxation. GUH operation in China recorded a revenue of RM136.12 million and profit before taxation of RM15.29 million in year 2011. Having said that the better performance by China plant was attributable to a team of dedicated Management supported with well planned and proactive actions in quality, delivery as well as the ability to capture niche markets and supplies to manufacturers of products such as power supplies, motors and LED based products. LED based products are growing in demand and the trend is notably driven by the advent of LED backlight devices, LED TV and LED lighting. The China plant also captured business supplies to products based on inverter technology for home appliance products such as air-conditioners, washing machines and refrigerators. On another notable domain is that the China plant developed new business based on the multilayer PCB supplying manufacturers of large size at 60", 70" and 80" LCD Information Display Panels (IDP).

The PCB plant in Malaysia also performed well for year 2011 with profit before taxation of RM9.11 million registered with sales revenue of RM131.52 million. Despite the challenging year, GUH plant in Malaysia has similar proactive capabilities and supplies to customers with a steady stream



of new products introduction. It supplies PCB to manufacturers of products such as LCD, TV, car audio, home audio, air-conditioners, home appliances, telecommunication products, photocopiers and power tools. In line with the ongoing expansion strategy in the Malaysian operation, its production of double-sided PCB and sales increased by 33% from 166,000 m^2 in year 2010 to 221,000 m^2 in year 2011.

Notwithstanding the unfavorable business conditions of the world economy, both PCB plants in China and Malaysia managed to perform well.

Property Division

Another wholly-owned subsidiary of the Group, GUH Properties Sdn. Bhd., is involved in the property development project at Taman Bukit Kepayang, Seremban. It is strategically located adjacent to the Seremban interchange of the North South Expressway which is the main gateway to Seremban. This prime area is much sought after as it is straddled between the old Seremban town and the new township of Seremban with many public amenities such as hospitals, schools, recreation club and shopping centres.

For the financial year under review, Property Division increased its share of contribution to the Group's revenue to 10%. Revenue for year 2011 of RM32.60 million was higher than RM19.99 million for year 2010 mainly due to more residential units and commercial shop houses sold. Profit before taxation also increased from RM5.80 million in year 2010 to RM10.88 million in year 2011. Property Division successfully launched and completed high end residential products at Kepayang Heights comprising bungalows, semi-detached and terrace houses which offers quality homes with trendy life-style living concept in a guarded community. The commercial precinct of Kepayang Commerce Square was well received for its Parcel 1 with vibrant colours to augment its modern contemporary design. Property Division also achieved impressive sales response for its Parcel 2 with unique and modern classical design. Parcel 1 is completed with Certificate of Completion and Compliance ("CCC") in year 2011 whereas Parcel 2 is due for completion with CCC expected by mid of year 2012. Parcel 3 has been launched recently with encouraging sales response and this final parcel is due for completion with CCC to be expected by mid of year 2013.

The Division's pursuit of excellence in respect of quality products and attractive building design in line with customers' expectation, has delivered favorable sales figures and customer satisfaction from the record seen in the past.

Electrical Division

The Electrical Division has a long history as part of the GUH Group. It has evolved into a trading arm of electrical goods and appliances with a good reputation as a trustworthy supplier of switches, light fittings, a selection of branded florescent lamps, electronic and magnetic ballasts, variety of fans, wires, specialty level switches, sensors, light sensors and a myriad of electrical contracting and "DIY" items.

The other expanding product category as a "one stop center" is the supply of building materials such as indoor and outdoor paints, window and door frames, sanitary ware, roof tiles, wall tiles as well as floor tiles for the building construction industry.

Besides having loyal customers and a steady stream of new customers, the trading arm has a number of agency and distributorships as its activities.

The Electrical Division remains profitable albeit a small division of the Group.

Plantation Division

Though the Group has a small oil palm plantation business, its wholly-owned subsidiary company known as GUH Plantations Sdn. Bhd. managed to generate higher revenue of RM2.14 million in year 2011 compared to RM0.92 million in year 2010 and the profit before taxation also increased from RM0.16 million in year 2010 to RM1.18 million in year 2011.

Plantation Division achieved higher yield of fresh fruit bunches ("FFB") from the 5.5 year-old palms planted in approximately 300 acres plantation. Total yield achieved from the young palms was 2,477.06 mt, or 8.3 mt per acre per year whereas the yield achieved from the 18 year-old palms covering 72 acres plantation, maintain at 698.84 mt or 9.7 mt per acre per year.

The high average crude palm oil price and kernel oil price contributed towards better revenue and profit for the Plantation Division. Average crude palm oil in year 2011 was RM3,253.54 per mt & kernel price was RM2,299.88 per mt.

Business Outlook

As the outlook for the global economy still remains uncertain owing to the on-going Eurozone debt crisis and the slowdown in the US economy, year 2012 is likely to be a very challenging year for the Group especially its PCB manufacturing plants, which historically accounted for 85% to 90% of the Group revenue. This dominant position will likely remain unchanged in the near term although we foresee the revenue contribution from the Property Division increases based on its scheduled launches.

The Group's PCB business is closely tied to the electronics and semiconductor equipment markets and is easily influenced by competition as well as fluctuations in market demand. Besides facing slower demand which may persist until the end of year 2012, the Electronic Division has to deal with rising production cost and keeping pace with rapid evolution within the industries it serves. To overcome these challenges, the Division constantly realigns its business procurement strategies targeting at new and growing niche markets which yield better profit margin. These markets include minute, higher circuit density and intricate boards. Capacity enhancement plan for existing plants in Malaysia and China is currently in the pipeline so as to further improve operating efficiency. The PCB operation is adding more product selections by increasing its double and multilayer board capacity and acquiring new production technologies to enhance its technical capability. Additionally, the Group has put in place stringent control measures and monitoring equipment to reduce product defects and centralised the procurement activities of its 2 plants for better cost control.

The Electronic Division will continue to review and realign its capital expenditure strategy to be in-line with the longer term outlook for the PCB industry. According to Prismark Partners LLC, a PCB industry research firm, the global market for PCBs was about USD55.4 billion in 2011, with US producing 7% (approximately USD3.8 billion), China producing 40% (approximately USD22.0 billion) and the rest of the world producing 53% (approximately USD29.6 billion). Global revenue for PCBs is forecasted to increase at a rate of 5% to 7% in 2012 despite the current economic woes in Europe and US. The local industry in China is expected to keep the lead based on the estimated Compound Annual Growth Rate of 9% until 2014, even surpassing the global 5% to 7% level (Source: PCB News dated 19 February 2012).

The growth is mainly driven by increase demand for computer and peripherals, and communications and consumer electronics sectors, which collectively make up about 70% of PCB requirement. We believe the PCB plants are well positioned to capitalize on the above growth opportunities especially in the high growth markets in Asia given our focus on advanced technology and operational capabilities aligning with industrial trends and demand.

As a trading arm, Electrical Division will strive to add more products to its offering to existing clients by acquiring additional rights.

Meanwhile, the Property Division will continue to ride on its success and reputation as a prime developer in Bukit Kepayang, Seremban. More residential and commercial products will be rolled out in year 2012 to capture the growing demand for properties in the Kepayang area.

Despite the possible bleak outlook for 2012, the Management is confident of the Group being able to sustain any economy adversity given its solid business fundamentals, seasoned Management team and strong financial position. As at 31 December 2011, the Group had unencumbered cash on hand and committed and undrawn banking facilities of RM122.39 million (excludes cash under Housing Development Account) and RM22.63 million respectively. Given the robustness of its balance sheet and highly liquid position, the Group is well poised to ride through any challenges and capture growth opportunities in the market place. With regard to its business development strategy, besides exploring opportunities to expand the PCB business, GUH will intensify the effort to expand our property land bank and oil palm plantation in the country either organically or through acquisition. Consideration will also be given to profitability investment in power and water/wastewater related business both locally and overseas.

Disposal of Idle or Non-core assets

During the year under review, the Group disposed a few non-core properties. This includes a factory in Sungai Bakap in the State of Penang for RM18.80 million where the Electrical Division ceased the fabrication of electrical products in late 2008. Other properties disposed include 2 units of 1 ½ storey factory building in Prai Industrial Park, 2 units of 2 ½ storey shop house in Chai Leng Park, Prai, Penang and a small industrial land in Kulim, Kedah. At time of writing, the Group further disposed 3 units of shop houses and 1 unit of light industrial building in the area of Seberang Prai and Butterworth. These are non-core assets that historically yielded unimpressive rental returns. Total proceeds of RM22.68 million from the above-mentioned disposal will be channeled to future investments that yield better returns.

Structural Changes

To facilitate its investment in water and wastewater related business, the Group executed a Share Sale Agreement on 1 July 2011 to acquire 70% equity stakes in Teknoserv Engineering Sdn. Bhd. ("Teknoserv"). Completion of this agreement is deferred to second half of year 2012 pending satisfaction of some conditions precedent to completion. This acquisition, if successful, will enable GUH Group to step foot into the industry and undertake larger scale of water or wastewater contracts or concessionary businesses in the future by leveraging on the technical capability and project management skill of Teknoserv.

During the year under review, the Group incorporated a few subsidiary companies in Malaysia and overseas, known as GUH Water Holding Sdn. Bhd., GUH Water (Jiangsu) Pte Ltd and GUH Water (Gaochun) Co Ltd to facilitate its future investment in water or wastewater concessionary projects locally and overseas, particularly in China. At time of writing, the feasibility study of the Group's first water treatment project in Gaochun, Jiangsu Province of China, is still being revised. There is no timeframe as to the signing of the concession agreement but the Group will be prudence in its negotiation as this is its first water concessionary project.

Acknowledgment

As always, I would like to thank our shareholders, customers, business associates, bankers, regulatory and governmental authorities for their continued confidence and support to the Management team. I would also like to acknowledge the Board of Directors, headed and led by Dato' Seri H'ng Bok San, for leading us through this challenging year, supporting and providing us with invaluable input as we navigated through the difficulties and tribulations we faced. My gratitude extends to our Management and staff for their ongoing dedication, resourcefulness and commitment. GUH achievements are a result of the concerted effort and contribution of the entire team. May we continue to excel in our performance and achieve greater success for the Group.


GUH HOLDINGS BERHAD
TEAMWORK 2011


與地球共生息
Co-Exist with the Earth


WORLDWIDE
亚洲企业家联盟
MALAYSIA


TEN THOUSAND ONLY
RM10,000.00

GUH has placed Corporate Responsibility (CR) firmly onto its corporate agenda as it has recognised and begun with the CR journey and has made it a fundamental part of its business over the years, focusing on the Market Place, the Work Place, the Environment and the Community. GUH believes that business cannot sustain itself in isolation from the society and environment in which it operates. It also believes that if the company stayed true to its responsibility to its shareholders, employees, the customers and the community, then the business would flourish.

MARKET PLACE

GUH is committed to be a profitable yet caring organization that maximizes the interest of its shareholders, employees, customers and community. Creating a consistent return for the shareholders is one of our key objectives. In year 2011, 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 13 September 2011. Share Buy-Back exercise has been renewed and approved by the shareholders at the last Annual General Meeting held on 24 May 2011 with the aim to provide a long term return potential to the shareholders and to position and support the fundamental value of GUH shares.

To enhance customers' satisfaction, we strive to develop and provide products and services which offer good value in terms of pricing, quality, safety and environment impact. Our Group's subsidiaries specifically under the Electronic Division have been awarded numerous accreditations and certifications from the relevant parties. One of its subsidiaries under Penang operation, has become one of the largest companies in the industry and is well known for its best quality, delivery, cost saving, management and environment.

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

WORK PLACE

GUH values its employees as its best assets of the Company. To respect the human rights of the employees, conducive and safe working conditions with competitive terms and conditions of employment are provided.

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. During the year, GUH carried out periodic fire drills for its employees. GUH has a health and safety management system in place and we endeavor to go beyond compliance if it is reasonably possible. GUH is currently exploring 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. This is expected to provide the synergistic energy to enhance the Group's performance in the future. There is a saying that "Coming together is a beginning. Keeping together is progress. Working together is success." Therefore GUH believes that teamwork amongst its employees is vital for the Group to work towards the heights of success. Hence, teamwork activities were organized during the year with the aim to foster closer bond among the employees while motivating and improving their morale.

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 such as yoga classes, sports tournament and other activities which are considered beneficial to the employees.

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.

ENVIRONMENT

In recent years, the world has been experiencing rapid climate change and natural disasters due to continuous environmental destruction by mankind. Conserving the environment is not only a personal issue but a social and worldwide issue. GUH believes a small initiative put into place, makes a big difference. In protecting the environment, GUH endeavors to minimize the impact by continuously improving its facilities and operations to reduce emissions and discharges. There is legislation in place that focus on occupational health and safety aspects which must be complied by companies and industries. The Electronic Division attained ISO 9001, ISO 14001 and TS 16949 in respect of the environmental management system and its comprehensive quality standard. In compliance with our strict adherence to the legislation on occupational health and safety, accidents and incidents are rare and almost non-existing in our companies.

GUH hopes to play a lead role by educating our associates, employees, suppliers, customers and consumers that global warming to a large extent is caused by the environmental footprint of industries.

Some of GUH initiatives on reducing the Company's environmental footprint include:-

Educate

GUH continues with its initiatives to educate and promote information and alertness to the employees, customers and suppliers on the possible effects of climate change and global warming. Employees, customers and suppliers are encouraged to go for paperless correspondence by using email instead. The ‘green’ message is conveyed to all around GUH.

An environmental protection talk was organized and the employees were made aware of global warming issues, environmental protection, rethink, reduce, reuse, repair and recycle by Tzu Chi speakers. Everyone has a role to play in safeguarding the blue planet – Earth which is undergoing extreme weather conditions evident by severe droughts, floods, cyclones and heat waves. Environmental protection has become an urgent imperative which must be translated into action.

Improve Energy Efficiency

Improving energy efficiency not only reduces emission into atmosphere, it is good to improve the Company’s bottom line. GUH always seeks to develop and implement energy saving programmes to improve cost cutting.

Reduce, Reuse and Recycle

GUH has been involved in ‘green’ efforts for years. It encourages its employees to take an active role in recycling during the course of duty. Among the activities are recycling used papers and boxes and a conscience effort to go paperless.

Employees have been urged to continuously use the recyclable bags and food containers sponsored by GUH as part of its “go green” programmes. Employees were also encouraged to utilize reusable eating utensils instead of disposable ones, choose a vegetarian lifestyle and in saving resources to help minimize carbon footprint. Environmental protection starts at individual level and GUH has thus joined the ranks of recycling by initiating recycling bins within its premises.

COMMUNITY

GUH supports and cares for the community and continuously contribute financial aid to charitable organizations such as Tzu Chi Malaysia and St Joseph’s Home in Penang and other needy individuals during the year. The cheque presentation took place in conjunction with the Company’s teamwork activity held on 20 November. Apart from the financial contribution, GUH took the opportunity to arrange a buffet lunch and gave goodies packs to the orphans of St Joseph’s Home as devotion and compassionate to the unfortunate children. GUH believes that each little effort by every individual will contribute in making 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 kind 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.

SUMMARY

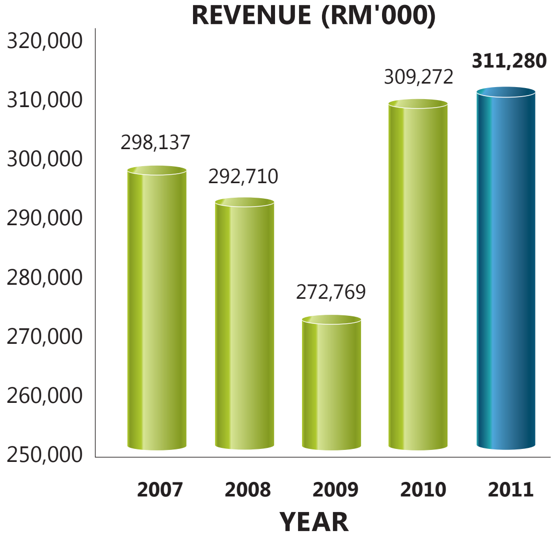
Recognizing the rapid changes and challenges in this competitive world, GUH pledges to examine other contributions which can be made and how the issues and challenges would be addressed in future. There will be contemplation on future direction on the domains of social contribution and corporate responsibilities in order to excel in sustainability development.

Five-Year Group Financial Summary

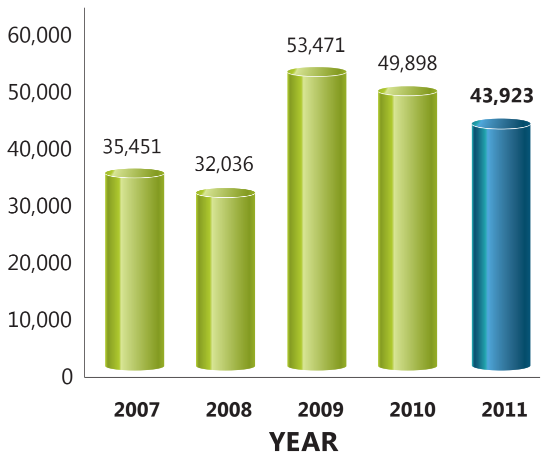
Year ended 31 December (RM'000)	2007	2008	2009	2010	2011
Key Consolidated Income Statement Data					
Revenue	298,137	292,710	272,769	309,272	311,280
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	49,181	47,186	67,702	62,037	56,231
Profit before tax	35,451	32,036	53,471	49,898	43,923
Profit after tax	30,431	24,681	50,382	43,772	36,011
Key Consolidated Statement of Financial Position Data					
Total assets *	422,824	420,399	458,614	457,364	488,142
Total borrowings	23,003	31,792	20,135	1,326	0
Shareholders' equity *	317,997	337,817	369,212	389,892	417,954
Financial Ratios					
Return on shareholders' equity (%) *	9.57	7.31	13.65	11.23	8.62
Return on total assets (%) *	7.20	5.87	10.99	9.57	7.38
Gearing ratio (%) *	7.23	9.41	5.45	0.34	0.00
Basic earnings per share (sen)	12.41	10.75	23.34	21.68	18.57
Net assets per share (RM)*	1.36	1.50	1.82	1.97	2.23
Gross dividend per share (sen)	2.50	3.00	4.00	5.50	6.00
Share price as at 31 December (RM)	0.80	0.44	0.91	1.17	1.20
Price earnings ratio (times)	6.45	4.09	3.90	5.40	6.46
Currrent ratio (times)	1.97	2.69	2.75	3.63	4.09

* The comparative figures for FY2009 have been restated to reflect the effects of adopting amendments to FRS 117 "*Leases*" in FY2010.

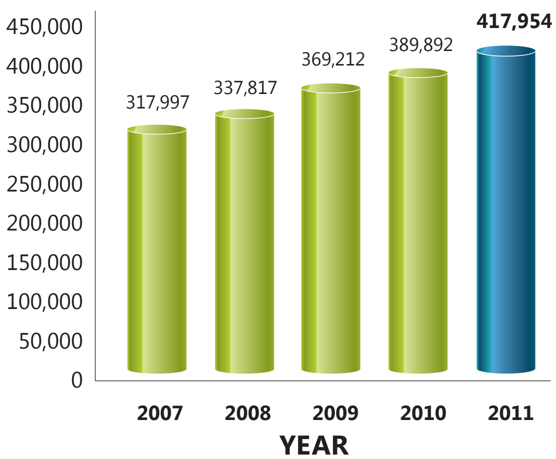
REVENUE (RM'000)



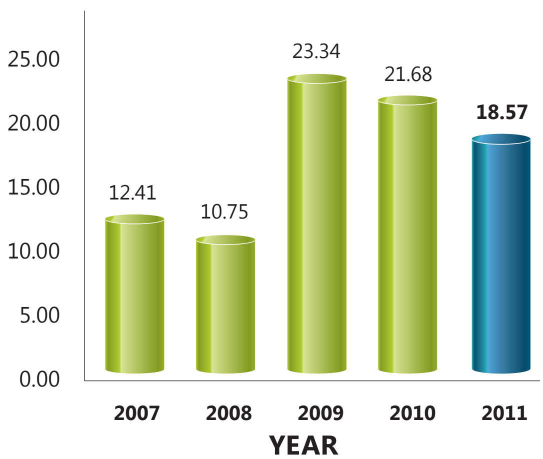
PROFIT BEFORE TAX (RM'000)



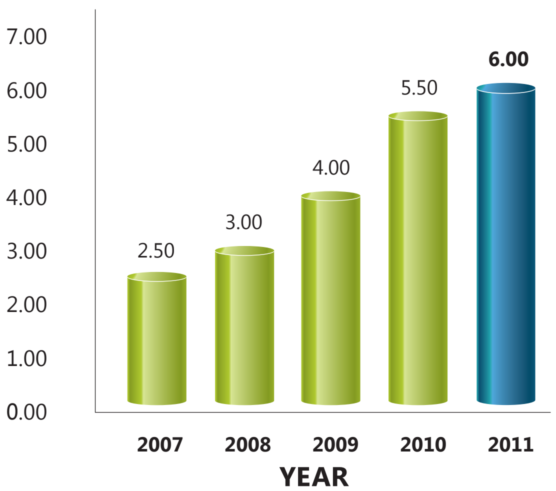
SHAREHOLDERS' EQUITY (RM'000)



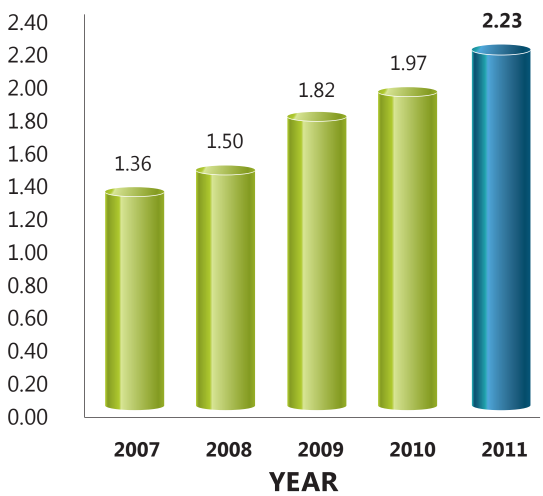
BASIC EARNINGS PER SHARE (SEN)



GROSS DIVIDEND PER SHARE (SEN)



NET ASSETS PER SHARE (RM)



The Malaysian Code on Corporate Governance

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.

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 ("CG Code").

The Board supports the objectives of the CG Code 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.

Board Composition and Balance

The Board of Directors of the Company comprising the Executive Chairman, Dato' Seri H'ng Bok San, the Non-Executive Deputy Chairman, Dato' Chung Chin Fu, the CEO/Managing Director, Dato' Kenneth H'ng Bak Tee 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 composition of the Board of Directors complies with Paragraph 15.02 of the Listing Requirements and the principles and best practices of the CG Code.

The Board is satisfied that there is a balance composition of its Board members to oversee the conduct of the Group's business. They are mindful of their fiduciary duties and responsibilities affecting their conduct as Directors of the Company and as such they are fully accountable for the performance of GUH. The Board of Directors has the responsibility to review and adopt the overall business strategic plan of the Company. Among others, the Board is also primarily responsible:

- To set policies appropriate for the business of the Company;
- To oversee the conduct of the Company's business and to evaluate whether the business is being properly managed;
- To set and review budgetary control and conformance strategies;
- To identify principal risks and to ensure the implementation of appropriate systems to manage these risks;
- 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 Senior Management;
- To be accountable to the Company's shareholders to ensure the Company has appropriate corporate governance and management structure and that such structure operates efficiently and transparently;
- To review the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- To approve annual budget and key management decisions.

The Executive Directors take on primarily the responsibilities for the overall operations and management of the Group. To ensure the need of checks and balances and to promote good corporate governance, the Non-Executive Directors are appointed to exercise their independent judgment, professionalism, knowledge and constructive challenge, the strategic contribution to the business and monitoring the performance of the business and the executive team.

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, amongst 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 four (4) Independent Non-Executive Directors are of high caliber and possess integrity and extensive experience to provide balanced and independent view to the Board. They 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 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 other Non-Executive Directors who have extensive experience also bring with them a wide range of essential business and financial experience relevant to the Company. The contribution of the Non-Independent Non-Executive Directors is constantly reviewed and benchmarked against the Company's governance requirements.

The qualifications and experience of each of the Directors are set out in the Directors' Profile on page 8 to 10 of this Annual Report.

Board Meetings

The Board of Directors of the Company convened a total of four (4) Board meetings during the financial year ended 31 December 2011. The Board normally meets on a scheduled basis of at least four (4) times a year. Special Board meetings to consider an urgent matter that requires Board's consideration will also be convened when the need arises. Dato' Kenneth H'ng Bak Tee, the CEO/Managing Director tables and presents comprehensive reports, including the Group's financial performance for the Board's consideration, deliberation and direction. Other topics such as the financial statements and the results of the Company and its subsidiaries, operating activities, strategic plans and policies 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.

Details of the Directors' attendance at meetings during 2011 are summarized as follows:

Directors	Attendance
Dato' Seri H'ng Bok San	4/4
Dato' Chung Chin Fu	4/4
Dato' Kenneth H'ng Bak Tee	4/4
Dato' H'ng Bak Seah	4/4
Datin H'ng Hsieh Ling	4/4
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. 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. Mr. Chew Hock Lin, the Chairman of the Audit Committee would normally inform the Directors of any salient matters noted by the Audit Committee at the Committee meetings. Dato' Ismail Bin Hamzah, the Chairman of the Nomination Committee and the Remuneration Committee would report to the Board matters arising for the Board's consideration and deliberation. To assist the Board on identification of risks related to current business and new investments and/or divestment, Mr. Chew Hock Lin, the Chairman of the Risk Management Committee would normally report to the Board matters arising from the meeting and to recommend or advise on significant proposed changes to risk management policies and strategies. Executive Committee assists the Board to review and discuss any investment/business development project to evaluate the viability of the proposed project and thereafter to report to the Board during the meeting. 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.

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 and notifying all Directors of the Board meetings;
- Ensuring the meeting flows effectively;
- Advising the Board on the implementation of the CG Code;
- Monitoring compliance with these principles and best practices; and
- 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 Board appointed exclusively Independent Non-Executive Directors to the Nomination Committee. The Nomination Committee is primarily empowered by its terms of reference in carrying out the functions amongst 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.

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 2011 under review, the Nomination Committee held a meeting on 14 November 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 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 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 2011 are summarized as follows:

Members	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.

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. Information on Directors who seek re-appointment to the Board at the forthcoming 48th AGM is contained in the Statement accompanying the Notice of the 48th AGM. Dato' Chung Chin Fu who shall retire at the forthcoming AGM, shall not seek for re-appointment as Director of the Company.

Directors' Remuneration

The remuneration of the Executive Directors of the Company is reviewed by the Remuneration Committee and recommended to the Board for final decision. The members of the Remuneration Committee comprise mainly the Independent Non-Executive Directors. Meeting shall be held at least once a year and may be requested as and when necessary. Two meetings were held on 18 February and 14 November during the year. 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 2011, the Director's fee is proposed at RM40,000 per annum per Director.

Details of Directors' attendance at meeting of Remuneration Committee during 2011 are summarized as follows:

Members	Attendance
Dato' Ismail Bin Hamzah	2/2
Mr. Chew Hock Lin	2/2
Dato' Kenneth H'ng Bak Tee	2/2

Details of the Directors' remuneration for the financial year ended 31 December 2011 are categorized into appropriate components as follows:

RM'000	Executive Directors	Non-Executive Directors
Salaries	1,828	-
Fees	108	280
Bonus	1,673	-
Meeting Allowances	-	45
Ex-Gratia Benefits Receivable	323	-
Benefits In-Kind	15	8
Total	**3,947**	**333**

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

RM'000	Executive Directors	Non-Executive Directors
RM50,000 and below	-	6
RM50,001 – RM100,000	-	1
RM1,550,001 – RM1,600,000	1	-
RM2,350,001 – RM2,400,000	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. 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 for the purpose to improve their competency and to keep them abreast with the latest developments in regulatory requirements and businesses practices are set out in the following table:

Directors	Courses attended
Dato' Seri H'ng Bok San	• Director and senior executive compensation seminar
Dato' Chung Chin Fu	• Company Secretary's Guide to Financial Reporting Standards
Dato' Kenneth H'ng Bak Tee	• Related Party Transactions – What Directors and Investors need to know • Transaction by Directors & Practical Issues and Solutions
Dato' H'ng Bak Seah	• Fundamental of GST and its impact on the economy
Datin H'ng Hsieh Ling	• Updates to Listing Requirements
Mr. Chew Hock Lin	• Fundamental of GST and its impact on the economy • Scrutinizing financial statement fraud and detection of red flags for Directors and officers of PLC's and government regulatory agencies
Dato' Ismail Bin Hamzah	• Sustainability Programme for Corporate Malaysia • Directors – Voting them in and Voting them out
Mr. Lai Chang Hun	• Fundamental of GST and its impact on the economy
En. Wan Ismail Bin Wan Nik	• Directors – Voting them in and Voting them out

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 Company signed up with a research scheme for the purpose of assisting investors to have better-informed decisions and facilitating greater investors understanding of the Group.

The shareholders and investors are also encouraged to visit the Group's website at www.guh.com.my for information. In addition, shareholders 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.

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. In this respect, the Audit Committee assists the Board to ensure accuracy, adequacy and completeness of the financial statements of the Group.

Director's Responsibility in relation to Financial Statements

Pursuant to Paragraph 15.26(a) of Listing Requirements, the Board is fully accountable to ensure the audited financial statements are prepared in accordance with the Companies Act, 1965 and all the applicable approved accounting standards. In preparing the financial statements, the Directors have selected 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.

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 Directors' Statement on Internal Control is disclosed on pages 34 to 35 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. 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, amongst 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 Group's Internal Audit Functions and responsibilities are set out in the statement of Internal Audit Function on pages 39 to 40 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 18 February and 14 November 2011. The External Auditors were also invited to attend the Company's AGM on 24 May 2011 in order to clarify shareholders' queries where necessary. The role of the Audit Committee in relation to the Auditors is set out on pages 36 to 40 of this Annual Report.

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 RM35,150 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.

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 transpired.

At the last AGM held on 24 May 2011, 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 favourable 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 48th AGM.

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.

Details of the recurrent related party transactions are set out under the Additional Disclosure on page 32 of this Annual Report.

The Company recommended a renewal mandate for the recurrent related party transactions of a revenue or trading nature to be tabled to the shareholders at the forthcoming 48th Annual General Meeting. Further information of the Proposed Mandate is set out in the Circular to Shareholders dated 4 May 2012 which is enclosed together with this Annual Report.

Share Buy-Back

At the last AGM of the Company held on 24 May 2011, 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 48th AGM.

Details of the share buy-back transactions are set out under the Schedule of Share Buy-Back on page 33 of this Annual Report.

Material Contract

The Company announced on 30 December 2010 the incorporation of a wholly-owned subsidiary company known as GUH International (HK) Private Limited ("GUH HK") in Hong Kong on 29 December 2010. GUH HK is an investment holding company with a paid up share capital of 100 shares (HK$100). The Company also announced on 4 January 2011 that, GUH HK signed a Preliminary Agreement ("PA") with the Development General Company of Jiangsu Gaochun Economic Development Zone, Jiangsu Province, People's Republic of China in relation to the proposed construction of a new 100 million litres per day ("MLD") water treatment plant ("WTP") and its associated distribution network within the Gaochun Economic Development Zone ("the water project in Gaochun"). Under the PA, GUH HK will undertake the construction of a 100 MLD WTP on a Build-Operate-Transfer basis. The investment for the project is estimated at RMB180 million (excludes distribution network) and will be implemented in 2 phases of equal capacity. GUH HK is entrusted to carry out the feasibility studies on the project within a 6 months period commencing from the date of the PA.

On 19 May 2011, GUH announced that a new wholly-owned subsidiary company known as GUH Water Holdings Sdn. Bhd. ("GUH Water") has been incorporated on the same date. GUH Water is incorporated under the Companies Act, 1965 with an authorized share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, and its issued and paid-up share capital is RM2 divided into 2 ordinary shares of RM1.00 each. The principal activity of GUH Water is investment holding.

On 30 June 2011, GUH announced the incorporation of a new wholly-owned sub-subsidiary company known as GUH Water (Jiangsu) Private Limited ("GUH Jiangsu") in Hong Kong. GUH Jiangsu is an investment holding company with a paid up share capital of 100 shares (HK$100). GUH Jiangsu is the wholly-owned subsidiary of GUH Water.

On 1 July 2011, GUH announced that its wholly-owned subsidiary, GUH Water entered into a Share Sale Agreement to acquire 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 (hereinafter referred to as "Acquisition") from the following vendors: -

Subject to the relevant approvals being obtained and fulfilment of the conditions precedent of the said Share Sale Agreement, GUH Water will hold 70% equity interest in Teknoserv, thereby making Teknoserv a subsidiary of GUH Water. The Acquisition does not require the approval of GUH's shareholders as the percentage ratio under the Listing Requirements is below 5%.

The Acquisition is part of GUH's plan to reduce its heavy reliance on printed circuits board ("PCB") business, which currently generates approximately 90% of the Group's revenue. This Acquisition marks the entry of GUH into the water industry and via the Acquisition, it allows GUH Water to position itself as a significant player in the local and regional water industry. 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.

Notwithstanding the announcement, the Acquisition has yet to be completed due to the delay in obtaining relevant approvals and non fulfillment of certain conditions precedent as stipulated in the said Share Sale Agreement. GUH will make immediate announcement pursuant to Paragraph 9.19(23) of the Listing Requirements, upon completion of the Acquisition.

On 4 January 2012, GUH announced that the water project in Gaochun has been transferred from GUH HK to GUH Jiangsu and the latter will continue to review the viability of the project which is still in progress. GUH Jiangsu would be incorporating a project company in China to facilitate direct negotiation with the Development General Company of Jiangsu Gaochun Economic Development Zone and details of the incorporation would be disclosed in due course.

On 16 January 2012, GUH announced the incorporation of a new wholly-owned subsidiary company known as GUH Water (Gaochun) Co. Ltd. ("GUH Gaochun") in the People's Republic of China ("PRC"), on 13 January 2012 with a registered capital of USD20.00 million which is equivalent to approximately RM63.32 million or RMB127.36 million. GUH Gaochun was incorporated to facilitate the direct negotiation of

Name of Vendors	No. of Sale Shares	Consideration
Siaw Poon Keong	611,404	RM7,836,814.27
Goh Kooi Hong	88,596	RM1,135,658.73
Total	**700,000**	**RM8,972,473.00**

a build-operat-transfer agreement between GUH Jiangsu and the Development General Company of Jiangsu Gaochun Economic Development Zone ("Proposed Negotiation"). GUH Gaochun will be principally involved in the water operations and treatment. Under the Proposed Negotiation, GUH Gaochun will be implementing Phase 1A and Phase 1B of the proposed construction of a water treatment plant and its associated distribution network in Gaochun Economic Development Zone, Jiangsu Province, PRC ("Proposed Water Treatment Project"). The Proposed Water Treatment Project is subject to the approval of the Board of Directors of GUH and/or its shareholders, and all applicable regulatory approvals at the later stage. Further details on the Proposed Water Treatment Project will be announced on Bursa Malaysia Securities Berhad in due course upon completion of the project feasibility study by GUH Jiangsu.

Other Information

Save as aforesaid disclosed, none of the following transactions have been entered by the Company during the financial year ended 31 December 2011:-

- 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.

The Board is pleased to report to the shareholders that the Company has complied and shall continue to ensure compliance with the highest possible standards through the adoption of the principles and best practices of the CG Code and all other applicable laws. This Statement is made in accordance with a resolution of the Board of Directors dated 13 April 2012.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Annual General Meeting held on 24 May 2011, 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 2011 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 24 May 2011, to the latest practicable date on 3 April 2012
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	RM5,255,778.86
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	RM514,376.00

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' 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' H'ng Bak Seah and Dato' Kenneth H'ng Bak Tee.
(5) Datin 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' H'ng Bak Seah and Dato' Kenneth H'ng Bak Tee.

SHARE BUY-BACK DURING THE FINANCIAL YEAR

At the Annual General Meeting held on 24 May 2011, 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 Company has a brought forward balance of 4,748,800 ordinary shares purchased pursuant to the Share Buy-Back authority in 2010 and kept as treasury shares.

Details on the purchases made by the Company of its own shares for financial year ended 31 December 2011, are set out as follows:-

Monthly Breakdown	No. of Shares Purchased and Retained as Treasury Shares	Purchase Price Per Share Lowest RM	Purchase Price Per Share Highest RM	Average Cost Per Share RM	Total Cost RM
February 2011	10,000	1.20	1.20	1.21	12,087.60
June 2011	1,338,900	1.17	1.20	1.19	1,594,361.89
July 2011	2,083,300	1.17	1.27	1.20	2,504,902.44
August 2011	4,124,900	1.04	1.25	1.21	5,010,468.37
September 2011	820,700	1.01	1.20	1.18	965,438.58
October 2011	1,861,900	1.02	1.25	1.16	2,165,163.98
December 2011	875,600	1.17	1.20	1.21	1,055,440.39
	11,115,300			**1.20**	**13,307,863.25**

The Company continued to purchase its own shares of 733,800 ordinary shares of RM1.00 each with average cost per share at RM1.21 in January 2012, 10,000 ordinary shares of RM1.00 each with average cost per share at RM1.35 in February and 633,100 ordinary shares of RM1.00 each with average cost per share at RM1.33 in March. All its own shares purchased by the Company are retained as treasury shares as at 3 April 2012, being the latest practicable date prior to printing of this Annual Report.

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 Internal Control: Guidance For Directors of Public Listed Companies" 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 Framework

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 companies 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. The Board will have ultimate responsibility for managing risks and internal controls associated with the operations of each Division.

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.

Principal Control Features

The key features of the Group's internal control are summarised 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 9001:2000, ISO 14000 & 14001 and TS 16949 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. The Risk Management Framework of the Group is in place to assist in the risk management process of the Group.

11. 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.

12. 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.

Internal Audit Function

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 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 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.

Conclusion

During the current financial year, 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 13 April 2012. The External Auditors have reviewed this Directors' Statement on Internal Control for inclusion in the Annual Report in the financial year ended 31 December 2011. 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 Audit Committee has been set up by the Board of Directors to assist the Directors of the Company to carry out the duties and responsibilities which are governed by the terms of reference as set out in this Annual Report.

Terms of Reference

The Audit Committee is fiduciary responsible to review the results of internal and external audit activities to ensure the audit findings are brought up to the highest level and also to ensure compliance with all the applicable accounting standards, required disclosure policies of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and the consistency of the corporate governance framework.

Composition

The Audit Committee of GUH is composed of 3 members, all of whom are Non-Executive Directors with a majority of them being Independent Directors. The Chairman is one of the appointed Independent

Non-Executive Director. There is no Alternate Director appointed as a member of the Audit Committee.

The Composition of the Audit Committee is in compliance with Paragraph 15.09 of the Listing Requirements, which is at least 1 member must be a member of Malaysian Institute of Accountants ("MIA"); or if he/she is not a member of MIA, he/she must have at least 3 years of working experience and -

- he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
- he/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- fulfils such other requirements as prescribed or approved by the Exchange.

Quorum and Meetings

A quorum shall consist of a majority of the Independent Directors. The Audit Committee will meet as frequently as the Chairman shall decide in order to discharge its duties but no less than 4 times a year. The Audit Committee members, the Management including the CEO/Managing Director, Senior Manager of Finance and Accounts and Internal Auditor shall normally attend meetings. Other Directors and employees may attend any particular Audit Committee meeting only at the Audit Committee's invitation, if the Committee deems necessary. Where circumstances arise, the Audit Committee members may convene meetings with the External Auditors, Internal Auditors or both, without the presence of the Management, at least twice a year.

The Company Secretary shall be the Secretary of the Audit Committee or in his/her absence, another person authorised by the Chairman of the Audit Committee. The Secretary shall be responsible for drawing up and circulating the agenda and notice of meetings together with the supporting explanatory documentation to members prior to meeting. The Secretary shall also be responsible to record, maintain and circulate the minutes of the meetings of the Audit Committee to its members and to the other members of the Board.

The Audit Committee members and details of their attendance at the Audit Committee meetings held during the financial year ended 31 December 2011 are as follows:-

No.	Name	Status of Directorship	No. of meetings Attended
1.	Chew Hock Lin *Chairman*	Non-Executive Director Senior Independent	5/5
2.	Dato' Ismail Bin Hamzah	Non-Executive Director Independent	5/5
3.	Datin H'ng Hsieh Ling	Non-Executive Director Non-Independent	4/5

The External Auditors attended two (2) of the meetings held during the financial year ended 31 December 2011.

Authority

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

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

The Board of Directors reviews the term of office, performance and competency of the Audit Committee and each of its members at least once every 3 years to ensure the Audit Committee and members carried out the duties in accordance with the terms of reference. In the event of any vacancy in the Audit Committee resulting in the non-compliance with the Listing Requirements, the Company will fill the vacancy within three (3) months.

Functions of the Audit Committee

The primary objective of the Audit Committee is to provide assistance to the Board of Directors 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) before the audit commences the nature and scope of the audit, and to ensure coordination where more than one audit firm is 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 of Directors, focusing particularly on:-

    i) the 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 Functions 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 whether or not 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 of Directors.

Summary of Activities of the Audit Committee

A summary of activities carried out by the Audit Committee during the financial year ended 31 December 2011 is disclosed as follows:-

Financial Results

- Reviewed the quarterly results and year-end financial statements of the Company and the Group including announcements, and recommended to the Board of Directors for approvals; focusing particularly on:-

    o The going concern assumption;
    o Changes in or implementation of major accounting policy;
    o Significant and unusual events; and
    o Compliance with accounting standards and other legal requirements.

External Audit

- Reviewed and approved the audit reports, audit plan and the evaluation of the system of internal control to the Board of Directors;

- Deliberated and reported the results of the annual audit to the Board of Directors;

- Assessed the performance of the External Auditors and recommended their appointment and remuneration to the Board of Directors;

- Met with the External Auditors without the presence of Management of the Company.

Internal Audit

- 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 action was 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 is necessary;
- Deliberated the results of ad-hoc investigations and reports performed by the Internal Audit and tabled to the Board.

Risk Management

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

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;
- Considered any conflict of interest situation that may arise within the Company or the Group during the financial year under review.

Annual Reporting

- Reviewed the Corporate Governance Statement, Directors' Statement on Internal Control, Audit Committee Report, reports on related party transactions and recurrent related party transactions, Corporate Responsibility Statement and record on Share Buy-Back and recommended to the Board of Directors 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 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- 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; and
- 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 2011 is RM216,600 (2010 : RM199,000).

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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 2011.

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 6 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	36,011	21,481

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 RM8,585,436 in respect of the financial year ended 31 December 2011.

The directors do not propose any final dividend in respect of the financial year ended 31 December 2011.

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:-

	2011		2010	
	No. of Shares '000	Cost RM'000	No. of Shares '000	Cost RM'000
At 1 January	4,749	5,660	22,562	20,425
Shares cancelled	0	0	(22,562)	(20,425)
Shares purchased	11,115	13,308	4,749	5,660
At 31 December	15,864	18,968	4,749	5,660
Average unit cost for the year (RM)		1.197		1.192

The mandate given by the shareholders at the Annual General Meeting held on 24 May 2011 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, DJN
Dato' Kenneth H'ng Bak Tee, DSPN, PKT, PJM
Dato' H'ng Bak Seah, DSPN, PJK
Datin H'ng Hsieh Ling
Chew Hock Lin
Dato' Ismail Bin Hamzah, AMN, KMN, 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:-

	Number of Ordinary Shares of RM1.00 each			
Name of Director	At 1.1.2011	Bought	Sold	At 31.12.2011
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' Chung Chin Fu, DSPN, DJN				
- Direct	3,596,600	0	(824,700)	2,771,900
- Indirect[(b)]	2,733,000	0	0	2,733,000
- Indirect[(c)]	14,221,286	0	(50,100)	14,171,186
Dato' Kenneth H'ng Bak Tee, DSPN, PKT, PJM				
- Indirect[(b)]	1,857,600	50,900	0	1,908,500
Dato' H'ng Bak Seah, DSPN, PJK				
- Direct	1,707,952	0	0	1,707,952
Datin 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)]	1,462,024	0	(520,700)	941,324
- Indirect[(c)]	2,309,563	0	0	2,309,563
Wan Ismail Bin Wan Nik				
- Direct	3,735,635	60,400	0	3,796,035

DIRECTORS OF THE COMPANY (cont'd)

[(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 26 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 13 April 2012

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

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

STATEMENT BY DIRECTORS

We, Dato' Seri H'ng Bok San, DGPN, 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 51 to 112 have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2011 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the directors, the supplementary information set out on page 113 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 13 April 2012

Dato' Seri H'ng Bok San, **DGPN, 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 51 to 112 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 13 April 2012

Yeoh Saw Gaik

Before me
Tan Cheng Kuan
Commisioner for Oaths (No. A-P068)

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 2011 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 51 to 112.

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 Companies Act 1965 in Malaysia, and 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 have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2011 and of their financial performance and cash flows for the financial year then ended.

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 and GUH Water (Jiangsu) Pte. Limited.

(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 or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out on page 113 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	**James Chan Kuan Chee**
Firm No: AF 1018	Approval No: 2271/10/13 (J)
Chartered Accountants	Chartered Accountant

Date: 13 April 2012

Penang

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Note	2011 RM'000	2010 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	4	118,867	129,747
Investment property	5	6,560	6,470
Investment in associate	7	22,231	23,137
Available-for-sale financial assets	8	30,444	27,591
Investments in club memberships	9	276	259
Property development costs	10	41,679	41,578
Deferred tax assets	11	279	459
		220,336	229,241
CURRENT ASSETS			
Property development costs	10	15,278	13,459
Accrued billings	10	4,431	9,463
Assets held for sale	12	0	3,302
Inventories	13	36,660	38,107
Trade and other receivables	14	65,029	75,754
Prepayments		2,894	1,174
Current tax assets		952	2,015
Cash and cash equivalents	15	142,562	84,849
		267,806	228,123
CURRENT LIABILITIES			
Trade and other payables	16	63,583	59,751
Loans and borrowings - secured	17	0	1,326
Financial liabilities at fair value through profit or loss	18	0	30
Current tax liabilities		1,861	1,738
		65,444	62,845
NET CURRENT ASSETS		202,362	165,278
NON-CURRENT LIABILITIES			
Deferred tax liabilities	11	4,744	4,627
NET ASSETS		417,954	389,892
EQUITY			
Share capital	19	203,070	203,070
Treasury shares	19	(18,968)	(5,660)
Reserves		233,852	192,482
TOTAL EQUITY		417,954	389,892

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

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	2011 RM'000	2010 RM'000
Revenue	20	311,280	309,272
Cost of sales		(264,231)	(259,267)
Gross profit		47,049	50,005
Other operating income		9,294	11,115
Administrative expenses		(11,292)	(9,821)
Distribution expenses		(4,818)	(5,321)
Other operating expenses		(4,032)	(2,479)
Profit from operations		36,201	43,499
Finance costs		(26)	(233)
Share of profit of associate		7,748	6,632
Profit before tax	21	43,923	49,898
Tax expense	24	(7,912)	(6,126)
Profit for the financial year		36,011	43,772
Earnings per share:-	25		
- Basic (sen)		18.57	21.68
- Diluted (sen)		18.57	21.68

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	2011 RM'000	2010 RM'000
Profit for the financial year	36,011	43,772
Other comprehensive income:-		
Gain on available-for-sale financial assets	2,643	2,635
Reclassification adjustments on:-		
- Derecognition of available-for-sale financial assets	(579)	(1,356)
- Impairment of available-for-sale financial assets	2,516	0
Currency translation differences for foreign operations	9,364	(10,368)
Other comprehensive income for the financial year	13,944	(9,089)
Total comprehensive income for the financial year	49,955	34,683

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

			Non-distributable				Distributable*	
	Share capital RM'000	Treasury shares RM'000	Capital redemption reserve RM'000	Revaluation surplus RM'000	Fair value reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000	Total equity RM'000
Balance at 1 January 2010								
- As previously reported	225,632	(20,425)	25,070	14,479	0	4,860	119,611	369,227
- Transfer of revaluation surplus by associate	0	0	0	(201)	0	0	201	0
- As restated	225,632	(20,425)	25,070	14,278	0	4,860	119,812	369,227
Gain on available-for-sale financial assets	0	0	0	0	2,635	0	0	2,635
Reclassification adjustments on derecognition of available-for-sale financial assets	0	0	0	0	(1,356)	0	0	(1,356)
Currency translation differences for foreign operations	0	0	0	0	0	(10,368)	0	(10,368)
Other comprehensive income for the financial year	0	0	0	0	1,279	(10,368)	0	(9,089)
Profit for the financial year	0	0	0	0	0	0	43,772	43,772
Total comprehensive income for the financial year	0	0	0	0	1,279	(10,368)	43,772	34,683
Purchase of own shares	0	(5,660)	0	0	0	0	0	(5,660)
Interim dividend of 5.5 sen per share (less tax at 25%)	0	0	0	0	0	0	(8,358)	(8,358)
Total transactions with owners	0	(5,660)	0	0	0	0	(8,358)	(14,018)
Cancellation of treasury shares	(22,562)	20,425	22,562	0	0	0	(20,425)	0
Transfer of revaluation surplus	0	0	0	(1,752)	0	0	1,752	0
Balance at 31 December 2010	203,070	(5,660)	47,632	12,526	1,279	(5,508)	136,553	389,892

* *Retained profits as at 31 December 2010 amounting to RM5,660,000, 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 2011 (cont'd)

			Non-distributable				Distributable*	
	Share capital RM'000	Treasury shares RM'000	Capital redemption reserve RM'000	Revaluation surplus RM'000	Fair value reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000	Total equity RM'000
Balance at 1 January 2011								
- As previously reported	203,070	(5,660)	47,632	12,727	1,279	(5,508)	136,352	389,892
- Transfer of revaluation surplus by associate	0	0	0	(201)	0	0	201	0
- As restated	203,070	(5,660)	47,632	12,526	1,279	(5,508)	136,553	389,892
Gain on available-for-sale financial assets	0	0	0	0	2,643	0	0	2,643
Reclassification adjustments on:-								
- Derecognition of available-for-sale financial assets	0	0	0	0	(579)	0	0	(579)
- Impairment of available-for-sale financial assets	0	0	0	0	2,516	0	0	2,516
Currency translation differences for foreign operations	0	0	0	0	0	9,364	0	9,364
Other comprehensive income for the financial year	0	0	0	0	4,580	9,364	0	13,944
Profit for the financial year	0	0	0	0	0	0	36,011	36,011
Total comprehensive income for the financial year	0	0	0	0	4,580	9,364	36,011	49,955
Purchase of own shares	0	(13,308)	0	0	0	0	0	(13,308)
Interim dividend of 6.0 sen per share (less tax at 25%)	0	0	0	0	0	0	(8,585)	(8,585)
Total transactions with owners	0	(13,308)	0	0	0	0	(8,585)	(21,893)
Transfer of revaluation surplus	0	0	0	(374)	0	0	374	0
Balance at 31 December 2011	203,070	(18,968)	47,632	12,152	5,859	3,856	164,353	417,954

* *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.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		43,923	49,898
Adjustments for:-			
Allowance for slow moving inventories		187	208
Depreciation		12,282	11,906
Dividend income		(364)	(427)
Gain on derecognition of available-for-sale financial assets		(579)	(1,356)
Gain on disposal of assets held for sale		(4,685)	0
Gain on disposal of property, plant and equipment		(261)	(48)
Gain on disposal of subsidiary		0	(5)
Gain on fair value adjustment of investment property		(90)	(101)
Impairment loss on available-for-sale financial assets		2,516	0
Interest expense		26	233
Interest income		(2,693)	(1,866)
Property, plant and equipment written off		155	645
Reversal of allowance for slow moving inventories		(1,529)	(1,528)
Reversal of impairment loss on loans and receivables		(1)	(7)
Share of profit of associate		(7,748)	(6,632)
Unrealised (gain)/loss on foreign exchange		(336)	277
Unrealised loss on financial instruments at fair value through profit or loss		0	30
Operating profit before working capital changes		40,803	51,227
Changes in:-			
Property development costs		(1,920)	(1,226)
Accrued billings		5,032	(6,498)
Inventories		2,789	(10,513)
Receivables and prepayments		9,087	(17,123)
Payables		3,825	5,520
Financial instruments at fair value through profit or loss		(30)	15
Cash generated from operations		59,586	21,402
Interest paid		(26)	(254)
Tax paid		(6,693)	(6,024)
Tax refunded		264	22
Net cash from operating activities		53,131	15,146

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

	Note	2011 RM'000	2010 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		9,307	6,713
Interest received		2,693	1,879
Proceeds from disposal of assets held for sale		22,456	0
Proceeds from disposal of available-for-sale financial assets		12,818	16,163
Proceeds from disposal of property, plant and equipment		288	92
Proceeds from disposal of subsidiary		0	4,456
Purchase of available-for-sale financial assets		(13,028)	(24,307)
Purchase of investment property		0	(701)
Purchase of property, plant and equipment		(12,189)	(18,789)
Net cash from/(used in) investing activities		22,345	(14,494)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(8,585)	(8,358)
Proceeds from loans and borrowings		7,021	3,071
Purchase of own shares		(13,308)	(5,660)
Repayment of loans and borrowings		(8,347)	(21,839)
Net cash used in financing activities		(23,219)	(32,786)
Currency translation differences		5,456	(2,992)
Net increase/(decrease) in cash and cash equivalents		57,713	(35,126)
Cash and cash equivalents brought forward		84,849	119,975
Cash and cash equivalents carried forward	15	142,562	84,849

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Note	2011 RM'000	2010 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	4	373	620
Investments in subsidiaries	6	184,898	177,546
Investment in associate	7	6,046	6,046
Available-for-sale financial assets	8	30,394	27,541
Investments in club memberships	9	8	8
		221,719	211,761
CURRENT ASSETS			
Asset held for sale	12	14,600	14,600
Receivables	14	76,170	77,666
Prepayments		17	48
Current tax assets		424	807
Cash and cash equivalents	15	17,842	20,610
		109,053	113,731
CURRENT LIABILITIES			
Payables	16	3,821	2,709
		3,821	2,709
NET CURRENT ASSETS		105,232	111,022
NET ASSETS		326,951	322,783
EQUITY			
Share capital	19	203,070	203,070
Treasury shares	19	(18,968)	(5,660)
Reserves		142,849	125,373
TOTAL EQUITY		326,951	322,783

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

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	2011 RM'000	2010 RM'000
Revenue	20	24,668	19,545
Cost of services		(6,164)	(5,059)
Gross profit		18,504	14,486
Other operating income		8,006	3,513
Administrative expenses		(1,531)	(1,331)
Other operating expenses		(3,075)	(534)
Profit before tax	21	21,904	16,134
Tax expense	24	(423)	(107)
Profit for the financial year		21,481	16,027

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	2011 RM'000	2010 RM'000
Profit for the financial year	21,481	16,027
Other comprehensive income:-		
Gain on available-for-sale financial assets	2,643	2,635
Reclassification adjustments on:-		
- Derecognition of available-for-sale financial assets	(579)	(1,356)
- Impairment of available-for-sale financial assets	2,516	0
Other comprehensive income for the financial year	4,580	1,279
Total comprehensive income for the financial year	26,061	17,306

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

			Non-distributable			Distributable*	
	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	Total equity RM'000
Balance at 1 January 2010	225,632	(20,425)	25,070	2,468	0	86,750	319,495
Gain on available-for-sale financial assets	0	0	0	0	2,635	0	2,635
Reclassification adjustments on derecognition of available-for-sale financial assets	0	0	0	0	(1,356)	0	(1,356)
Other comprehensive income for the financial year	0	0	0	0	1,279	0	1,279
Profit for the financial year	0	0	0	0	0	16,027	16,027
Total comprehensive income for the financial year	0	0	0	0	1,279	16,027	17,306
Purchase of own shares	0	(5,660)	0	0	0	0	(5,660)
Interim dividend of 5.5 sen per share (less tax at 25%)	0	0	0	0	0	(8,358)	(8,358)
Total transactions with owners	0	(5,660)	0	0	0	(8,358)	(14,018)
Cancellation of treasury shares	(22,562)	20,425	22,562	0	0	(20,425)	0
Balance at 31 December 2010	203,070	(5,660)	47,632	2,468	1,279	73,994	322,783

* *Retained profits as at 31 December 2010 amounting to RM5,660,000, 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 2011 (cont'd)

	Non-distributable					Distributable*	
	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	Total equity RM'000
Balance at 1 January 2011	203,070	(5,660)	47,632	2,468	1,279	73,994	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 6.0 sen per share (less tax at 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	(18,968)	47,632	2,468	5,859	86,890	326,951

* *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 CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		21,904	16,134
Adjustments for:-			
Depreciation		276	297
Dividend income		(19,482)	(14,820)
Gain on derecognition of available-for-sale financial assets		(579)	(1,356)
Gain on disposal of property, plant and equipment		(75)	(20)
Gain on winding up of subsidiaries		0	(13)
Impairment loss on available-for-sale financial assets		2,516	0
Interest income		(603)	(906)
Property, plant and equipment written off		0	2
Reversal of impairment loss on investments in subsidiaries		(7,352)	(2,124)
Operating loss before working capital changes		(3,395)	(2,806)
Changes in:-			
Receivables and prepayments		1,527	(2,493)
Payables		1,112	382
Cash absorbed by operations		(756)	(4,917)
Tax paid		(303)	0
Tax refunded		263	0
Net cash used in operating activities		(796)	(4,917)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		19,482	14,713
Interest received		603	906
Proceeds from disposal of available-for-sale financial assets		12,818	16,163
Proceeds from disposal of property, plant and equipment		203	30
Purchase of available-for-sale financial assets		(13,028)	(24,307)
Purchase of property, plant and equipment		(157)	(84)
Net cash from investing activities		19,921	7,421
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(8,585)	(8,358)
Purchase of own shares		(13,308)	(5,660)
Net cash used in financing activities		(21,893)	(14,018)
Net decrease in cash and cash equivalents		(2,768)	(11,514)
Cash and cash equivalents brought forward		20,610	32,124
Cash and cash equivalents carried forward	15	17,842	20,610

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

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 6.

The consolidated financial statements set out on pages 51 to 57 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 58 to 63 together with the notes thereto cover the Company solely.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 13 April 2012

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 Companies Act 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

The following amended/revised/new FRSs became effective for the financial year under review:-

FRS	Effective for annual periods beginning on or after
Amendment to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*	1 January 2011
Amendments to FRS 1 *Additional Exemptions for First-time Adopters*	1 January 2011
Amendments to FRS 2 *Share-based Payment*	1 July 2010
Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions*	1 January 2011

2. Significant Accounting Policies (cont'd)

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

FRS	Effective for annual periods beginning on or after
Amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	1 July 2010
Amendments to FRS 7 *Improving Disclosures about Financial Instruments*	1 January 2011
Amendments to FRS 132 *Financial Instruments: Presentation*	1 March 2010
Amendments to FRS 138 *Intangible Assets*	1 July 2010
Amendments to IC Interpretation 9 *Reassessment of Embedded Derivatives*	1 July 2010
Amendments to FRSs contained in the document entitled *"Improvements to FRSs (2010)"*	1 January 2011
FRS 1 *First-time Adoption of Financial Reporting Standards* (revised in 2010)	1 July 2010
FRS 3 *Business Combinations* (revised in 2010)	1 July 2010
FRS 127 *Consolidated and Separate Financial Statements* (revised in 2010)	1 July 2010
IC Interpretation 4 *Determining whether an Arrangement contains a Lease*	1 January 2011
IC Interpretation 12 *Service Concession Arrangements*	1 July 2010
IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*	1 July 2010
IC Interpretation 17 *Distributions of Non-cash Assets to Owners*	1 July 2010
IC Interpretation 18 *Transfers of Assets from Customers*	1 January 2011

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

FRS 3 *Business Combinations* (revised in 2010) and FRS 127 *Consolidated and Separate Financial Statements* (revised in 2010)

FRS 3 (revised in 2010) and FRS 127 (revised in 2010), which supersede FRS 3 *Business Combinations* (issued in 2005) and FRS 127 *Consolidated and Separate Financial Statements* (revised in 2005) respectively, introduce significant changes to the accounting principles for business combinations and consolidated financial statements, both at the acquisition date and post acquisition. Some of the key principles established are disclosed in Note 2.3.

In accordance with the transitional provisions of FRS 3 (revised in 2010), the Group and the Company have applied the standard prospectively to business combinations for which the acquisition date is on or after the effective date. In accordance with the transitional provisions of FRS 127 (revised in 2010), the significant amendments thereto have also been applied prospectively. Accordingly, business combinations entered into prior to 1 January 2011 have not been restated to comply with the standards.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Future Accounting Standards

Financial Reporting Standards

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

FRS	Effective for annual periods beginning on or after
Amendments to FRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	1 January 2012
Amendments to FRS 7 *Disclosures - Transfers of Financial Assets*	1 January 2012
Amendments to FRS 101 *Presentation of Items of Other Comprehensive Income*	1 July 2012
Amendments to FRS 112 *Deferred Tax: Recovery of Underlying Assets*	1 January 2012
Amendments to IC Interpretation 14 *Prepayments of a Minimum Funding Requirement*	1 July 2011
FRS 9 *Financial Instruments*	1 January 2015
FRS 10 *Consolidated Financial Statements*	1 January 2013
FRS 11 *Joint Arrangements*	1 January 2013
FRS 12 *Disclosure of Interests in Other Entities*	1 January 2013
FRS 13 *Fair Value Measurement*	1 January 2013
FRS 119 *Employee Benefits* (amended in 2011)	1 January 2013
FRS 124 *Related Party Disclosures* (revised in 2010)	1 January 2012
FRS 127 *Separate Financial Statements* (amended in 2011)	1 January 2013
FRS 128 *Investments in Associates and Joint Ventures* (amended in 2011)	1 January 2013
IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2011
IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013

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

<u>Amendments to FRS 112 *Deferred Tax: Recovery of Underlying Assets*</u>

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, the measurement of deferred tax shall reflect the tax consequences of recovering the carrying amount of the investment property entirely through sale. Management estimates that the adoption of these amendments will have the following financial impacts:-

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Future Accounting Standards (cont'd)

Financial Reporting Standards (cont'd)

Amendments to FRS 112 *Deferred Tax: Recovery of Underlying Assets* (cont'd)

	Group	
	Increase/ (Decrease) in Balance at 1.1.2011 RM'000	Increase/ (Decrease) in Balance at 31.12.2011 RM'000
Deferred tax liabilities	(144)	(151)
Retained profits	144	151

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 amortised 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Future Accounting Standards (cont'd)

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. It comprises standards as issued by the International Accounting Standards Board ("IASB") that are effective on 1 January 2012 and also amended/revised/new standards recently issued by the IASB that will be effective after 1 January 2012.

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 will be allowed to defer adoption of the MFRS framework to annual periods beginning on or after 1 January 2013.

Being a Transitioning Entity as defined above, the Group and the Company have elected to continue preparing their financial statements in accordance with the existing FRS framework for the financial year ending 31 December 2012 and will first adopt the MFRS framework for the financial year ending 31 December 2013. 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Basis of Consolidation (cont'd)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Property, Plant and Equipment (cont'd)

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.

2.5 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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Investment in Associate (cont'd)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Property Development Activities (cont'd)

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.

2.11 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, 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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 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.

2.13 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)

2.13 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)

2.13 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)

2.13 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 (i.e. Level 1). 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).

2.14 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)

2.14 Financial Liabilities (cont'd)

Recognition and Measurement (cont'd)

(ii) 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.

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 (i.e. Level 1). 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).

2.15 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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Foreign Currency Transactions and Translation (cont'd)

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.

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.

2.16 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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Share Capital (cont'd)

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.

2.17 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.

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

Property development revenue is recognised in accordance with Note 2.9.

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.

2.18 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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.19 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.

2.20 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.

2.21 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:-

(i) Classification of leasehold land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to ownership of the land through a finance lease.

(ii) 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 2011, the Group and the Company have recognised impairment loss of RM2,516,000 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:-

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. Management estimates the useful lives to be within 2 to 50 years. Changes in the expected level of usage and technological development will impact on the economic useful lives and residual values of the assets and therefore, future depreciation charges may be revised. The carrying amounts of property, plant and equipment are disclosed in Note 4.

3. JUDGEMENTS AND ESTIMATION UNCERTAINTY (cont'd)

Sources of Estimation Uncertainty (cont'd)

(ii) 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 10.

(iii) Impairment of non-financial assets

When the recoverable amount of a non-financial asset is determined based on its value in use, estimates on future cash flows and appropriate discount rate are required to determine the present value of those cash flows. The carrying amounts of non-financial assets subject to impairment assessment are disclosed in Notes 4, 9 and 10.

(iv) 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 13.

(v) 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 14.

3. JUDGEMENTS AND ESTIMATION UNCERTAINTY (cont'd)

Sources of Estimation Uncertainty (cont'd)

(vi) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimates. The Group and the Company recognise tax assets/liabilities based on their understanding of the prevailing tax laws and estimates of whether such assets/liabilities will be realised/settled in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts initially recognised, the difference will impact on the tax recognition in the period in which the outcome is determined. The carrying amounts of tax assets/liabilities as at 31 December 2011 are as follows:-

	Group RM'000	Company RM'000
Current tax assets	952	424
Current tax liabilities	1,861	0
Deferred tax assets	279	0
Deferred tax liabilities	4,744	0

4. PROPERTY, PLANT AND EQUIPMENT

Group

	Land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings and office equip-ment RM'000	Motor vehicles RM'000	Plantation development expenditure and estate improve-ment RM'000	Capital work-in-progress RM'000	Total RM'000
COST/VALUATION							
At 1 January 2010	79,256	165,816	7,895	4,581	765	1,897	260,210
Additions	573	9,383	238	794	10	7,791	18,789
Disposals/Write-offs	(63)	(4,311)	(549)	(355)	0	0	(5,278)
Reclassifications	4,058	5,606	0	0	0	(9,664)	0
Currency translation differences	(2,417)	(4,567)	(119)	(55)	0	0	(7,158)
At 31 December 2010	81,407	171,927	7,465	4,965	775	24	266,563
Representing:-							
Cost	4,629	171,927	7,465	4,965	775	24	189,785
Valuation	76,778	0	0	0	0	0	76,778
	81,407	171,927	7,465	4,965	775	24	266,563
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
Disposals/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
	69,227	173,752	6,066	4,493	775	6,214	260,527
DEPRECIATION AND IMPAIRMENT LOSSES							
At 1 January 2010							
Accumulated depreciation	0	121,844	5,904	3,090	72	0	130,910
Accumulated impairment losses	379	854	174	18	0	0	1,425
	379	122,698	6,078	3,108	72	0	132,335
Depreciation	2,754	8,054	475	577	46	0	11,906
Disposals/Write-offs	(1)	(3,732)	(529)	(327)	0	0	(4,589)
Currency translation differences	(23)	(2,713)	(68)	(32)	0	0	(2,836)
At 31 December 2010							
Accumulated depreciation	2,730	123,453	5,782	3,308	118	0	135,391
Accumulated impairment losses	379	854	174	18	0	0	1,425
	3,109	124,307	5,956	3,326	118	0	136,816
Depreciation	2,741	8,420	461	613	47	0	12,282
Disposals/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							
Accumulated depreciation	5,166	128,006	4,814	3,074	165	0	141,225
Accumulated impairment losses	379	7	31	18	0	0	435
	5,545	128,013	4,845	3,092	165	0	141,660

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

Group

	Land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings and office equip-ment RM'000	Motor vehicles RM'000	Plantation development expenditure and estate improve-ment RM'000	Capital work-in-progress RM'000	Total RM'000
CARRYING AMOUNT							
At 1 January 2010	78,877	43,118	1,817	1,473	693	1,897	127,875
At 31 December 2010	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

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 2010	30,730	48,526	79,256
Additions	0	573	573
Disposals/Write-offs	0	(63)	(63)
Reclassifications	0	4,058	4,058
Currency translation differences	0	(2,417)	(2,417)
At 31 December 2010	30,730	50,677	81,407
Representing:-			
Cost	0	4,629	4,629
Valuation	30,730	46,048	76,778
	30,730	50,677	81,407
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

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 2010			
Accumulated depreciation	0	0	0
Accumulated impairment losses	379	0	379
	379	0	379
Depreciation	345	2,409	2,754
Disposals/Write-offs	0	(1)	(1)
Currency translation differences	0	(23)	(23)
At 31 December 2010			
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	226	226
At 31 December 2011			
Accumulated depreciation	51	5,115	5,166
Accumulated impairment losses	379	0	379
	430	5,115	5,545
CARRYING AMOUNT			
At 1 January 2010	30,351	48,526	78,877
At 31 December 2010	30,006	48,292	78,298
At 31 December 2011	15,300	48,382	63,682

The land and buildings 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, the carrying amounts that would have been recognised in the financial statements are as follows:-

	Group 2011 RM'000	Group 2010 RM'000
Freehold land and buildings	11,746	26,801
Short-term leasehold land and buildings	41,164	41,415
	52,910	68,216

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

Company

	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
COST			
At 1 January 2010	146	2,060	2,206
Additions	24	60	84
Disposals/Write-offs	(4)	(98)	(102)
At 31 December 2010	166	2,022	2,188
Additions	12	145	157
Disposals/Write-offs	0	(791)	(791)
At 31 December 2011	178	1,376	1,554
ACCUMULATED DEPRECIATION			
At 1 January 2010	92	1,269	1,361
Depreciation	21	276	297
Disposals/Write-offs	(2)	(88)	(90)
At 31 December 2010	111	1,457	1,568
Depreciation	19	257	276
Disposals/Write-offs	0	(663)	(663)
At 31 December 2011	130	1,051	1,181
CARRYING AMOUNT			
At 1 January 2010	54	791	845
At 31 December 2010	55	565	620
At 31 December 2011	48	325	373

5. INVESTMENT PROPERTY

Group

FAIR VALUE	Freehold land and buildings RM'000	Short-term leasehold land and buildings RM'000	Total RM'000
At 1 January 2010	7,410	1,560	8,970
Additions resulting from acquisitions	701	0	701
Fair value adjustments	41	60	101
Reclassifications to assets held for sale	(2,102)	(1,200)	(3,302)
At 31 December 2010	6,050	420	6,470
Fair value adjustments	80	10	90
At 31 December 2011	6,130	430	6,560

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. INVESTMENTS IN SUBSIDIARIES

Company

	2011 RM'000	2010 RM'000
Unquoted shares - at cost	216,476	216,476
Impairment losses	(31,578)	(38,930)
	184,898	177,546

The details of the subsidiaries are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Ownership Interest 2011	Effective Ownership Interest 2010	Principal Activity
GUH Electronic Holdings Sdn. Bhd.	Malaysia	100%	100%	Investment holding
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%	N/A	Investment holding
Grand Ocean Development Sdn. Bhd.[(b)]	Malaysia	0%	100%	Dormant
Mujur Seputeh Sdn. Bhd.[(b)]	Malaysia	0%	100%	Dormant
Subsidiaries of GUH Electronic Holdings Sdn. Bhd.				
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

6. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of Subsidiary	Country of Incorporation	Effective Ownership Interest 2011	Effective Ownership Interest 2010	Principal Activity
Subsidiaries of GUH Electronic Holdings Sdn. Bhd. (cont'd)				
Grand United (BVI) Co., Ltd.	British Virgin Islands	100%	100%	Rendering of agency services
Grand Circuit Industry (Philippines) Inc.[c]	Philippines	100%	100%	Dormant
Subsidiaries of GUH Electrical Holdings Sdn. Bhd.				
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
Subsidiary of GUH Realty Sdn. Bhd.				
Jeladan Sdn. Bhd.	Malaysia	100%	100%	Dormant
Subsidiary of GUH Water Holdings Sdn. Bhd.				
GUH Water (Jiangsu) Pte. Limited[a]	Hong Kong	100%	N/A	Dormant

[a] *Not required to be audited, and consolidated using unaudited financial statements*

[b] *Wound up in 2011*

[c] *Not audited by Crowe Horwath*

7. INVESTMENT IN ASSOCIATE

	Group 2011 RM'000	Group 2010 RM'000
Share of net assets	22,231	23,137

	Company 2011 RM'000	Company 2010 RM'000
Unquoted shares - at cost	6,046	6,046

The details of the associate are as follows:-

Name of Associate	Country of Incorporation	Effective Ownership Interest 2011	Effective Ownership Interest 2010
Cambodia Utilities Pte. Ltd.	Cambodia	20%	20%

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

	2011 RM'000	2010 RM'000
Total assets	134,187	133,152
Total liabilities	23,032	17,471
Revenue	130,103	111,590
Profit for the financial year	38,858	33,164

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Shares quoted in Malaysia, at fair value (Level 1)	30,394	27,541	30,394	27,541
Unquoted shares, at cost less impairment losses	50	50	0	0
	30,444	27,591	30,394	27,541

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.

9. INVESTMENTS IN CLUB MEMBERSHIPS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cost	361	344	78	78
Impairment losses	(85)	(85)	(70)	(70)
	276	259	8	8

10. PROPERTY DEVELOPMENT ACTIVITIES

Group

Property Development Costs

	2011 RM'000	2010 RM'000
At 1 January		
- Freehold land	32,068	33,604
- Development costs	29,827	32,878
	61,895	66,482
Development costs incurred during the year	19,586	14,488
Reversal of completed project		
- Freehold land	(535)	(1,536)
- Development costs	(11,265)	(17,539)
	(11,800)	(19,075)
Costs recognised in profit or loss		
- Prior year	(6,858)	(12,671)
- Current year	(15,619)	(11,415)
- Adjustment to completed project	9,753	17,228
	(12,724)	(6,858)
At 31 December	56,957	55,037
Disclosed as:-		
- Non-current assets	41,679	41,578
- Current assets	15,278	13,459
	56,957	55,037

Accrued Billings

	2011 RM'000	2010 RM'000
Property development revenue recognised in profit or loss	22,554	13,481
Billings to purchasers	(18,123)	(4,018)
	4,431	9,463

11. DEFERRED TAX ASSETS/(LIABILITIES)

Group

	2011 RM'000	2010 RM'000
At 1 January	(4,168)	(4,384)
Deferred tax expense relating to origination and reversal of temporary differences	(278)	(254)
Recognition of previously unrecognised deferred tax assets	0	454
Deferred tax liabilities (under)/over provided in prior year	(19)	16
At 31 December	(4,465)	(4,168)
Disclosed as:-		
- Deferred tax assets	279	459
- Deferred tax liabilities	(4,744)	(4,627)
	(4,465)	(4,168)
In respect of:-		
- Deductible temporary differences of:-		
- Property development costs	294	464
- Inventories	89	88
- Financial instruments	39	58
- Unused capital allowances	274	308
- Unused tax losses	187	114
- Taxable temporary differences of:-		
- Property, plant and equipment	(5,193)	(5,053)
- Investment property	(155)	(147)
	(4,465)	(4,168)

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

Save as disclosed above, as at 31 December 2011, 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 RM21,000 and RM17,000 (2010 : RM1,004,000 and RM20,000) respectively. No further deferred tax assets have been recognised for the excess of the deductible temporary differences, unused tax allowances and losses over the taxable temporary differences as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deductible temporary differences of:-				
- Property, plant and equipment	0	3	0	0
- Inventories	803	1,291	0	0
- Financial instruments	1,305	983	1,305	983
Unused capital allowances	2,123	6,677	618	570
Unused agriculture allowances	0	433	0	0
Unused tax losses	18,782	19,107	8,143	5,656
Taxable temporary differences of property, plant and equipment	(85)	(4,016)	(67)	(79)
	22,928	24,478	9,999	7,130

12. ASSETS HELD FOR SALE

Group

	Freehold land and buildings RM'000	Long-term leasehold land RM'000	Short-term leasehold land and buildings RM'000	Total RM'000
At 1 January 2010	0	14,000	0	14,000
Reclassifications from investment property	2,102	0	1,200	3,302
Disposals	0	(14,000)	0	(14,000)
At 31 December 2010	2,102	0	1,200	3,302
Reclassifications from property, plant and equipment	14,469	0	0	14,469
Disposals	(16,571)	0	(1,200)	(17,771)
At 31 December 2011	0	0	0	0

12. ASSETS HELD FOR SALE (cont'd)

Company

	Freehold land RM'000
At 1 January 2010	14,600
Movement during the year	0
At 31 December 2010	14,600
Movement during the year	0
At 31 December 2011	14,600

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, management expects the sale to be completed in 2012.

13. INVENTORIES

Group

	2011 RM'000	2010 RM'000
Raw materials	9,621	11,599
Work-in-progress	6,907	5,931
Finished goods	7,498	6,722
Consumables	3,840	2,874
Goods-in-transit	2,679	5,146
Completed development units	6,115	5,835
	36,660	38,107

14. TRADE AND OTHER RECEIVABLES

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Trade receivables:-				
- Related party[(a)]	3	4	0	0
- Unrelated parties	64,856	68,342	0	0
- Allowance for impairment	(563)	(568)	0	0
	64,293	67,774	0	0
	64,296	67,778	0	0
Other receivables:-				
- Insurance claims	0	7,284	0	0
- Subsidiaries	0	0	76,163	77,638
- Unrelated parties	733	692	7	28
	733	7,976	76,170	77,666
	65,029	75,754	76,170	77,666

[(a)] *Being a company in which certain directors have substantial financial interests*

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

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Ringgit Malaysia	17,937	23,491	76,170	77,666
Renminbi	27,904	22,975	0	0
US Dollar	19,188	29,288	0	0
	65,029	75,754	76,170	77,666

Trade Receivables

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

The movements in allowance for impairment are as follows:-

	Group 2011 RM'000	Group 2010 RM'000
At 1 January	568	885
Impairment loss reversed	(1)	(7)
Impairment loss written off	(4)	(292)
Currency translation differences	0	(18)
At 31 December	563	568

14. TRADE AND OTHER RECEIVABLES (cont'd)

Trade Receivables (cont'd)

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	
	2011 RM'000	2010 RM'000
Not past due	54,646	63,275
Past due 1 to 30 days	7,036	3,870
Past due 31 to 120 days	2,581	598
Past due more than 120 days	33	35
	64,296	67,778

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 2011, there were 3 (2010 : 2) 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 RM27,167,000 (2010 : RM21,634,000). The credit risk concentration profile by geographical areas of trade receivables is as follows:-

	Group	
	2011 RM'000	2010 RM'000
Malaysia	21,709	24,519
China	39,083	39,250
Others	3,504	4,009
	64,296	67,778

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.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Short-term investments	20,749	11,799	5,675	8,398
Term deposits with licensed banks (fixed rate)	72,423	57,272	4,560	12,194
Cash and bank balances	49,390	15,778	7,607	18
	142,562	84,849	17,842	20,610

Certain term deposits of the Group totalling RM4,949,000 (2010 : RM8,224,000) 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 RM15,227,000 (2010 : RM10,295,000) 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 2011 ranged from 0.01% to 6.00% (2010 : 0.01% to 2.85%) per annum.

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

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	83,223	45,681	17,842	20,610
Renminbi	52,256	28,517	0	0
US Dollar	7,082	10,650	0	0
Others	1	1	0	0
	142,562	84,849	17,842	20,610

16. TRADE AND OTHER PAYABLES

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Trade payables:-				
- Related parties[(a)]	1,390	72	0	0
- Related party[(b)]	651	96	0	0
- Unrelated parties	48,100	46,653	0	0
	50,141	46,821	0	0
Other payables:-				
- Subsidiary	0	0	200	0
- Other related party[(b)]	23	54	0	0
- Unrelated parties	13,419	12,876	3,621	2,709
	13,442	12,930	3,821	2,709
	63,583	59,751	3,821	2,709

(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 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Ringgit Malaysia	21,624	16,848	3,821	2,709
Renminbi	17,276	16,403	0	0
US Dollar	23,911	25,294	0	0
Others	772	1,206	0	0
	63,583	59,751	3,821	2,709

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 amount owing to subsidiary is 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 60 days.

17. LOANS AND BORROWINGS - SECURED

Group

	2011 RM'000	2010 RM'000
Term loans (fixed rate and denominated in US Dollar)	0	1,326

Loans and borrowings were secured against certain term deposits (Note 15). The effective interest rate as at 31 December 2010 was 1.81% per annum.

18. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Group

	2011 RM'000	2010 RM'000
Derivatives classified as held for trading, at fair value (Level 1)	0	30

Derivatives consisted of forward exchange contracts which were used to hedge the exposure to currency risk. The Group did not apply hedge accounting. As at 31 December 2010, the Group had contracts due within 30 days to buy USD437,000 and sell RMB2,952,000 at contractual forward rates.

19. SHARE CAPITAL

	2011		2010	
	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	225,632	225,632
Cancellation of treasury shares	0	0	(22,562)	(22,562)
At 31 December	203,070	203,070	203,070	203,070

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.

19. SHARE CAPITAL (cont'd)

Purchase of Own Shares (cont'd)

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:-

	2011		2010	
	No. of Shares '000	Cost RM'000	No. of Shares '000	Cost RM'000
At 1 January	4,749	5,660	22,562	20,425
Shares cancelled	0	0	(22,562)	(20,425)
Shares purchased	11,115	13,308	4,749	5,660
At 31 December	15,864	18,968	4,749	5,660
Average unit cost for the year (RM)		1.197		1.192

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

	2011 No. of Shares '000	2010 No. of Shares '000
At 1 January	198,321	203,070
Shares purchased	(11,115)	(4,749)
At 31 December	187,206	198,321

20. REVENUE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sale of goods	275,310	286,700	0	0
Sale of plantation produce	2,143	920	0	0
Management services	0	0	4,583	3,819
Property development	32,598	19,988	0	0
Dividend income	364	427	19,482	14,820
Interest income	603	906	603	906
Rental income	262	331	0	0
	311,280	309,272	24,668	19,545

21. PROFIT BEFORE TAX

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before tax is arrived at after charging:-				
Allowance for slow moving inventories	187	208	0	0
Auditors' remuneration:-				
- Current year	142	135	30	30
- Prior year	2	0	0	0
Depreciation	12,282	11,906	276	297
Direct operating expenditure for investment property	47	69	0	0
Fee expense for financial instruments not at fair value through profit or loss	342	367	35	2
Impairment loss on available-for-sale financial assets	2,516	0	2,516	0
Interest expense for financial liabilities not at fair value through profit or loss	26	233	0	0
Loss on financial instruments at fair value through profit or loss (classified as held for trading)	0	180	0	0
Loss on foreign exchange:-				
- Realised	455	377	0	0
- Unrealised	0	277	0	0
Property development costs	17,285	10,778	0	0
Property, plant and equipment written off	155	645	0	2
Rental of premises	120	92	121	122
and crediting:-				
Bad debts recovered	5	0	0	0
Compensation for loss of property, plant and equipment	174	534	0	0
Dividend income from:-				
- Subsidiaries	0	0	10,175	8,000
- Associate	0	0	8,943	6,393
- Quoted investments in Malaysia	364	427	364	427
Gain on derecognition of available-for-sale financial assets	579	1,356	579	1,356

21. PROFIT BEFORE TAX (cont'd)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Gain on disposal of assets held for sale	4,685	0	0	0
Gain on disposal of property, plant and equipment	261	48	75	20
Gain on disposal of subsidiary	0	5	0	0
Gain on fair value adjustment of investment property	90	101	0	0
Gain on financial instruments at fair value through profit or loss (classified as held for trading)	27	0	0	0
Gain on winding up of subsidiaries	0	0	0	13
Interest income for financial assets not at fair value through profit or loss	2,693	1,866	603	906
Rental income from:-				
- Investment property	289	364	0	0
- Others	59	22	0	0
Reversal of allowance for slow moving inventories	1,529	1,528	0	0
Reversal of impairment loss on investments in subsidiaries[(a)]	0	0	7,352	2,124
Reversal of impairment loss on loans and receivables	1	7	0	0
Unrealised gain on foreign exchange	336	0	0	0

[(a)] *Included in other operating income*

22. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Salaries and bonus	39,791	34,945	5,467	4,412
Defined contribution plans	3,263	3,139	779	767
Ex-gratia benefits	323	276	323	276
	43,377	38,360	6,569	5,455

23. DIRECTORS' REMUNERATION

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Fees:-				
- Current year	381	311	360	297
- Prior year	7	54	0	54
Salaries and bonuses:-				
- Current year	2,742	2,400	2,742	2,400
- Prior year	254	(3)	254	(3)
Defined contribution plans:-				
- Current year	502	438	502	438
- Prior year	48	155	48	155
Ex-gratia benefits	323	276	323	276
	4,257	3,631	4,229	3,617

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 RM23,000 (2010 : RM44,000).

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.

24. TAX EXPENSE

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Tax based on results for the year:-				
- Malaysian income tax	5,129	3,508	0	107
- Overseas income tax	1,961	2,836	0	0
- Deferred tax	278	254	0	0
	7,368	6,598	0	107
Recognition of previously unrecognised deferred tax assets	0	(454)	0	0
Tax under/(over) provided in prior year:-				
- Malaysian income tax	287	(30)	423	0
- Overseas income tax	238	28	0	0
- Deferred tax	19	(16)	0	0
	7,912	6,126	423	107

24. TAX EXPENSE (cont'd)

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	
	2011	2010	2011	2010
	%	%	%	%
Applicable tax rate	25.00	25.00	25.00	25.00
Non-deductible expenses	5.01	1.99	3.57	1.07
Non-taxable income	(6.85)	(5.04)	(31.84)	(28.40)
Reinvestment allowances claimed	(0.80)	(3.21)	0.00	0.00
Reversal of deferred tax on properties held for sale	0.00	(0.01)	0.00	0.00
(Decrease)/Increase in unrecognised deferred tax assets	(0.89)	0.20	3.27	2.99
Effect of differential tax rates	(4.70)	(5.71)	0.00	0.00
Average effective tax rate	16.77	13.22	0.00	0.66

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 RM703,000 (2010 : NIL).

As at 31 December 2011, 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 2011 as tax exempt dividends under the single tier tax system.

25. EARNINGS PER SHARE

Group

The basic earnings per share is calculated by dividing the Group's profit for the financial year by the weighted average number of ordinary shares in issue during the financial year, after adjusting for the effect of shares purchased, as follows:-

	2011	2010
Profit for the financial year (RM'000)	36,011	43,772
Number of shares in issue at 1 January ('000)	198,321	203,070
Effect of shares purchased ('000)	(4,363)	(1,206)
Weighted average number of shares in issue ('000)	193,958	201,864
Basic earnings per share (sen)	18.57	21.68

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.

26. Related Party Disclosures

Other than the directors' remuneration as disclosed in Note 23, significant transactions with related parties during the financial year are as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Disposal of property, plant and equipment to subsidiary	0	0	128	0
Dividend declared from associate	8,943	6,393	8,943	6,393
Dividends declared from subsidiaries	0	0	10,175	8,000
Rendering of management services to subsidiaries	0	0	4,583	3,819
Renting of premises from subsidiary	0	0	121	121
Purchase of goods from other related parties[a]	6,036	235	0	0
Purchase of property, plant and equipment from other related party[a]	536	0	0	0
Receiving of services from other related parties[b]	1,706	683	0	0
Sale of development units to other related parties[a]	3,517	0	0	0
Sale of development units to other related party[b]	970	0	0	0
Sale of goods to other related parties[a]	24	11	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*

27. 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

27. SEGMENT REPORTING (cont'd)

Operating Segments (cont'd)

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

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	Unallocated non-operating segments RM'000	Total RM'000
2011						
Segment assets	272,694	97,915	24,160	837	69,074	464,680
Investment in associate	0	0	0	0	22,231	22,231
Income tax assets	153	556	73	12	437	1,231
Total assets	272,847	98,471	24,233	849	91,742	488,142
Additions to non-current assets	11,996	33	3	0	157	12,189
Segment liabilities	50,471	8,078	1,260	74	3,700	63,583
Income tax liabilities	6,374	0	0	75	156	6,605
Total liabilities	56,845	8,078	1,260	149	3,856	70,188
External revenue	267,635	32,598	7,675	2,143	1,229	311,280
Intersegment revenue	0	0	13	0	14,643	14,656
Total revenue	267,635	32,598	7,688	2,143	15,872	325,936
Segment profit/(loss)	22,913	10,299	4,077	1,179	(4,960)	33,508
Interest income	1,358	577	155	0	603	2,693
Interest expense	(26)	0	0	0	0	(26)
Share of profit of associate	0	0	0	0	7,748	7,748
Profit before tax	24,245	10,876	4,232	1,179	3,391	43,923
Tax expense	(4,201)	(3,121)	(14)	(75)	(501)	(7,912)
Profit for the financial year	20,044	7,755	4,218	1,104	2,890	36,011
Non-cash income	1,824	0	102	0	30	1,956
Depreciation	11,569	111	232	70	300	12,282
Other non-cash expenses	341	0	1	0	2,516	2,858

27. 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	Unallocated non- operating segments RM'000	Total RM'000
2010						
Segment assets	249,462	86,794	22,090	777	72,630	431,753
Investment in associate	0	0	0	0	23,137	23,137
Income tax assets	5	1,626	36	0	807	2,474
Total assets	249,467	88,420	22,126	777	96,574	457,364
Additions to non-current assets	18,233	428	34	10	785	19,490
Segment liabilities	51,205	4,235	1,460	40	2,841	59,781
Loans and borrowings	1,326	0	0	0	0	1,326
Income tax liabilities	6,217	0	0	0	148	6,365
Total liabilities	58,748	4,235	1,460	40	2,989	67,472
External revenue	278,935	19,988	7,765	920	1,664	309,272
Intersegment revenue	0	0	18	0	11,735	11,753
Total revenue	278,935	19,988	7,783	920	13,399	321,025
Segment profit/(loss)	36,985	5,517	45	158	(1,072)	41,633
Interest income	624	287	49	0	906	1,866
Interest expense	(233)	0	0	0	0	(233)
Share of profit of associate	0	0	0	0	6,632	6,632
Profit before tax	37,376	5,804	94	158	6,466	49,898
Tax expense	(4,786)	(1,178)	(4)	0	(158)	(6,126)
Profit for the financial year	32,590	4,626	90	158	6,308	43,772
Non-cash income	811	0	734	0	91	1,636
Depreciation	11,058	102	355	70	321	11,906
Other non-cash expenses	1,111	0	46	1	2	1,160

27. 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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysia	150,965	135,878	112,819	123,264
China	133,746	144,631	54,563	54,790
Other countries	26,569	28,763	0	0
	311,280	309,272	167,382	178,054

Major Customers

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

	External Revenue		
	2011 RM'000	2010 RM'000	Operating Segment
Customer I[(a)]	58,354	63,807	Manufacture of printed circuit boards
Customer II[(a)]	50,572	46,070	Manufacture of printed circuit boards

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

28. CAPITAL COMMITMENT

Group

	2011 RM'000	2010 RM'000
Approved but not contracted:-		
- Subsidiary	0	8,972
Contracted but not provided for:-		
- Property, plant and equipment	2,889	571
- Subsidiary	8,972	0
	11,861	9,543

29. 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 (2010 : RM34,953,000). The total utilisation of these credit facilities as at 31 December 2011 amounted to approximately RM10,924,000 (2010 : RM10,549,000).

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 2.14. 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.

30. 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 29.

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.

30. 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 the Group's 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 2011 RM'000	Increase/ (Decrease) in Profit 2010 RM'000
Appreciation of USD against RM by 10%	153	206
Depreciation of USD against RM by 10%	(153)	(206)
Appreciation of USD against RMB by 10%	69	959
Depreciation of USD against RMB by 10%	(69)	(959)

30. 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 ("FBMKLCI"), the following table demonstrates the sensitivity of the Group's and the Company's profit or loss and other comprehensive income ("OCI") to changes in FBMKLCI that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Group and Company			
	Increase/ (Decrease) in Profit 2011 RM'000	Increase/ (Decrease) in Profit 2010 RM'000	Increase/ (Decrease) in OCI 2011 RM'000	Increase/ (Decrease) in OCI 2010 RM'000
Increase in FBMKLCI by 20%	0	0	6,079	5,508
Decrease in FBMKLCI by 20%	(810)	(4,229)	(5,269)	(1,279)

31. 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.

The Group considers its total equity 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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total loans and borrowings	0	1,326	0	0
Total equity	417,954	389,892	326,951	322,783
Total capital	417,954	391,218	326,951	322,783

31. CAPITAL MANAGEMENT (cont'd)

	Group		Company	
	2011	2010	2011	2010
Debt-to-equity ratio	0.00%	0.34%	0.00%	0.00%

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

32. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On 13 January 2012, the Group, through GUH Water (Jiangsu) Pte. Limited, incorporated a wholly-owned subsidiary, GUH Water (Gaochun) Co., Ltd., in the People's Republic of China. The subsidiary has been dormant since its incorporation.

	Group 2011 RM'000	Group 2010 RM'000 (Restated)	Company 2011 RM'000	Company 2010 RM'000
Total retained profits of the Company and its subsidiaries:-				
- Realised	213,992	173,654	86,890	73,994
- Unrealised	(190)	(636)	0	0
	213,802	173,018	86,890	73,994
Total share of retained profits of associate:-				
- Realised	17,474	18,669	0	0
- Unrealised	0	0	0	0
	231,276	191,687	86,890	73,994
Consolidation adjustments and eliminations	(66,923)	(55,134)	0	0
Total retained profits as per statement of financial position	164,353	136,553	86,890	73,994

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.

ANALYSIS OF SHAREHOLDINGS

AS AT 3 APRIL 2012

Authorized Capital	:	RM1,000,000,000 divided into 1,000,000,000 ordinary shares of RM1.00 each
Issued and Fully Paid-Up Capital	:	RM203,069,963 divided into 203,069,963 ordinary shares of RM1.00 each
Class of Shares	:	There is only one class of shares in the Company - Ordinary Shares of RM1.00 each
Voting Rights	:	One vote per ordinary share

Distribution Schedule of Shares

As at 3 April 2012

Holdings	No. of Holders	Total Holdings	%
Less than 100	1,108	52,136	0.03
100 - 1,000	6,420	4,408,304	2.37
1,001 – 10,000	6,309	24,427,755	13.15
10,001 – 100,000	1,030	27,899,105	15.01
100,001 – less than 5% of issued shares	103	66,453,560	35.76
5% and above of issued shares	3	62,588,103	33.68
	14,973	*185,828,963	100.00

* Exclusive of 17,241,000 ordinary shares bought-back by the Company and retained as treasury shares.

Substantial Shareholders
As at 3 April 2012

		Direct Interest		Deemed Interest	
No.	**Name of Substantial Shareholders**	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	Zun Holdings Sdn. Bhd.	20,408,617	10.98	-	-
2.	Dato' Seri H'ng Bok San	-	-	34,160,617[a]	18.38
3.	Datin Seri Ang Gaik Nga	7,663,000	4.12	20,408,617[b]	10.98
4.	Dato' H'ng Chun Hsiang	1,544,000	0.83	20,408,617[b]	10.98
5.	H'ng Hsieh Fern	1,536,000	0.83	20,408,617[b]	10.98
6.	Datin H'ng Hsieh Ling	1,509,000	0.81	20,408,617[b]	10.98
7.	H'ng Chun Ching	1,500,000	0.81	20,408,617[b]	10.98
8.	Chunglu Sdn. Bhd.	11,954,686	6.43	-	-
9.	Dato' Chung Chin Fu	-	-	14,687,686[c]	7.90
10.	Howell Chen Chung	2,733,000	1.47	11,954,686[d]	6.43
11.	Datin Teruyo Chung @ Lu Ju-Yu Chung	-	-	11,954,686[d]	6.43
12.	HSBC Nominees (Asing) Sdn. Bhd. *HPBS SG For Gold Connection Assets Limited*	30,224,800	16.26	-	-

Directors' Shareholding
As at 3 April 2012

		Direct Interest		Deemed Interest	
No.	**Name of Directors**	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	Dato' Seri H'ng Bok San	-	-	34,160,617[a]	18.38
2.	Dato' Chung Chin Fu	-	-	14,687,686[c]	7.90
3.	Dato' Kenneth H'ng Bak Tee	-	-	1,908,500[e]	1.03
4.	Dato' H'ng Bak Seah	1,707,952	0.92	-	-
5.	Datin H'ng Hsieh Ling	1,509,000	0.81	20,408,617[b]	10.98
6.	Chew Hock Lin	-	-	-	-
7.	Dato' Ismail Bin Hamzah	-	-	-	-
8.	Lai Chang Hun	1,825,288	0.98	2,609,587[f]	1.40
9.	Wan Ismail Bin Wan Nik	3,021,035[g]	1.63	-	-

Notes:

a 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

b Deemed interest via shares held by Zun Holdings Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965

c Deemed interest via shares held by Chunglu Sdn. Bhd. and his son by virtue of Sections 6A and 134(12)(c) of the Companies Act, 1965

d Deemed interest via shares held by Chunglu Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965

e Deemed interest via shares held by his spouse and children by virtue of Section 134(12(c) of the Companies Act, 1965

f 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, 1865

g 3,000,000 shares are pledged under HLB Nominees (Tempatan) Sdn. Bhd.
21,035 shares are pledged under Kenanga Nominees (Tempatan) Sdn. Bhd.

Thirty (30) Largest Shareholders

As at 3 April 2012

No.	Name of Securities Account Holders	No. of Shares	%
1.	HSBC Nominees (Asing) Sdn. Bhd. *HPBS SG For Gold Connection Assets Limited (501999)*	30,224,800	16.26
2.	Zun Holdings Sdn. Bhd.	20,408,617	10.98
3.	Chunglu Sdn. Bhd.	11,954,686	6.43
4.	Datin Seri Ang Gaik Nga	7,663,000	4.12
5.	Song Siew Gnoh	6,433,845	3.46
6.	HLB Nominees (Tempatan) Sdn. Bhd. *Pledged securities account for W Ismail Bin W Nik*	3,000,000	1.61
7.	Kan Yu Oi Ling	2,853,717	1.54
8.	Howell Chen Chung	2,733,000	1.47
9.	Laico Jaya Sdn. Bhd.	2,309,563	1.24
10.	Tan Tong Chew	1,852,800	1.00
11.	Lai Chang Hun	1,825,288	0.98
12.	How Kim Chai	1,775,000	0.96
13.	Dato' H'ng Bak Seah	1,707,952	0.92
14.	Shoptra Jaya (M) Sdn. Bhd.	1,558,100	0.84
15.	Dato' H'ng Chun Hsiang	1,544,000	0.83
16.	H'ng Hsieh Fern	1,536,000	0.83
17.	Datin H'ng Hsieh Ling	1,509,000	0.81
18.	H'ng Chun Ching	1,500,000	0.81
19.	Malaysia Nominees (Asing) Sendirian Berhad *Oversea-Chinese Bank Nominees Pte Ltd for Oversea-Chinese Banking Corporation Limited (OCB33076-000FM)*	1,225,000	0.66
20.	Tay Teck Ho	1,100,000	0.59
21.	Lim Khuan Eng	1,067,100	0.57
22.	H'ng Chun Li	968,300	0.52
23.	Zulkifli Bin Hussain	960,000	0.52
24.	Tham Kok Hong @ Tam Kok Ang	932,200	0.50
25.	OSK Nominees (Tempatan) Sdn. Berhad *DBS Vickers Secs (S) Pte Ltd for Kuok Khoon Ho*	812,315	0.44
26.	Citigroup Nominees (Asing) Sdn.Bhd. *CBNY for DFA Emerging Markets Small Cap Series*	787,000	0.42
28.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt An For UBS AG Singapore (Foreign)*	733,100	0.39
28.	Ho So @ Ho Wai Ming	569,250	0.31
29.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt An For Merrill Lynch Pierce Fenner & Smith Incorporated (Foreign)*	511,400	0.28
30.	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. *Tham Hooi Loon (0151)*	500,000	0.27

LIST OF PROPERTIES
AS AT 31 DECEMBER 2011

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	25 years	10,634	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	25 years	6,561	31/12/2009
3	160-4-3 Anson Road, 10400 Penang	Freehold	Apartment	153	30 years	300	31/12/2011
4	588 Changjiang Road, New District Suzhou, Jiangsu, China	Leasehold 50 years Expiring on 17/8/2047	Office/ Factory building	53,325	14 years	31,187	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	599,036	-	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	20 years	703	31/12/2009
8	18 Lengkok Kikik 2, Taman Inderawasih, 13600 Prai, Penang	Freehold	Double storey terrace light Industrial building	330	23 years	440	31/12/2011
9	41 Jalan Chain Ferry, 12100 Butterworth, Penang	Freehold	Double storey terrace shophouse	353	21 years	720	31/12/2011
10	65 Jalan Chain Ferry, 12100 Butterworth, Penang	Freehold	Double storey terrace shophouse	362	21 years	720	31/12/2011
11	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	24 years	430	31/12/2011
12	15 Jalan Nafiri, 14200 Sungai Bakap, Penang	Freehold	1 1/2 storey terrace shoplot	268	19 years	230	31/12/2011
13	17 Jalan Nafiri, 14200 Sungai Bakap, Penang	Freehold	1 1/2 storey terrace shoplot	251	19 years	230	31/12/2011

LIST OF PROPERTIES
AS AT 31 DECEMBER 2011

No.	Address/ Location	Tenure	Description	Area (square metre)	Approximate Age of properties/ buildings	Net Book Value (RM'000)	Date of Re-Valuation
14	1 Jalan Nafiri, 14200 Sungai Bakap, Penang	Freehold	1 1/2 storey terrace shoplot	248	19 years	230	31/12/2011
15	3 Jalan Nafiri, 14200 Sungai Bakap, Penang	Freehold	1 1/2 storey terrace shoplot	251	19 years	230	31/12/2011
16	15 Lorong Nafiri 2, 14200 Sungai Bakap, Penang	Freehold	1 1/2 storey terrace shoplot	354	19 years	230	31/12/2011
17	1308 Jalan Baru, Chai Leng Park, 13700 Prai, Penang	Freehold	2 1/2 storey terrace shoplot	860	27 years	950	31/12/2011
18	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	24 years	46	31/12/2009
19	1-1-05 No. 1, Persiaran Bukit Jambul 1, Complex Relau, 11900 Penang	Freehold	Shoplot	86	17 years	250	31/12/2011
20	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	13 years	-	31/12/2009
21	Lot No. 1692, Mukim 12, Province Wellesley South, Penang	Freehold	Industrial land	21,250	-	1,464	31/12/2011
22	Lot No. 1693, Mukim 12, Province Wellesley South, Penang	Freehold	Industrial land	1,998	-	136	31/12/2011

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 IS HEREBY GIVEN THAT the Forty-Eighth 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 Monday, 28 May 2012 at 11:00 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 2011 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 2011. **Resolution 2**

3. 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 3**

   (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 4**

4. To re-appoint Messrs. Crowe Horwath as Auditors of the Company for the financial year ending 31 December 2012 and to authorized the Directors to fix their remuneration. **Resolution 5**

As Special Business

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

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

   "That pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of all relevant authorities being obtained, the Directors be and are hereby empowered to allot and issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares 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 hereby also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company. "

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

"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

(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."

7. **ORDINARY RESOLUTION – PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Resolution 8**

"THAT authority be and is hereby given pursuant to Paragraph 10.09 and Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for 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 4 May 2012; AND THAT the authority conferred by this new 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 of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at that Annual General Meeting;

(ii) the expiration of the period within which the next Annual General Meeting 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."

8. 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 4 May 2012

Explanatory Notes on Special Business:

Resolution 6
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 Annual General Meeting held on 24 May 2011 which will lapse at the conclusion of the 48th Annual General Meeting ("AGM").

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. In order to avoid any delay and costs involved in convening a general meeting to approve such issuance of shares, the Ordinary Resolution proposed under item 5 of the Agenda, if passed, would give a renewal authority to the Directors of the Company 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. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

Resolution 7
The Ordinary Resolution proposed under item 6 of the Agenda, 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. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM. Further information is set out in the Share By-Back Statement dated 4 May 2012, which is dispatched together with the Company's 2011 Annual Report.

Resolution 8
The Ordinary Resolution proposed under item 7 of the Agenda, 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 the Circular to Shareholders dated 4 May 2012, which is dispatched together with the Company's 2011 Annual Report.

Notes:
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.

Where a member appoints 2 proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

The Form of Proxy must be signed by the appointor or his attorney duly authorized in writing or in the case of corporation shall be either executed under its Common Seal or signed by its attorney or an officer duly authorized.

If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.

If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.

Any Form of Proxy or Power of Attorney (if any) under which it is signed or a certified copy thereof 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.

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

Directors who are standing for re-election by rotation in accordance with Article 99 of the Company's Articles of Association:

No individual is seeking election and/or re-election as a Director at the 48th Annual General Meeting of the Company.

Directors standing for re-appointment in accordance with Section 129(6) of the Companies Act, 1965:

(i) Mr. Lai Chang Hun

(ii) Dato' Seri H'ng Bok San

The details of the above Directors are set out in the section entitled "Directors' Profile" on pages 8 to 10 in this Annual Report.

The details of interest in the securities of the Company held by the said Directors are stated on page 45 of the Audited Financial Statements in this Annual Report.

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FORM OF PROXY

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:-

(i) .... NRIC No. / Company No. ....

of ....and/or

(ii) ....NRIC No. / Company No. ....

of ....
or failing him, the Chairman of the Meeting as my/ our proxy/ proxies to vote for me/ us and on my/ our behalf at the 48th 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 Monday, 28 May 2012 at 11:00 a.m. and at any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxy/proxies are as follow:-

First Proxy....................% Second Proxy....................%

Please indicate with an "X" as to how you wish to cast your vote.

Ordinary Business	RESOLUTIONS	FOR	AGAINST
To receive the Audited Financial Statements for the financial year ended 31 December 2011 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 2011	2		
To re-appoint Mr. Lai Chang Hun as Director	3		
To re-appoint Dato' Seri H'ng Bok San as Director	4		
To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorize the Directors to fix their remuneration	5		
Special Business			
To authorize the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965	6		
Proposed Renewal of Authority for the Company to purchase its own shares	7		
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	8		

Dated this .... day of ....,2012

....
Signature of Member/ Common Seal

Notes:
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.

Where a member appoints 2 proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

The Form of Proxy must be signed by the appointor or his attorney duly authorized in writing or in the case of corporation shall be either executed under its Common Seal or signed by its attorney or an officer duly authorized.

If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.

If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.

Any Form of Proxy or Power of Attorney (if any) under which it is signed or a certified copy thereof 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.

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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