



GUH HOLDINGS BERHAD

(196101000062 (4104-W))



Annual Report 2022

VISION

To be a profitable and well-established conglomerate that maximises the interest for its

SHAREHOLDERS

EMPLOYEES

SUPPLIERS/VENDORS

CUSTOMERS

COMMUNITY

and to achieve sustainability throughout the supply chain

MISSION

FOR ITS SHAREHOLDERS

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

FOR ITS EMPLOYEES

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

FOR ITS SUPPLIERS/VENDORS

- Impartiality in the selection of suppliers/vendors
- Effective communication to facilitate suppliers'/vendors' timeliness and quality

FOR ITS CUSTOMERS

- Respond efficiently to the changing demands of the customers
- Improve product quality and technical innovation to fulfill customers' needs and satisfaction in the market place

FOR ITS COMMUNITY

- Integrate environmental protection into its business and to minimise environmental impact
- Uphold its corporate responsibilities for the benefits of the community

CONTENTS

2	Corporate Profile	62	Additional Disclosure
3	Corporate Information	64	Statement on Risk Management and Internal Control
4	Profile of Directors	67	Audit Committee Report
11	Profile of Management Team	73	Financial Statements
13	Executive Chairman's Statement	147	Analysis of Shareholdings
16	Management's Discussion and Analysis	150	List of Properties
25	Corporate Structure	151	Notice of Annual General Meeting
26	Financial Highlights	157	Statement Accompanying Notice of Annual General Meeting
29	Sustainability Statement		
47	Corporate Governance Overview Statement		• Proxy Form



CORPORATE PROFILE

GUH Holdings Berhad is a Malaysian-based corporation
with key businesses in
electronic, property development and utilities

As a proud and home-grown company
with diversified portfolio,
GUH is committed to building
a sustainable future and bringing positive benefits
to all its stakeholders

www.guh.com.my

Board of Directors

Tan Sri Dato' Seri H'ng Bok San
Executive Chairman

Datuk Seri Kenneth H'ng Bak Tee
Chief Executive Officer/Group Managing Director

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

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

Dato' Dr. Gan Kong Meng
Independent Non-Executive Director

Mr. Teng Chang Yeow
Independent Non-Executive Director

Ms. Phoon Yee Min
Independent Non-Executive Director

Board Committees**Audit Committee**

Ms. Phoon Yee Min (Chairlady)
Dato' Dr. Gan Kong Meng
Mr. Teng Chang Yeow

Risk Management & Sustainability Committee

Ms. Phoon Yee Min (Chairlady)
Dato' Dr. Gan Kong Meng
Mr. Teng Chang Yeow

Nomination Committee

Dato' Dr. Gan Kong Meng (Chairman)
Ms. Phoon Yee Min
Mr. Teng Chang Yeow

Remuneration Committee

Dato' Dr. Gan Kong Meng (Chairman)
Datin Seri Jessica H'ng Hsieh Ling
Ms. Phoon Yee Min

Company Secretaries

Datuk Seri Kenneth H'ng Bak Tee
(LS 0008988) (SSM PC No.: 201908001173)
Kee Gim Tee
(MAICSA 7014866) (SSM PC No.: 201908002255)

Share Registrar

Mega Corporate Services Sdn. Bhd.
(198901010682 (187984-H))
Level 15-2 Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-26924271
Fax: 03-27325388
Email: mega-sharereg@megacorp.com.my

Registered Office

Part of Plot 1240 & 1241
Bayan Lepas Free Industrial Zone
Phase 3, 11900 Bayan Lepas, Penang
Tel: 04-6166333
Fax: 04-6166366
Website: www.guh.com.my

Independent Auditors

Crowe Malaysia PLT
(201906000005 (LLP0018817-LCA) & (AF 1018))
Chartered Accountants
Level 6, Wisma Penang Garden
42 Jalan Sultan Ahmad Shah
10050 Georgetown, Penang
Tel: 04-2277061
Fax: 04-2278011
Website: www.crowe.my

Principal Bankers

United Overseas Bank (Malaysia) Bhd
CIMB Bank Berhad
Malayan Banking Berhad
Hong Leong Bank Berhad
Public Bank Berhad

Stock Exchange Listing

Listed on the Main Market of
Bursa Malaysia Securities Berhad
under Industrial Products Sector

Stock Code: 3247
Stock Name: GUH

PROFILE OF DIRECTORS

Tan Sri Dato' Seri H'ng Bok San, JP

Aged 83, Malaysian
Executive Chairman

Tan Sri Dato' Seri H'ng Bok San is the founder of GUH Circuit Industry (PG) Sdn. Bhd., the Executive Chairman of GUH Holdings Berhad ("GUH") Group and the substantial shareholder of GUH. He was appointed to the Board of GUH on 6 January 1994. He holds directorships in several other private limited companies.



An experienced and well-known entrepreneur who completed his high school examination before obtaining a Certificate in Business Administration and Accounting in Singapore, Tan Sri Dato' Seri H'ng began his career in various fields from marketing management, business administration to the setting up of businesses and manufacturing. Tan Sri Dato' Seri H'ng founded Leader Cable Industry Berhad in 1976 and implemented a restructuring and merger exercise between Leader Cable Industry Berhad and Universal Cable (M) Berhad and established Leader Universal Holdings Berhad as the holding company, which was formerly listed on Bursa Malaysia Securities Berhad. Throughout his career, Tan Sri Dato' Seri H'ng has been very much involved in the business entrepreneurship and he has gained extensive operational experience in the manufacturing as well as the corporate restructuring and merger exercise and many other fields including industry sectors. He has accumulated in-depth knowledge and recognition over the years.

Tan Sri Dato' Seri H'ng's daughter, Datin Seri Jessica H'ng Hsieh Ling and his two brothers, Dato' Harry H'ng Bak Seah and Datuk Seri Kenneth H'ng Bak Tee are also the Directors of GUH. Tan Sri Dato' Seri H'ng is deemed to have an interest pertaining to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature which will be tabled at the forthcoming 59th Annual General Meeting. He is also deemed to be interested in certain recurrent related party transactions or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries as disclosed on page 140 of the Annual Report.

Save as aforesaid disclosed, there are no other business arrangements with the Company in which he has personal interests.

Tan Sri Dato' Seri H'ng attended all of the 4 Board meetings which were held in the financial year ended 31 December 2022.

Datuk Seri Kenneth H'ng Bak Tee

Aged 63, Malaysian

Chief Executive Officer/Group Managing Director

Datuk Seri Kenneth H'ng Bak Tee has been appointed to the Board as the Chief Executive Officer/Group Managing Director of GUH since 1 September 2004. He is a member of the Share Grant Plan Committee of the Board. He also serves as the Director in majority of the subsidiaries of GUH and several other private limited companies.



He started his career with International Business Machines (IBM) in Kuala Lumpur and IBM in Asia South Pacific Area (ASPA) HQ in Hong Kong. He was also with Leader Universal Holdings Berhad (“Leader”) for 16 years.

Datuk Seri Kenneth graduated with a Bachelor of Mathematics (Double Honours) in Computer Science and Combinatoric & Optimization and also holds a Master of Applied Science (Management Science) from the University of Waterloo, Canada. He is currently a Fellow Member of the Institute of Approved Company Secretaries, an Affiliate Member of the Malaysian Institute of Chartered Secretaries and Administrators and a Member of the Registered Financial Planner.

Datuk Seri Kenneth is the brother of the Group’s Executive Chairman, Tan Sri Dato’ Seri H’ng Bok San and the Non-Executive Director, Dato’ Harry H’ng Bak Seah. His niece, Datin Seri Jessica H’ng Hsieh Ling is also a Non-Executive Director of GUH. Datuk Seri Kenneth is deemed to have an interest pertaining to the proposed renewal of shareholders’ mandate for recurrent related party transactions of a revenue or trading nature which will be tabled at the forthcoming 59th Annual General Meeting. He is also deemed to be interested in certain recurrent related party transactions or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries as disclosed on page 140 of the Annual Report.

Save as aforesaid disclosed, there are no other business arrangements with the Company in which he has personal interests.

Datuk Seri Kenneth attended all of the 4 Board meetings which were held in the financial year ended 31 December 2022.

PROFILE OF DIRECTORS

Dato' Harry H'ng Bak Seah

Aged 73, Malaysian
Non-Executive Director

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



Upon completing his high school education, he began his career in the manufacturing and operations of pewter and magnet wire. Subsequently, he ventured into the telecommunications and power cable business. He has held various positions from the Group Managing Director of Leader Universal Holdings Berhad since 1993 until the appointment as the Executive Vice Chairman from 1997 to 2005. Throughout his career, Dato' Harry gained extensive experience which enhanced his knowledge in the manufacturing operations and diversified business environment over the years.

Dato' Harry is the brother of the Group's Executive Chairman, Tan Sri Dato' Seri H'ng Bok San and the Chief Executive Officer/Group Managing Director, Datuk Seri Kenneth H'ng Bak Tee. His niece, Datin Seri Jessica H'ng Hsieh Ling is also a Non-Executive Director of GUH. Dato' Harry is deemed to have an interest pertaining to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature which will be tabled at the forthcoming 59th Annual General Meeting. He is also deemed to be interested in certain recurrent related party transactions or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries as disclosed on page 140 of the Annual Report.

Save as aforesaid disclosed, there are no other business arrangements with the Company in which he has personal interests.

Dato' Harry attended all of the 4 Board meetings which were held in the financial year ended 31 December 2022.

Datin Seri Jessica H'ng Hsieh Ling

Aged 57, Malaysian
Non-Executive Director

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



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

Datin Seri Jessica is the daughter of the Group's Executive Chairman, Tan Sri Dato' Seri H'ng Bok San. Both her uncles, Dato' Harry is the Non-Executive Director and Datuk Seri Kenneth is the Chief Executive Officer/Group Managing Director of GUH. Datin Seri Jessica is deemed to have an interest pertaining to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature which will be tabled at the forthcoming 59th Annual General Meeting. She is also deemed to be interested in certain recurrent related party transactions or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries as disclosed on page 140 of the Annual Report.

Save as aforesaid disclosed, there are no other business arrangements with the Company in which she has personal interests.

Datin Seri Jessica attended 3 of the 4 Board meetings which were held in the financial year ended 31 December 2022.

PROFILE OF DIRECTORS



Dato' Dr. Gan Kong Meng

Aged 68, Malaysian

Independent Non-Executive Director

Dato' Dr. Gan Kong Meng was appointed as an Independent Non-Executive Director on 1 June 2015. He serves as the Chairman of Nomination Committee, Remuneration Committee and Share Grant Plan Committee. He is also a member of Audit Committee and Risk Management & Sustainability Committee. He was previously a Senior Vice President for corporate integrity/surveillance & security and Chairman for credit review and risk assessment/investor relations of a public listed company till 15 March 2020. Key responsibilities included implementing internal controls, working with relevant authorities and adopting important rules such as those relating to business relations and those relating to the prevention of money laundering and terrorist financing.

Dato' Dr. Gan graduated from the University Science Malaysia with a Bachelor of Science Degree in Physics & Mathematics, a Master of Social Science Degree in Anthropology/Sociology and he also obtained a PhD in Drug Research.

Dato' Dr. Gan served in the Royal Malaysia Police for more than 30 years before retiring in early January 2015. He was the OCPD of Georgetown, Penang, OCCI of Kuala Lumpur City and he also held various positions in the special branch, management as well as public order. Dato' Dr. Gan's vast experience will benefit the Group in reinforcing the security and risk management issues.

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

Dato' Dr. Gan attended all of the 4 Board meetings which were held in the financial year ended 31 December 2022.



Ms. Phoon Yee Min

Aged 41, Malaysian

Independent Non-Executive Director

Ms. Phoon Yee Min has been appointed to the Board as an Independent Non-Executive Director of GUH on 30 May 2022. She serves as the Chairlady of Audit Committee and Risk Management & Sustainability Committee and a member of Nomination Committee, Remuneration Committee and Share Grant Plan Committee of the Board. Ms. Phoon also sits on the Board of a few public listed companies, namely Mi Technovation Berhad, Coraza Integrated Technology Berhad and L&P Global Berhad.

Ms. Phoon graduated from Universiti Sains Malaysia with a Bachelor of Accounting Degree. She is a member of the Association of Chartered Certified Accountant (ACCA) and the Institute of Internal Auditors Malaysia (IIAM). She is also a member of the Malaysian Institute of Accountants (MIA) and a Certified Internal Auditor (CIA). Ms. Phoon is familiar with financial reporting standards and has extensive experience in providing internal audit, risk management and process improvement engagements to clients in various industries in Malaysia, China, Taiwan, Singapore, Indonesia, Philippines and Cambodia through her career in an international audit firm in the past.

She is currently a Partner of MCM International Consultancy PLT, a consulting firm that provides outsource internal audit and enterprise risk management services, due diligence services, business proposals, policies and procedures establishment, sustainability reporting, corporate governance and compliance services.

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

Ms. Phoon attended all of the 2 Board meetings which were held in the financial year ended 31 December 2022 subsequent to her appointment on 30 May 2022.

PROFILE OF DIRECTORS



Mr. Teng Chang Yeow

Aged 58, Malaysian

Independent Non-Executive Director

Mr. Teng Chang Yeow has been appointed to the Board as an Independent Non-Executive Director of GUH on 30 May 2022. He serves as a member of Audit Committee, Risk Management & Sustainability Committee and Nomination Committee of the Board. Mr. Teng also sits on the Board of several local private limited companies.

Mr. Teng graduated from the Universiti Sains Malaysia with a Bachelor of Arts (Hons) Degree. He was a State Executive Councillor (EXCO) from 2004-2008 holding the portfolio of Tourism Development and Environment. He served as the Chairman of Nominating Committee, member of Audit Committee and Remuneration Committee of GCCP Resources Ltd.

Save as aforesaid disclosed, Mr. Teng does not have any family relationship with and is not related with any Director and/or major shareholder of GUH.

Mr. Teng attended all of the 2 Board meetings which were held in the financial year ended 31 December 2022 subsequent to his appointment on 30 May 2022.

None of the Directors of GUH have committed any offences within the past 5 years other than traffic offences nor been imposed with public sanction or penalty by the relevant bodies during the financial year.

Mr. Lewis H'ng Chun Li

*Chief Operating Officer – Corporate Office
Aged 35, Male, Malaysian*

Qualifications:

- Bachelor Degree in Economics, Monash University, Australia

Working experiences:

- Gained extensive knowledge and experience in business management from Citigroup and Kiyamas Group of Companies
- 2 years working experience as Deputy General Manager in GUH Circuit Industry (Suzhou) Co. Ltd.
- Personal Assistant to CEO/Group Managing Director of GUH Holdings Berhad
- General Manager of Corporate Division of GUH Holdings Berhad
- Chief Operating Officer of Corporate Division of GUH Holdings Berhad

Appointment to the current position:

- 1 October 2017

Mr. Lewis H'ng is the son of Datuk Seri Kenneth H'ng Bak Tee, CEO/Group Managing Director. He is also the nephew of Tan Sri Dato' Seri H'ng Bok San and Dato' Harry H'ng Bak Seah and cousin of Datin Seri Jessica H'ng Hsieh Ling.

Mr. Lewis H'ng sits on the board of the majority of subsidiaries of GUH. He 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 59th Annual General Meeting.

Mr. George Koay Soo Keat

*General Manager – Corporate Office
Aged 37, Male, Malaysian*

Qualifications:

- Fellow member of the Association of Chartered Certified Accountants (UK)
- Member of the Malaysian Institute of Accountants
- Chartered Accountant

Working experiences:

- More than 16 years of experience in the field of Corporate Finance, Strategic Planning, Business Development, Accounting, Auditing and Corporate Advisory

Appointment to the current position:

- 1 January 2021

Mr. Lim Chin Wang

*Senior General Manager – Utilities Division
Aged 44, Male, Malaysian*

Qualifications:

- Bachelor Degree in Chemical Engineering, University of Technology Malaysia
- Registered Engineer of Board of Engineer Malaysia

Working experiences:

- More than 21 years of experience in planning and implementation of large scale water and wastewater projects, having worked in among others, Biwater, Hyflux and MMC
- Identification and acquisition of water and wastewater treatment plants

Appointment to the current position:

- 1 January 2018

PROFILE OF MANAGEMENT TEAM

Dr. Brian Kok Siew Foong

*Senior General Manager – Electronic Division
Aged 66, Male, Malaysian*

Qualifications:

- Diploma in Electronics Engineering, ICS Schools, UK
- Master in Business Administration
- Doctorate of Philosophy in Business Administration, Bulacan State University of Philippines
- Member of The Institution of Engineering and Technology UK (MIET)

Working experiences:

- Test Equipment Engineer with Sanyo Electric
- Senior Design Engineer/R&D Project Manager with Grundig R&D
- Production Manager with Asian Driveshaft
- Application Engineering & Commercial Manager with GKN Driveline
- Personal Assistant to Group Executive Director with GUH Electrical Appliances Sdn. Bhd.
- Personal Assistant to General Manager with GUH Circuit Industry (PG) Sdn. Bhd.
- General Manager of GUH Circuit Industry (PG) Sdn. Bhd.

Appointment to the current position:

- 9 January 2023

Mr. Leow Chee Jian

*Deputy General Manager – Properties Division
Aged 57, Male, Malaysian*

Qualifications:

- Certificate in Architecture
- Diploma in Civil and Structure Engineering

Working experiences:

- More than 32 years of experience in construction and property development inclusive of design, planning, implementation, marketing and sale administration

Appointment to the current position:

- 1 January 2018

Additional notes on the above Management Team

Save as aforesaid disclosed, none of the Management Team has:

1. Directorship in public companies and listed issuers;
2. Family relationship with any director or/and major shareholder of the Company;
3. Conflict of interests with the Company; and
4. Committed any offences within the past 5 year other than traffic offences nor been imposed with public sanction or penalty by the relevant regulatory bodies during the financial year.

On behalf of the Board of Directors of GUH Holdings Berhad (“GUH” or “the Company”), I am pleased to present the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2022.

Performance Overview

The revenue for GUH Group was RM275.8 million, RM3.0 million lower than revenue for year 2021 of RM278.8 million. The decrease in revenue was mainly due to the absent on gain sale of development land offset by improved contribution from Properties Division. GUH Group recorded a lower profit before tax of RM1.1 million for year 2022 compared to profit before tax of RM18.1 million for year 2021. This was mainly due to lower contribution from Electronic Division and Utilities Division, reversal of amortisation of financial guarantee contract and absence of gain on disposal of associate.

GUH Group remains resilient in delivering value to the shareholders despite of the challenging and competitive business environment and global economy.

Significant Event

On 2 November 2022, the Board of Directors of GUH announced that its wholly-owned subsidiary known as GUH Capital Sdn. Bhd. (“GUH Capital”) has entered into share purchase agreement and share subscription agreement to acquire 5,500 ordinary shares and to subscribe for 5,000 new ordinary shares in the share capital of Star Wheels Electronic Sdn. Bhd. (“Star Wheels”). The acquisition and subscription of shares in Star Wheels (“the investment”) are part of GUH’s plan to enter into the electric vehicles (“EV”) and EV-related business whereby it has provided an established platform with good growth prospects, and expected to contribute to the long-term growth of GUH Group. The investment has been completed and Star Wheels is now a 70%-owned subsidiary of GUH Capital.

On 31 January 2023, the Board of Directors of GUH also announced that GUH eVehicle Sdn. Bhd. (“GUH

eVehicle”), an indirect wholly-owned subsidiary of GUH has entered into a Memorandum of Understanding (“MOU”) with Jiangsu Xinri International Trading Co., Ltd. (“Xinri International”) to appoint GUH eVehicle as Xinri International’s exclusive representative to market, promote, distribute, assemble, manufacture and sell electric vehicles supplied by Xinri International in Malaysia. The long-term prospects of EV industry in Malaysia are bright, given the national and global efforts to address climate change. EV industry in neighbouring countries is performing well but is still relatively under-developed in Malaysia. As such, GUH eVehicle sees an opportunity to develop and serve this market.

The Board of Directors of GUH has on 20 February 2023 announced the proposed diversification of the existing principal business activities of GUH Group in manufacturing and sales of printed circuit boards (“PCB”) to include renewable energy business such as solar energy and related businesses. Due to the increasing competition in PCB industry and to mitigate the reliance on its existing activities, GUH has been continuously seeking for opportunities to diversify into other viable business. The proposed diversification is anticipated to provide an additional stream of income to GUH Group. The aforesaid proposed diversification of GUH Group’s principal business will be recommended for shareholders’ approval at the forthcoming 59th Annual General Meeting

Sustainability of Business

GUH Group’s existing principal business comprises amongst others the manufacturing and sale of PCB, catering to communication, audio and video, computer, automotive, home appliances and other consumer products, which has been the Group’s mainstay operations and primary contributor to the Group’s revenue

EXECUTIVE CHAIRMAN'S STATEMENT

and profitability over the years. Due to the increasing competition in the PCB manufacturing industry and the emergence of new competitors, the Group has been exploring various initiatives to reduce the reliance on its existing activities and main core business operations. These ventures include EV and EV-related business and the renewable energy business and related activities, such as solar energy projects.

EV is a global trend and stakeholders from governments to manufacturers are putting effort into moving from traditional petrol-fuel vehicles to EV. The global EV market is expected to grow exponentially in the near future, driven by various factors including global concerns for pollution, governmental policies, advancements in technology and etc.

The Board of GUH always acknowledges that maintaining a good business is not solely about achieving the desired financial bottom line, but also being ethical and sustainable. Therefore, GUH Group will continue to embrace sustainability in carrying out its business conduct and operations to maintain good corporate governance and in compliance with the relevant regulatory requirements, including considering the impact on the environment and society in which it operates to create long term value for its stakeholders.

GUH Group also believes that it is crucial to maintain good working environment and healthy lifestyle with proper work life balance to increase staff's productivity and efficiency at work. More information on GUH's initiatives is disclosed in the Sustainability Statement of the Company's Annual Report 2022.

Corporate Governance

In line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance, the Board firmly believes that good governance enables the Group to hold the trust of its stakeholders. The Board is committed to maintain the highest standards of corporate governance across

the business to support the delivery of GUH's business strategy. Therefore, the Board always mindful of its duties and will continue to uphold and foster a strong culture on corporate governance as the Board believes that is the platform to safeguard the best interest of the Company and its shareholders while ensuring that the interests of other stakeholders are not compromised.

GUH carries out all the business dealings with integrity and has adopted a zero-tolerance approach against all forms of bribery and corruption. GUH adheres to the principles of good corporate governance and emphasises on operating its business with fairness and transparency.

Further to the introduction of the new Malaysian Code of Corporate Governance on 28 April 2021, GUH has adopted the new principles and amendments to improve the overall Board effectiveness. The Board composition has been refreshed with new experiences and skills with the effort for compliance and in line with the best practices of corporate governance. Ms. Phoon Yee Min and Mr. Teng Chang Yeow have been appointed as Independent Directors to the Board with effect from 30 May 2022 subsequent to the retirement of the four (4) long serving Independent Directors on the even date namely Mr. Chew Hock Lin, Dato' Ismail Bin Hamzah, Dato' Lai Chang Hun and En. W Ismail Bin W Nik.

More information in relation to corporate governance can be found in the Corporate Governance Overview Statement of the Company's Annual Report 2022.

Dividend

Dividend was not declared by the Board for the financial year ended 31 December 2022 due to the uncertain market condition and performance of the Group.

Related Party Transactions

Save as disclosed above, the related party transactions of the Group are disclosed in Note 33 of the Notes to

the Financial Statements which also set out the recurrent related party transactions conducted during the year in accordance with the mandate obtained from the shareholders at GUH's Annual General Meeting held on 30 May 2022. Except as aforesaid disclosed, there is no other material contract involving the interest of the Directors and major shareholders during the year.

Outlook and Prospects

As countries are striving to recover from the aftereffect of COVID-19 pandemic, the global economy faces new challenges such as the Russia-Ukraine war and other geopolitical tensions. Amid the uncertainty surrounding the stability of the global economy, the business environment will remain challenging. GUH Group will cautiously optimistic on its business operations in year 2023 whilst challenges remain with rising inflation, spike in raw material price, supply chain disruption and continuing manpower shortage from the transition to endemicity.

It is foreseeable that the Malaysian economy is staging a rebound on most fronts, riding the positive momentum of the country's high vaccination coverage and ongoing vaccine booster rollout. It has also seen the resumption of most economic activities without the risk of further wide lockdown in the country despite the emergence of the Omicron variant of COVID-19, causing some negative impact and posing a potential threat which could delay recovery to persist in 2023.

GUH is thrilled about the prospects of the Group's new venture into Taiwan renewable energy sector due to good potential for GUH Group to diversify its business. The acquisition of EV-related business is also part of the business expansion plan in growing the income of GUH Group and effort in preserving greener environment through the usage of renewable charging which in turn reduces the emission of pollutants that is harmful to the environment.

GUH Group will continue remain committed to deliver

sustainable growth for its existing businesses and tap into new business opportunities for growth arising from new market dynamics post-pandemic environment.

Appreciation

It has been a privilege to have chaired GUH this past year. This role would have been impossible without the support and cooperation of my fellow Board Members and I would like to thank them for their contribution and input during this past year. Special thanks and gratitude to all the long serving Independent Directors, namely Dato' Lai Chang Hun, En. W Ismail Bin W Nik, Dato' Ismail Bin Hamzah and Mr. Chew Hock Lin for their contribution and commitment throughout their tenure of service with GUH who had retired from the Board on 30 May 2022. All the best to their future endeavors. On behalf of the Board, I would like to welcome Ms. Phoon Yee Min and Mr. Teng Chang Yeow on board as the Company's new Independent Directors with effect from 30 May 2022.

The Board and I would like to take this opportunity to express our sincere appreciation to the management and staff for their continuous valuable contribution, loyalty and dedication to the Group. We also wish to record our heartfelt gratitude to our shareholders, employees, suppliers/vendors, customers, bankers, business associates and all the respected government authorities for their invaluable support and assistance, continuous trust and understanding during the year.

Tan Sri Dato' Seri H'ng Bok San, JP

PSM, DPPN, DGPN, DSPN, PKT, PJK

Executive Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS

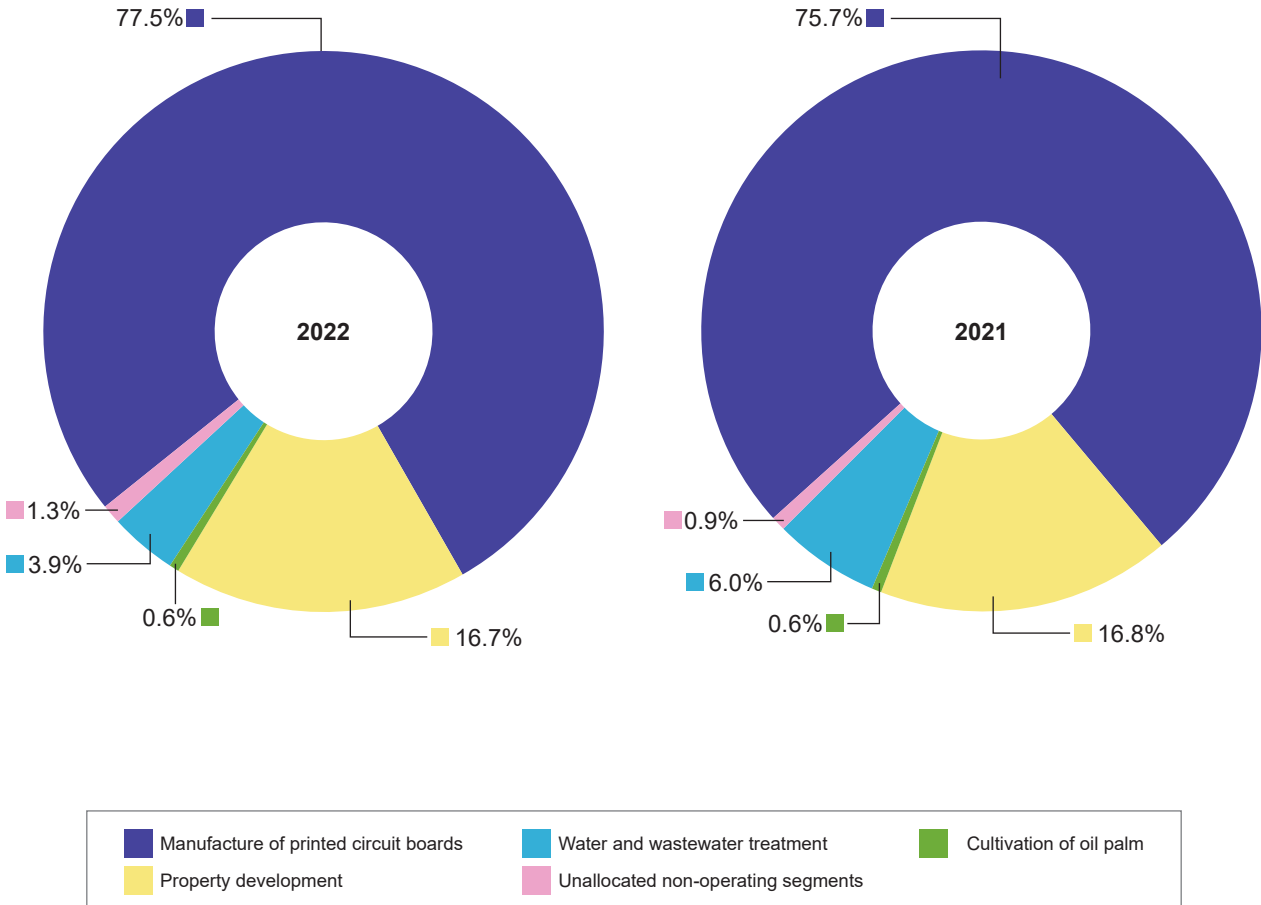
For the financial year ended 31 December 2022, GUH Group recorded a lower revenue of RM275.8 million compared to RM278.8 million for the year 2021.

Electronic Division improved its contribution to RM213.9 million or 77.5% of Group revenue (year 2021: RM210.9 million or 75.7%) whilst Investment Division achieved a higher revenue of RM3.6 million or 1.3% of Group revenue (year 2021: RM2.6 million or 0.9%).

In contrast, Utilities Division recorded a lower revenue from RM16.8 million in the year 2021 to RM10.7 million in the year 2022 due to lower percentage of completion for road construction and water projects in the year 2022.

In addition, Properties Division generated a slightly lower revenue of RM46.1 million or 16.7% of Group revenue (year 2021: RM46.8 million or 16.8%) mainly due to the absence of disposal of land during the year which was offset with increased sales of properties units whilst Plantation Division's revenue had decreased to RM1.6 million or 0.6% of Group revenue for the year 2022 (year 2021: RM1.7 million or 0.6%) due to the higher CPO price but lower FFB output.

GUH GROUP REVENUE BY SEGMENT



MANAGEMENT'S DISCUSSION AND ANALYSIS

Due to the challenging market condition, GUH Group recorded a lower profit before tax of RM1.1 million for year 2022 in contrast to a profit before tax of RM18.1 million for year 2021 mainly due to lower contribution from Electronic and Investment Divisions.

Properties Division recorded a higher profit before tax of RM10.1 million for year 2022 compared to RM9.9 million for year 2021 in line with higher property units sold.

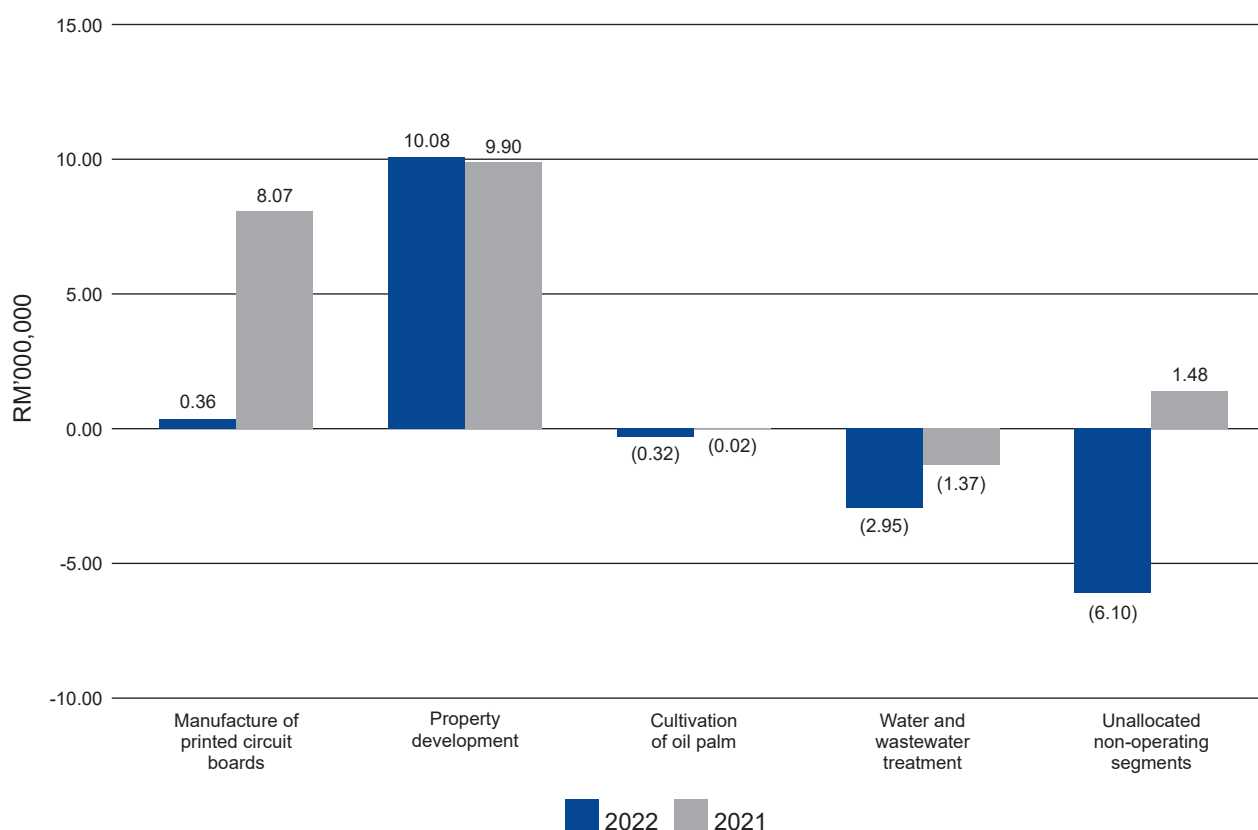
On the other hand, Electronic Division generated a lower profit before tax of RM0.4 million for year 2022 compared to RM8.1 million for year 2021 mainly due to unfavourable sales mix and foreign exchange.

Investment Division incurred a loss before tax of RM5.3 million for year 2022 in contrast to a profit before tax of RM1.3 million mainly due to absence of gain on disposal of associate.

Utilities Division had widened the loss before tax of RM3.0 million for year 2022 compared to RM1.4 million for year 2021 mainly due to lower percentage of completion for water projects. Plantation Division's loss before tax of RM0.3 million for year 2022 was higher than RM0.02 million for year 2021 mainly due to lower FFB output coupled with unfavourable fair value changes in biological assets.

The share of associates' loss had increased to RM0.6 million for year 2022 in contrast to a positive contribution of RM0.2 million for year 2021 mainly due to higher administrative expenses and finance costs.

GUH GROUP PROFIT/(LOSS) BEFORE TAX BY SEGMENT



MANAGEMENT'S DISCUSSION AND ANALYSIS

ELECTRONIC DIVISION

Manufacturing of Printed Circuit Boards (PCB)

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

Overview of Business and Operations

GUH PG is a PCB maker, positioned at almost the front end of the supply chain and one position below Copper Clad Laminate ("CCL") makers. GUH PG's business model is manufacturing PCB according to customers' designed requirements from designing to prototyping, to pilot run samples and finally to production. GUH PG runs the steps of DFMEA ("Design Failure Mode and Effect Analysis"), PFMEA ("Process Failure Mode and Effect Analysis"), PPAP ("Production Part Approval Process") and Mass Production Kaizen (Continuous Improvement). As a quick overview in 2022, GUH PG's "End Product Segment" consists of air-conditioners, hi-end audio products, musical instruments, automotive, visual products and a smattering of others, ranging from walkie-talkies to office automation.

GUH PG has put in almost 11 years of effort in re-strategising and investments to machine, material, methodology and manpower with the objective to revamp GUH PG from a Single Sided PCB to Double Sided PCB maker and current capability of 6 Layer Multi-Layer PCB. At this report date, GUH PG is redoubling efforts to penetrate US and European companies with a direction towards the automotive PCB to boost its client base and profitability.

Performance Commentary

GUH PG's market share in Malaysia for consumer product PCB is approximately 70.0%. Its customers consist of mostly Japanese companies with almost all the Japanese companies resident in Malaysia. Its market share of PCB in certain car infotainment and telematics set maker



in Indonesia is 75%. On the Thailand front, GUH PG successfully occupied higher order requirements in air-conditioner maker.

A comparison of year 2022 revenue versus year 2021 showed a slight improvement in revenue performance of RM213.9 million as compared to RM210.9 million, an increase of RM3.0 million. However, the adverse impact of increased CCL prices, USD/MYR currency movement and the increase in Malaysian minimum wages to RM1,500.00, resulted in a weaker performance than year 2021 at the GP and PBT level. In addition to the unfavorable macro events, there are some unpropitious internal incidents such as water disruptions for 3 days and a major Thailand customer requested to onhold shipments due to semi-con chip's supply problem.

Capital Expenditure Discussions

Having assessed the market situation, GUH PG team will put in all efforts on the efficiency of internal operations, improving yield, chemicals, consumables cost, man-minutes and better output efficiency to maximise existing assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Against this background in 2023, GUH PG places more importance on upgrading the plant with the objective of improving the capability to divert from consumer product PCB towards manufacturing PCB with higher complexities. Going forward, the concurrent objective of the machines submitted are to improve quality and yield.

Trends and Events

GUH PG is a small player in the global PCB industry though it is the largest in Malaysia and thus faces constant competition from big PCB companies in Thailand. In addition, it is aware of the potential risks in the big four PCB companies with news of their factory investments and acquisitions in Malaysia, namely Simmtech Korea investing in an 18 acre PCB Plant in Batu Kawan Science Park, Penang with an investment of RM508.0 million; AT & S of Austria investing in a 49 acres PCB Plant in Kulim Hi-Tech Park, Kedah with an investment of RM8.5 billion; TTM Technologies investing in a 27 acres PCB Plant to be located at the Science Park in Penang with an investment of RM546.0 million and Excelsus Holdings, Inc. announces the acquisition of Spectrum Integrated Technologies Sdn. Bhd. in Johor Bahru through its wholly owned subsidiary Excelsus Technologies (M) Sdn. Bhd.. GUH PG shall monitor the competitive landscape in order to be alert to and address new threats.

Operating Activities, Objectives and Strategies

With a re-strategising exercise which has been planned 5 years ago, GUH PG is getting stronger in air-conditioners, musical instruments and automotive infotainment applications. Nevertheless, market conditions as seen from the time of this report are softening more from the overall global effect, and sales order input is expected to dip below its invested capacity in some weaker months. As earlier remark on the worldwide sentiments of a gloomy Purchasing Managers Index ("PMI"), consumer electronics manufacturers are still facing the unresolved

issue of shortage of semiconductor chips and the weaker US and Euro economy has cast a shadow on demand that is expected to prevail in 2023.

Short Term Strategy: GUH PG has taken action to negotiate and implement new prices befitting the situation and changing to USD contracts. Most of its customers are now contracted and transacted in USD to have a natural hedge against the USD volatility. GUH PG is confident to be on a stable footing and with the new strategies that it is covering in the later part of the report, GUH PG is confident that it will remain as one of the top local PCB makers in Malaysia.

Medium Term Strategy: The medium term strategy is to spread its market segment across the mainstays of established customers of PCB for automotive, IoT, network, pianos, medical and industrial.



Risks Discussions

Environment Awareness in Daily Operations: Manufacturing PCB have an inherent risk of water and air discharges over other industries. In order to ensure compliance to the environmental laws of Malaysia, GUH PG has three wastewater plants in operation and its water discharge standards are checked by the certified laboratory Eurofins NM Laboratory Sdn. Bhd.. GUH PG operates twelve units of gas scrubbers to ensure air discharges surpass regulatory standards and air emission is checked by the certified laboratory.

MANAGEMENT'S DISCUSSION AND ANALYSIS



Changes in Raw Material Cost: Another risk is the frequent CCL price increase due to the copper commodity's price movements. CCL prices increased 45.0% on average from 2016 to 2018. Nevertheless, with good negotiation efforts led by its Sales and Marketing Team, GUH PG managed to convince customers of its dilemma and shall be making selling price adjustments from time to time as the situation warrants.

Rule of Minimum Wages at RM1,500.00: On 19 March 2022, the Prime Minister announced the implementation of RM1,500.00 minimum wage commencing 1 May 2022. Nevertheless, GUH PG knew that the hike of salary in Malaysia is unavoidable and that the difficulty of hiring foreign workers will not ease. Thus, actions to reduce the reliance on foreign workers has been ongoing and it is pursuing actions seriously. Part of GUH PG long-term strategy is vested in gradually implementing semi-automation of identified processes of repetitive tasks and human mistake prone processes in order to mitigate the advent of the labour scarcity era in Malaysia. Its vision is to move up the value chain in products in layers count as well as to attempt inroads of PCBs for HDI, automotive, industrial, 5G and IoT domains and concurrently to improve the process chain in automation-assisted production in order to reduce its reliance on foreign workers as much as possible.

Currency Fluctuations: The USD/MYR currency fluctuation continues to pose a risk to the operations as it is a "double edged sword". Weakening MYR poses

a threat in those sales contracted in MYR whereas the USD weakening impacts the receivables and payables balance. Actions taken by GUH PG include the change of most selling contracts and payment from customers to USD to get some protection against MYR weakening as well as to hedge USD surpluses every week.

Product and Service Quality: Except for the normal operations and customer's usual Quality communications GUH PG does not have any serious customer quality risks at the moment of the report. In fact its customers' overall quality return index is below the 100PPM mark. The latest commendation received is from ITAK Thailand for Quality, Delivery and Support.

Going Forward

Despite being a renowned local PCB company in the country and many years of relentless effort, GUH PG is still outside the top 100 ranking in the PCB world. Nevertheless from a macro perspective, the chance to go further for GUH PG is there. The factors for a Malaysian PCB company to do more include, the "spill over" from the China - US debacle. Since last year GUH PG has been receiving numerous requests for quotation ("RFQ") from US and European companies. It has in recent months seen the trend whereby some Chinese PCB companies that were supplying US and European companies in the field of telecommunications, servers, medical equipment, spectrum analysers went on fact finding missions in Thailand and Malaysia with the specific purpose of establishing a foothold in anticipation of the need to diversify their manufacturing locations due to the fear of heightening US and European import rules on the made in China products. GUH PG has been visited by some Chinese companies that have shown interest to join together to pursue potential collaboration.

PROPERTIES DIVISION

Property Development

GUH Properties Sdn. Bhd. (GUH Properties)

GUH Land Sdn. Bhd. (GUH Land)

GUH Development Sdn. Bhd. (GUH Development)

GUH Centralised Dormitory Sdn. Bhd. (GUH CD)

GUH Realty Sdn. Bhd. (GUH Realty)

Milan Diamond Sdn. Bhd. (Milan Diamond)

In 2022, GUH Properties achieved RM46.1 million in total sales and RM11.1 million in profit before tax. By comparing to the result in 2021, sales and profit before tax have been improved by RM16.0 million and RM2.8 million respectively.

The development lands of GUH Properties, namely Taman Bukit Kepayang is strategically located in the full-fledged Seremban town, right beside North-South highway and the gateway of Seremban toll. It is also at the main corridor of Jalan Sungai Ujong that links to the old and new Seremban town with excellent traffic network as well as public amenities and facilities, which comprises shopping malls, medical centers, commercial hubs, and sports centers are within reach.

Kepayang Sentral, a mixed commercial development, is well located next to the exit of Seremban/Labu toll. The development comprises ranges of commercial premises. Part of the subject development has commenced. The first phase of Kepayang Sentral, which comprises of 28 units of shop-office has been completed in the year 2021, while the subsequent second phase has been launched at the beginning of year 2022. The development is devised with a modern sophisticated design. In addition, the concept offers the widest shop front of 30 feet in Seremban, which is in conjunction with the exuberant commercial business in the vicinity. The second phase is expected to complete by September 2023. GUH Properties anticipates that the product range will be well received with demand in the market.

In the fiscal year of 2022, endemic COVID-19 and Russia-Ukraine warfare have severely impacted the economy at the global scale. The supply of raw materials

and labour are significantly affected by such situations, which increased the cost of production considerably. GUH Properties consistently strives to sustain the market share by identifying and supplying the current property demand and enhancing its products despite challenging market ahead partly due to adverse market outlook affected by various factors such as endemic COVID-19, weak currency and soft property market. GUH Properties will continue to increase marketing efforts as well as giving out captivating packages to draw sales and tackle the sluggish and competitive property market. The management has re-planned part of the subject land to affordable product range for market needs to encounter current sluggish market.

GUH Development embarks on masterplan development known as SA Central which comprises of drive-thru restaurants, retails shops, condominium, service apartments and terrace houses in the centre of the township of Simpang Ampat, Pulau Pinang. It is located in the centre of this integrated township and will be surrounded by integrated infrastructures, public transport systems, residential housing, and commercial hub. A collaboration with QSR Stores Sdn Bhd has produced the first KFC drive-thru restaurant in Simpang Ampat which has further boosted commercial development value as well as the whole integrated township. The KFC drive-thru restaurant has been completed and started its operation in mid-2022, generating recurring rental income for GUH Development. Terrace houses has been scheduled to launch in mid-2023 and retail shops to be scheduled in the near future.

GUH CD is a joint venture company between GUH Asset Holdings Sdn. Bhd. ("GUH Asset") and Centralised

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dormitory Sdn. Bhd.. GUH CD is currently developing a foreign worker dormitory project at Sungai Bakap, Pulau Pinang. This purpose-built lodge is constructed on 7.62 acres of land in the Northern Region of Malaysia with a full capacity of 5,025 beds and fully integrated recreational facilities. The project is in close proximity to Batu Kawan Industrial Park, Bukit Minyak Industrial Park and Nibong Tebal Industrial Park that caters for the needs of foreign workers' accommodation. The completion of the project is scheduled to be commissioning on first quarter of 2024.

With part of the Sungai Bakap land being developed as workers dormitory, GUH Realty is planning for a medium industry development for the balance 9.69 acres of its land at Sungai Bakap, Pulau Pinang.

Besides, Milan Diamond, a wholly-owned subsidiary of GUH Asset, has completed the construction of an international school building at Tamansari, Rawang,

Selangor in 2018. The land and building are currently leased to Straits International Education Group (SIEG) on long term basis.

In view of the current challenging economic atmosphere and hike of living cost, more efforts will be taken into boosting up sales. GUH Properties has capitalised the opportunity under the recent released government programme, namely i-MILIKI with effect from 1 June 2022 to 31 December 2023, which provides the first homebuyer with a stamp duty reduction of 50.0% and 100.0% for the properties' price below RM1.0 million and RM500,000 respectively. Properties Division shall implement more marketing strategies to sustain stable sales and withstand the fierce competition from the local property market. Events, multimedia publicity and property types suited to consumers' lifestyle have been orchestrated and organised to gain market share and awareness towards GUH Group.



UTILITIES DIVISION

Water & Wastewater Solutions

Teknoserv Engineering Sdn. Bhd. (Teknoserv)



For financial year 2022, Teknoserv recorded a lower revenue of RM13.0 million as compared to RM17.4 million for year 2021. In view of the lower revenue generated, Teknoserv incurred a loss before tax of RM1.6 million for year 2022.

As at 31 December 2022, Teknoserv has five on-going projects which consist of one sludge treatment plant project, two sewerage treatment plant projects and two road construction projects. Its order book stands at RM96.0 million as at December 2022, with unbilled balance of RM84.0 million.

Subsequent to the 15th General Election of the Country, various government agencies or authorities have resumed tendering exercise for new projects. Teknoserv anticipates construction industry in Malaysia will slowly go through recovery phase in coming years. Teknoserv's team will continue its best endeavour to actively participate in new tenders available in the market, particularly in Peninsular Malaysia as well as Sarawak

state. In order to achieve competitive pricing, Teknoserv has also established strong networking and maintaining close relationship with local partners, supply chain and sub-contractors.

On the other hand, the weakening of Malaysia currency and excessive price escalation of construction material and equipment over the last few years have been the major operational issues faced by most of the construction industry players. In order to mitigate the risk, Teknoserv always gets itself updated with the latest materials and equipment price and secure longer price validity period whenever possible, before accepting a new contract.

While keeping busy on the execution of existing projects, Teknoserv is striving to further expand its portfolio particularly in East Malaysia and SEA countries. Meantime, Teknoserv is actively exploring and looking forward to making its foray into growing SEA countries via Build, Operate, Transfer (BOT) investment in the SEA countries' water and wastewater projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLANTATION DIVISION

Cultivation of Oil Palm

GUH Plantations Sdn. Bhd. (GUH Plantations)

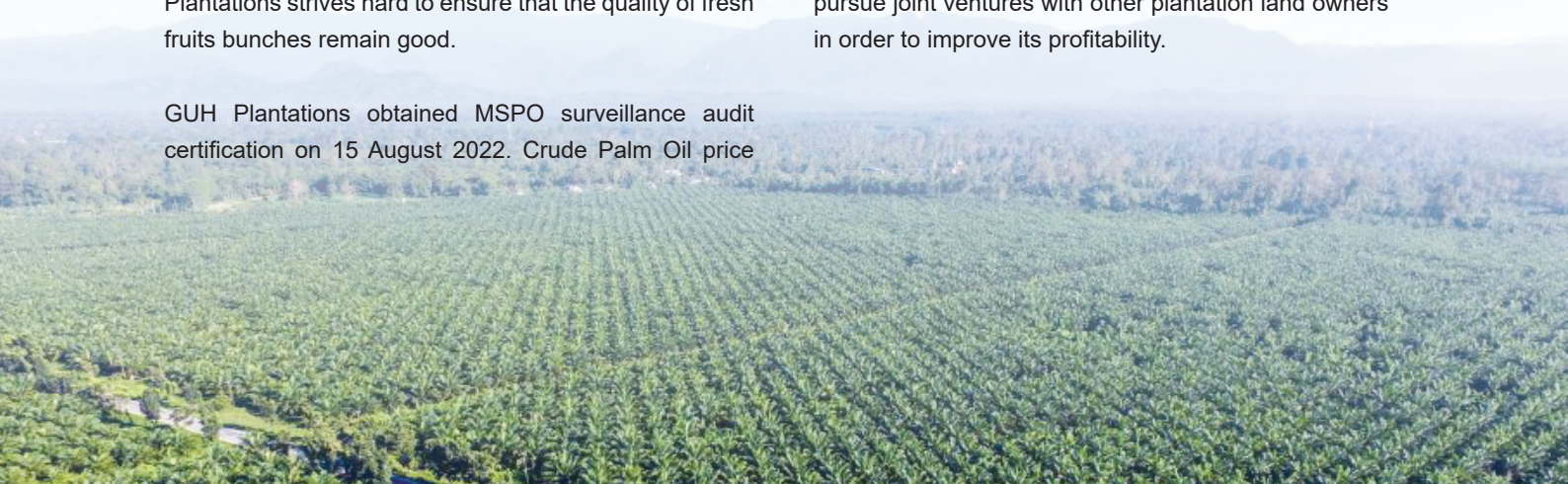
Compared to 2021, yield has decreased by 1.35mt per acre per year to 5.15mt per acre per year. Plantation yield is directly influenced by weather and rainfall.

The Average Oil Extraction Rate ("OER") offered by oil mills has been increased from 19.0% to 19.5%. GUH Plantations strives hard to ensure that the quality of fresh fruits bunches remain good.

GUH Plantations obtained MSPO surveillance audit certification on 15 August 2022. Crude Palm Oil price

closed at RM3,960.50 per mt in December 2022, decreased by 21.9% compared to 2021 at RM5,070.00 per mt. Malaysia's palm oil stock has increased from 1.6 million mt in Dec 2021 to 2.2 million mt in Dec 2022.

GUH Plantations is planning to lease land in Malaysia or pursue joint ventures with other plantation land owners in order to improve its profitability.

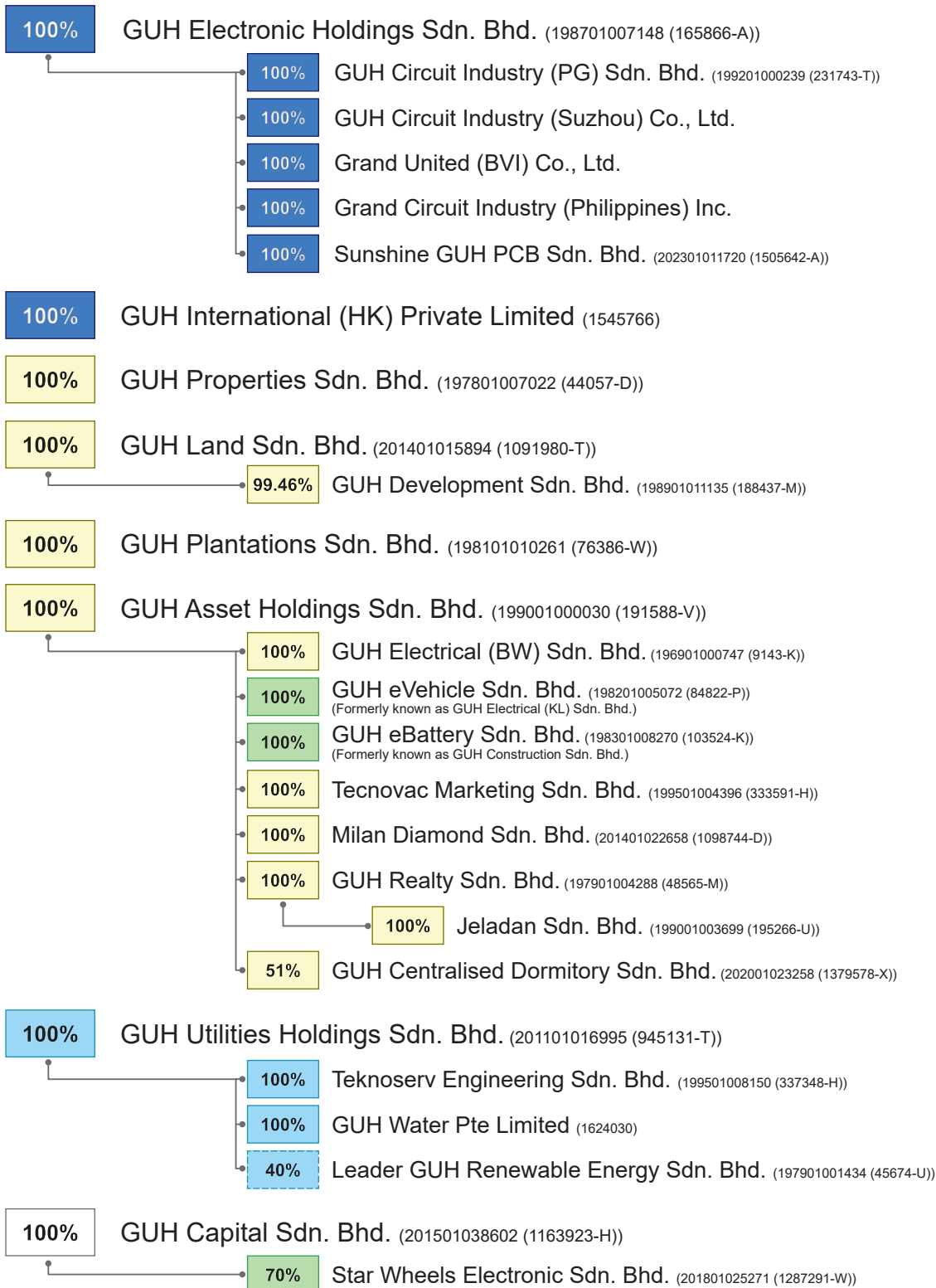


FINANCIAL POSITION OF GUH GROUP

As at 31 December 2022, GUH Group's total assets were RM610.9 million, a decrease of 0.3% from RM612.6 million at end of the previous financial year. GUH Group's investments in associates increased to RM11.1 million as at 31 December 2022 after the subscription of shares in associates. GUH Group's receivables decreased by 29.4% to RM38.3 million as at 31 December 2022 from RM54.3 million at end of the previous financial year in line with lower revenue. GUH Group's cash and cash equivalents stood at RM90.3 million as at 31 December 2022 compared to RM84.0 million at end of the previous financial year. GUH Group had used internally and externally generated funds to finance property development projects and working capital.

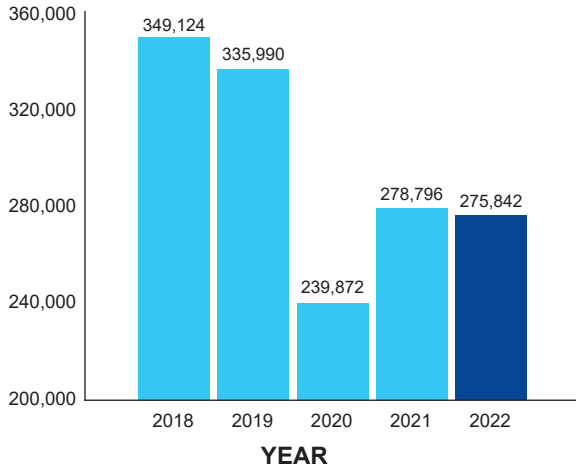
GUH Group's total liabilities increased by 4.0% to RM128.3 million as at 31 December 2022 from RM123.4 million at end of the previous financial year. GUH Group's payables decreased to RM46.5 million as at 31 December 2022 from RM61.2 million at end of the previous financial year mainly due to the decrease in the purchase of raw materials. On the other hand, GUH Group's loans and borrowings coupled with lease liabilities increased to RM53.2 million as at 31 December 2022 from RM36.6 million at end of the previous financial year and consequently, GUH Group's gearing ratio increased to 11.0% as at 31 December 2022 compared to 7.5% at end of the previous financial year.

Overall, GUH Group registered a lower net assets per share attributable to owners of the Company of RM1.72 as at 31 December 2022 compared to RM1.76 at end of the previous financial year.

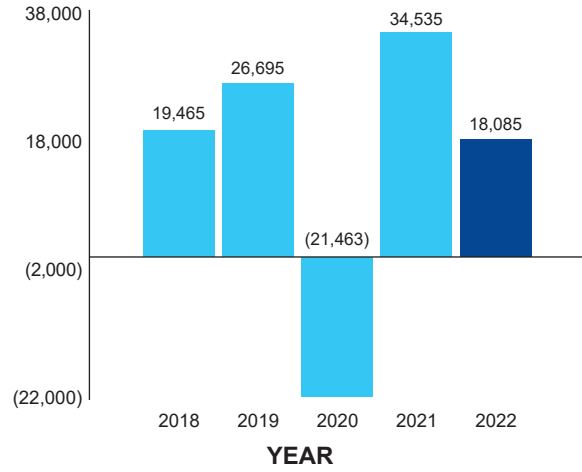


FINANCIAL HIGHLIGHTS

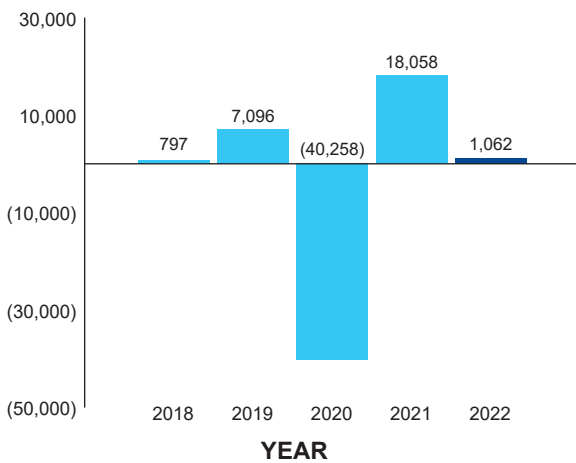
REVENUE (RM'000)



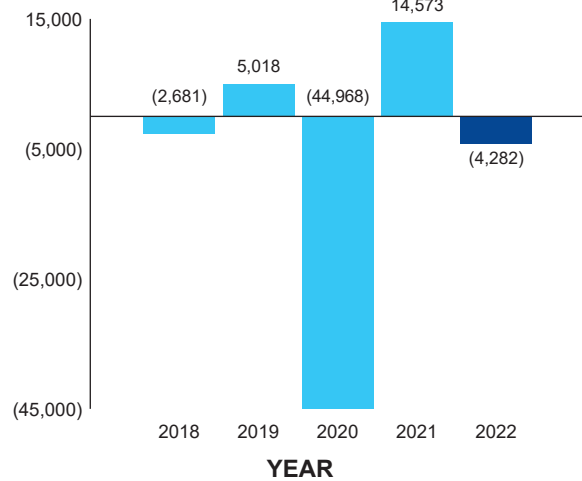
EBITDA (RM'000)



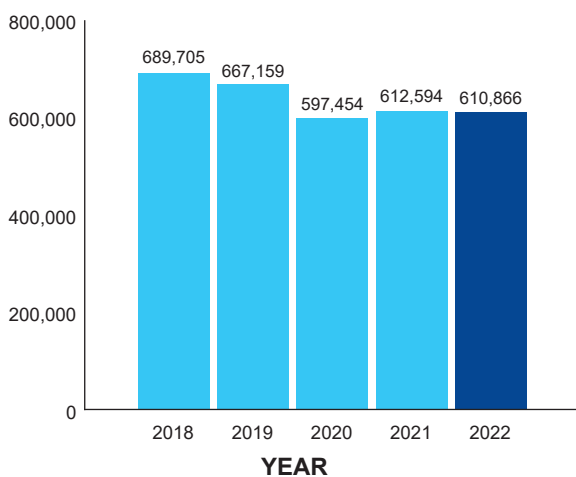
PROFIT/(LOSS) BEFORE TAX (RM'000)



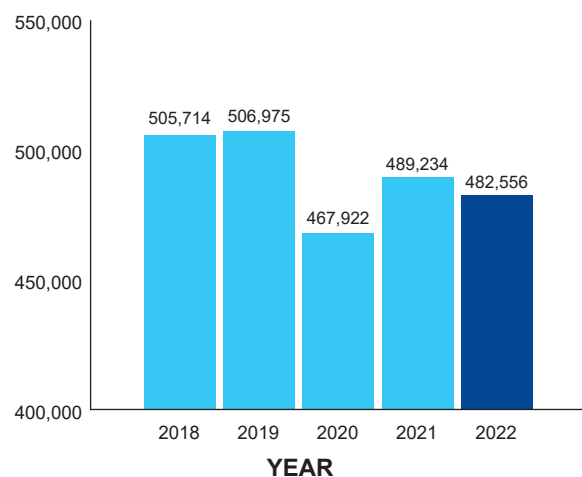
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



TOTAL ASSETS (RM'000)

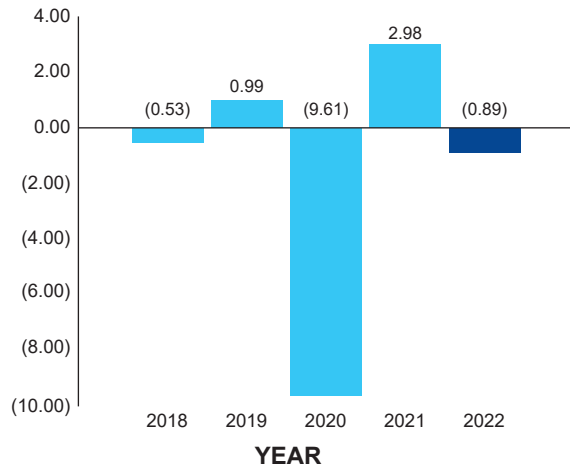


EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)

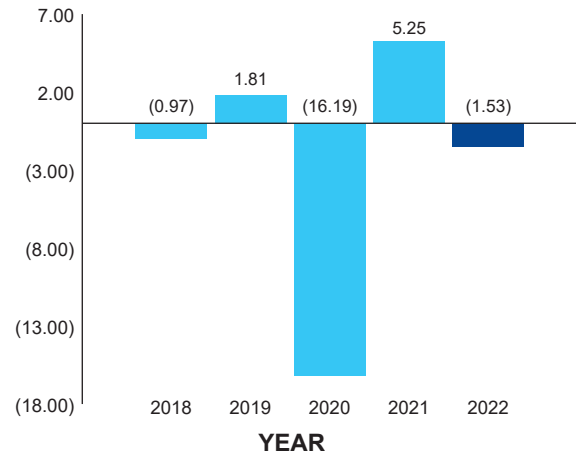


FINANCIAL HIGHLIGHTS

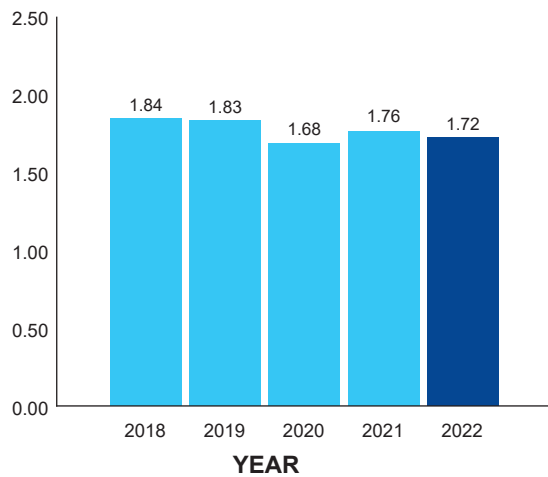
RETURN ON TOTAL EQUITY (%)



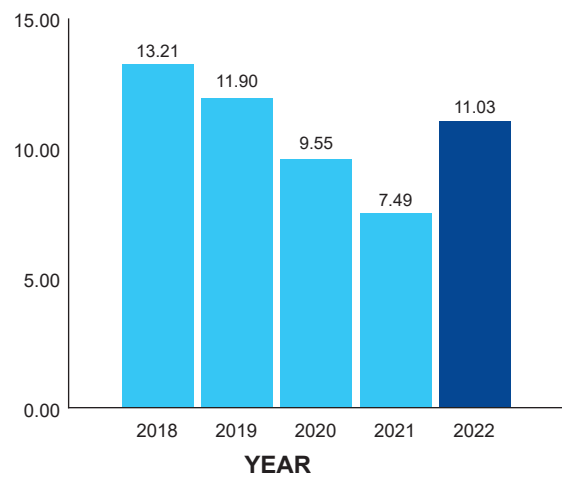
BASIC EARNINGS/ (LOSS) PER SHARE (SEN)



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



GEARING RATIO (%)



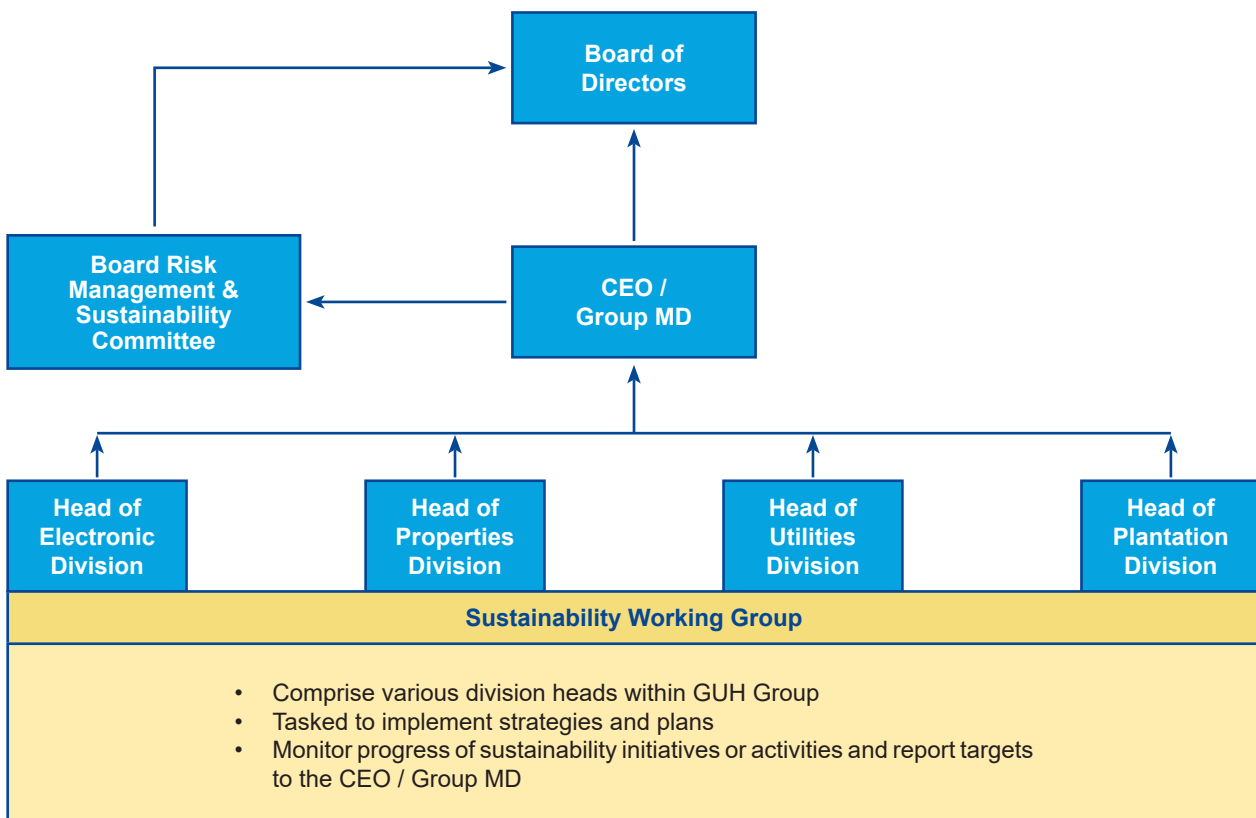


Introduction

The Board of Directors (“the Board”) of GUH Holdings Berhad (“GUH” or the “Company”) views sustainability as a key pillar of the Company’s strategy and recognises its importance to the long-term success to GUH Group. GUH Group continues its effort in embracing the environmental, social and governance criteria in its business operations and developments. GUH Group believes sustainability initiatives can contribute to the Group’s overall success in driving environmental and social change. This Sustainability Statement aims to communicate GUH Group’s commitment to sustainability, activities and progress to its stakeholders.

Governance Structure

The Board is primarily responsible for the Group’s sustainability practices and performance, it is assisted by the Risk Management & Sustainability Committee which is in turn, supported by the Executive Directors and all other senior management in managing sustainability-related matters. The Risk Management & Sustainability Committee has been set up to assist the Board on the identification, evaluation and management of the significant risks associated to current business, any new investments and/or divestments and control responsibilities with appropriate action plans and to oversee the implementation of appropriate systems to manage the overall risk exposure of GUH Group. The governance structure for sustainability initiatives, actions and oversight are highlighted in the following diagram:



SUSTAINABILITY STATEMENT

The Risk Management & Sustainability Committee consists of three members, all of whom are Independent Non-Executive Directors. Meetings are held at least once a year and may be requested as and when necessary.

The present members of the Committee are:

Ms. Phoon Yee Min
Chairlady, Independent Non-Executive Director

Dato' Dr. Gan Kong Meng
Member, Independent Non-Executive Director

Mr. Teng Chang Yeow
Member, Independent Non-Executive Director

The members of the Risk Management & Sustainability Committee play a leading role in sustainability management within GUH Group. A good mix of coordinating executives and Board level representatives can be a forceful drive to genuine engagement on sustainability issues among senior leaders of the business as well as mobilising the support of the workforce.

The Risk Management & Sustainability Committee is accountable for the sustainability strategy and performance of GUH Group's business.

Duties of the Risk Management & Sustainability Committee include among others, the following:

- To oversee the risk management activities of GUH Group and approve appropriate risk management procedures and measurement methodologies across the organisation;
- To review reports on operational risks from all divisions of GUH Group;
- To assess the risks in new investments and/or divestments;
- To review the effectiveness of overall risk management at the divisional level;
- To review and make recommendations to the Board in relation to risk management;
- To monitor the risk management exposure of GUH Group;
- To recommend or advise on significant proposed changes to risk management policies and strategies;
- To review together with other committees, the management, Group internal audit and external auditors, any significant risks and exposure that exist and assess the steps that management has taken to minimise such risks to GUH Group;
- To assess whether GUH Group's risk management and sustainability policies are communicated effectively to ensure embedded as part of GUH Group's corporate culture;
- To align GUH Group's sustainability strategy with its cooperate strategy and values to ensure focused and effective effort;
- To oversee management of material sustainability issues that may impact on the sustainability or reputation of GUH Group;
- To monitor and report to the Board on GUH Group's progress on its sustainability commitments in the context of environmental, social and governance (ESG);
- To review GUH Group's annual Sustainability Statement for submission to the Board for approval.

Risk management is firmly embedded in GUH Group's management system and the Board believes that risk management is critical to the GUH Group's sustainability. The Board has, through its Risk Management & Sustainability Committee, established a sound risk management and control framework that was implemented throughout GUH Group. The risk management process assists GUH Group to achieve its performance and profitability targets by providing risk information to enable better decision making. The Board has the ultimate responsibility for managing risks and internal controls associated with the operations of each division in GUH Group.

SUSTAINABILITY STATEMENT

The Board is the highest governing body of GUH and is responsible for determining the strategic direction of GUH Group. The Directors appointed possess diversified skills and professionalism from different fields to the type of business GUH Group is involved in. Currently, the Board consists of seven members, comprising the Executive Chairman, the CEO/ Group Managing Director, two Non-Executive Directors and three Independent Non-Executive Directors.

The Board has taken steps to integrate sustainability issues as part of its strategic formulation. The Board is supported by the CEO/Group MD and Senior Management to assess and ensure the sustainability governance is structured and functioning through the various levels of management.

Scope

This Sustainability Statement is prepared in accordance with the guidelines set out in the Main Market Listing Requirements relating to Sustainability Statement in the Annual Report of Listed Issuers issued by Bursa Malaysia Securities Berhad. It provides an overview of the Group's annual sustainability performance and achievements for the financial year ended 31 December 2022. The scope includes operations in the following business divisions of GUH Group:

- Electronic Division
- Properties Division
- Utilities Division
- Plantation Division

Given that there is no standard one size fits all approach to sustainability governance, GUH Group endeavoured to adopt an approach that fits best in addressing sustainability matters and reporting disclosure.




Stakeholder Engagement

GUH's vision is to be a profitable and well-established conglomerate that maximises the interest of its shareholders, employees, suppliers/vendors, customers and the community and to achieve sustainability throughout the supply chain. GUH Group acknowledges that ongoing communication and engagement with stakeholders are vital for the success of the Company to achieve its business goal.

GUH Group engages with its stakeholders regularly to understand their needs and expectations and work together to ensure the mutual goals are aligned for a sustainable growth. Such engagement is essential as obtaining valuable views and feedbacks from stakeholders would support in identifying sustainability opportunities or risks to the business of GUH Group.

Stakeholder	Type of Engagement	Focus Area
 Shareholder	<ul style="list-style-type: none"> • Annual General Meeting • Annual report • Announcements / Press Releases • Corporate website 	<ul style="list-style-type: none"> • Financial and operational performance • Investment returns and associated risks • Business strategies and directions • Corporate governance and transparency • Maximisation of shareholders' value • Good ESG practices
 Customer	<ul style="list-style-type: none"> • Customer feedback form • Customer engagements and meetings • Yearly plan on organising events • Periodical visits 	<ul style="list-style-type: none"> • Reliable / High quality of goods and services • Customer requirements/satisfaction • Timely delivery • Competitive pricing • Sustainable long-term relationship
 Supplier	<ul style="list-style-type: none"> • Supplier evaluation form • Supplier engagements and meetings • Yearly plan on organising events • Regular on-site visits 	<ul style="list-style-type: none"> • Quality of goods and services • Prioritise local suppliers • Undisruptive supply • Fair contract terms and conditions • Payment schedule

SUSTAINABILITY STATEMENT

Stakeholder	Type of Engagement	Focus Area
Employee 	<ul style="list-style-type: none"> • Team bonding events • Meetings and discussions • Annual performance appraisal • Security and safety measures and procedures • Whistleblowing procedures • Employee handbook 	<ul style="list-style-type: none"> • Remuneration and benefits • Equal employment opportunity • Work-life balance and job satisfaction • Safe working environment • Training and career development opportunities
Government / Regulator 	<ul style="list-style-type: none"> • Adherence to applicable laws and regulations • Industry seminars • Regular inspection by local authorities • Security and safety measures and procedures • Announcements / Press Releases • Corporate website 	<ul style="list-style-type: none"> • Stay abreast of the rules and regulations • Corporate governance • Development of internal policy • Placement of relevant signages • Participate in training programmes organised by regulators / authorities • Regular refresher trainings
Community 	<ul style="list-style-type: none"> • Donations and sponsorships • Participate in Corporate Social Responsibility (“CSR”) programmes • Creation of job opportunities • Announcements / Press Releases 	<ul style="list-style-type: none"> • Sustainability and CSR programmes • Environment protection • Job opportunities • Contribution to community

Commitment to Sustainability

The Board considers sustainable business of utmost important due to the rapid changes in external environment, customers, regulators and investor requirements. By understanding long-term trends, GUH Group can respond and realise new opportunities. GUH Group will consistently undertake to understand future customer needs, respond to regulators cooperatively, building reputations and motivating employees which plays a big part in creating a compelling business case.

In order to enhance GUH Group’s reputation and goodwill, sustainability is used as a framework to assist in managing social and environmental changes which include new technology, government policies as well as customer demands. GUH Group has in place the sustainable policy and guidelines which are applicable to all its Directors and employees which are implemented and remain in full force at all times.

It is becoming increasingly clear that good governance drives environmental and social responsibilities in corporate culture. To be future-fit, the Board understood how GUH Group can deliver their environmental, social and governance commitments through a robust strategy.

GUH Group has identified sustainability matters which are considered material to its business operations. The material sustainability matters are well-controlled, managed, taken care of and categorised into the following three core components namely economic, environmental and social aspects.

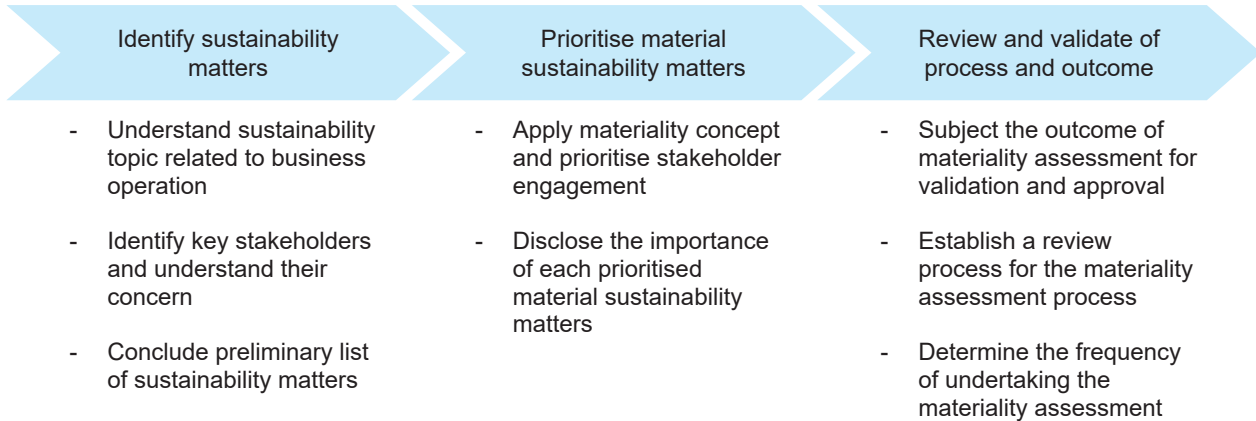
MATERIALITY ASSESSMENT

Materiality Assessment Process

GUH Group identifies its sustainability matters by assessing the significance and materiality of each of the sustainability concerns based on its level of impact and influence to the Group, by taking the current economic, environmental and social trends both locally and globally into consideration. The materiality assessment was conducted internally during the financial year under review. The materiality assessment enables GUH Group to identify and prioritise potential key sustainability risks and opportunities that may impact GUH Group business operation and key stakeholders.

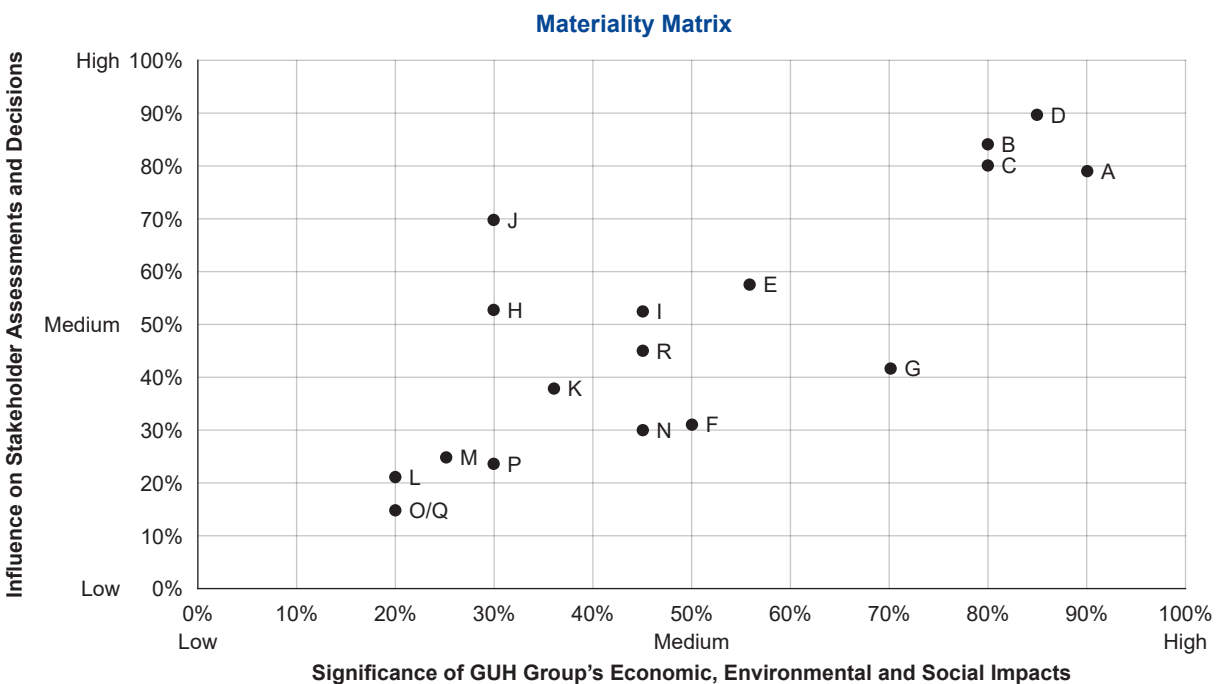
SUSTAINABILITY STATEMENT

The materiality assessment process on sustainability matters of GUH Group is reflected below:



The assessment results are mapped out in the materiality matrix below:

ECONOMIC	ENVIRONMENTAL	SOCIAL
A. Customer Demand Based Business Model / Product Innovation B. Quality Commitment C. Supply Chain Management System D. Business Integrity/Governance E. Strategic Partners	F. Energy Management and Resource Conservation G. Responsibilities on Discharges to Air, Water and Land H. Active Role and Role Model	I. Leadership and People Interaction J. Trainings K. Safe Working Environment L. Creating a Sense of Belonging M. Conducive Work Place N. Employees Welfare and Workforce Diversity O. A pledge to the Triple Bottom Line P. Contribution to the Industrial Fraternity Q. Community Cohesion R. Healthy Lifestyle



SUSTAINABILITY STATEMENT

ECONOMIC

GUH Group faced another year that tested the Group's flexibility and determination to stay the course despite facing numerous challenges and rapidly adapting to the dynamic economic landscape. The inflation, spike in raw material price, supply chain disruption and continuing manpower shortage from the transition to endemicity poses challenges to GUH Group business operations. GUH Group continues to monitor the developments in the industry and has taken prudent measures in executing its strategy to minimise the impact of the challenges. The effective management of its supply chain with the effort to improve operational efficiency and stringent cost control measures optimised its operation costs.

(a) Customer Demand Based Business Model / Product Innovation

Customer satisfaction is a salient factor to measure the quality of GUH Group's product and service deliverables. From time to time, GUH Group conducts customer satisfaction surveys to assess, solicit feedback and give insights of customers' satisfaction levels on services, products and overall experience.

GUH Group recognises the importance of generating positive economic performance in order to sustain the operation of the business on a long term basis. GUH Circuit Industry (PG) Sdn. Bhd. ("GUH PG") from the Electronic Division being the largest established sector within GUH Group has seen the growth of electronics in Malaysia from low-technology Single Sided printed circuit boards ("PCBs") advancing into complex Multi-Layer PCBs ("MLB"). Since 1987, GUH PG has been located in the Free Industrial Zone (FIZ) of Bayan Lepas, Penang, Malaysia dubbed the Silicon Valley of the East. GUH PG constantly evolved to fit and meet the ever changing PCB technology in a few major product domains. At present, GUH PG's major end product segmentation spans air-conditioners, automotive, musical instruments, TV and video, office automation, home appliances and emergency communication devices. GUH PG is proud to be the leading local PCB manufacturer in Malaysia and its business model entails the complete service of co-designing, new product development and mass production. The proven track record of quality products and services is clearly befitting of its tagline "We sell PCBs packaged with exemplary services and customer peace of mind". Its customer portfolio consists mainly of Japanese Multinational Companies ("MNCs") and other markets besides Malaysia, including Thailand, Vietnam and Indonesia. It also develops the automotive, automotive lighting, life science and industrial PCB types in order to diversify to higher value products for business sustainability.

GUH PG is an indirect supplier to some top Japanese automotive customers, with similarity to Japanese Culture in its manufacturing processes such as Continuous Improvement Principles and Customer Centric Approach which forms the foundation of Product Development, Quality System and Business Principles. Data capture, analysis, root cause investigation, mooted of several solutions and solutions choosing and implementation is a way of life in GUH PG.

Sustainability in the marketplace is not coincidental but by strategically aligning investments in machinery, processes and people knowledge with market trends. Survival and sustainability are also grounded in having a good product team formed from different departments with a good rapport with each customer, co-designing from design to sample stage, trial run and final production. At each stage, immediate team support is offered and valuable on-time information for GUH PG Kaizen Cycles is captured. Data collection, Statistical Process Control ("SPC"), qualitative and quantitative customer feedbacks form the base of its Quality Circles. The product co-development teams will not only work on feedback with updates but also perform improvement analysis, work with customer designers as part of the team and have the ability to track historical changes to the design. The other bastion of sustainability is of course the proven good track record in delivering quality to customers.

In near future, GUH PG will consider looking for a partner in establishing a new joint-venture plant producing 8 layers and above MLBs serving the United States and European customers. The new targeted product domains will be would be HDI Realm, 5G, Communication Microwave, Active Antenna, LoT Application and High Speed Server.

Apart from leveraging on government grants and its own capital expenditure to upgrade and modernise its manufacturing equipment, GUH PG has also entered into an agreement with an innovative and advanced international company to receive technical advice and know-how, so as to improve the efficiency of its processes. Such investments in the manufacturing hardware and technical know-how of GUH PG's staff will inevitably contribute to the division's ability to

compete and be profitable in years to come, particularly by producing higher margin products.

GUH Properties Division comprises GUH Properties Sdn. Bhd., GUH Development Sdn. Bhd. and GUH Realty Sdn Bhd. The division is also undertaking the construction of a worker's dormitory through a joint venture to diversify its revenue streams.

To ensure its sustainability, the division continually assesses potential land purchases to increase the property land asset of the Group in a sustainable manner.

Currently, the division is actively implementing its development in Seremban, on prime land with a balance of 150 acres. In the northern region, the division's proposed development in Simpang Ampat has been submitted for planning approval. Upon completion of the developments and the operation of the workers' dormitory, the division is expected to contribute to the revenue of the Group in a sustainable manner.

The division has been sustained in business for more than 28 years and continuously grows its land bank. In continuing its objective to be sustainable, the division is endeavouring to:

1. Ensure projects are continuously carried out with minimised delays for sustainability as well as the growth of the division
 - Upkeep the division operation and cash flow.
 - Occupy and maintain a market share and remain aware of the evolving demands of the local market.
 - Sustain and enhance the brand name of the division through the delivery of quality products.
 - Ensuring that all purchases and projects are subject to rigorous feasibility studies to ensure better profits and avoid unsustainable undertakings.
2. Assessing various demands and needs and supplying the necessary variety of products to fill any gaps in demand and increase competitiveness:
 - Assessing more varieties for options and various hierarchies of market.
 - Market study and research for in-demand products to mitigate stock inventory and ensure good sales.
3. Enhancement of the division's image and branding
 - Improving publicity through social media platforms.
 - Create a positive image through word-of-mouth by delivering:
 - o Serve with the best after-sales services.
 - o Quality and sophisticated design.
 - o Create a most sought-after sentiment.
 - o High quality products.
4. Increasing the division's land bank to take advantage of various strategies:
 - for future development
 - for short term/ immediate development
 - Development through joint venture(s) or by the division individually.

The Utilities Division faces risks and challenges from the current increase of competitors in the industry, the new implementation of rules and regulations by the regulatory bodies, the current depreciation of the Malaysian Ringgit, the increase in raw materials price and the nationwide labour shortage. The Utilities Division strives to improve its tender strategies by focusing on tenders with high potential for success and improving price competitiveness, to secure new projects. The Utilities Division measures to ensure its business sustainability include offering competitive tenders is to identify and improve past tender weaknesses, offering value engineering in terms of alternative design and equipment without compromising the engineering aspects, sourcing from multiple vendors and subcontractors without compromising the specification requirement and workmanship.

Further, GUH Group has made strategic investments in forward-looking areas which will ensure its sustainability. For example, as global warming is an issue which will direct the actions of governments around the world, the Group has

SUSTAINABILITY STATEMENT

added renewable energy to its portfolio, through its strategic joint venture and investments. GUH has also invested in electric mobility devices which are not only eco-friendly, but also address the last-mile connectivity issue faced by town planners in developing effective public transportation. The group's foray into worker's dormitory is also in response to a growing local and international concern for the rights and treatment of migrant workers which is likely to remain a key, long term concern for local and international stakeholders, especially with the enhanced global emphasis on ESG.

(b) Quality Commitment

GUH Group aims to deliver quality products and services to the customers. As part of the initiatives and efforts, GUH PG has obtained a number of major certifications such as the ISO 9001 – Quality Management System (“QMS”), ISO 14001 – Environmental Management System (“EMS”) and IATF 16949 – Automotive QMS which testified to its consistency in delivering high quality products, ensuring products safety and minimising wastage. In addition, GUH PG's products could be further testified through the awarding of numerous accolades of recognition, ranging from the Supply Chain Excellence Award to Best Performance Awards and Commendations. The most significant and treasured accolade is the numerous Best Quality Awards as being in a competitive business environment, quality has always been the strongest selling point, especially with Japanese customers. At the moment of this report, GUH PG is pursuing European customers, especially in the automotive related market.

GUH Plantations Sdn. Bhd. under the GUH Group's Plantation Division has complied with the requirements specified in the Malaysian Sustainable Palm Oil (“MSPO”) standard since the year 2020 and passed subsequent surveillance audits in 2021 and 2022 respectively. These MSPO standards cover the Production of Sustainable Fresh Fruit Bunches and promote the positive impacts from the perspectives of economic, environmental and social, while minimising its negative impacts.

(c) Supply Chain Management System

GUH Group identifies suppliers as critical partners in its business success, and disruptions to its supply chain are a key risk for its business. Thus, managing a sustainable and responsible supply chain with robust practices to secure stable sourcing of raw materials and services, cost competitiveness, and delivery of quality products and services is a strategic priority and critical to business continuity.

In order to contribute to the local economy, GUH Group always promotes purchasing from local suppliers who have been providing high-quality products and good services. Collaboration with sustainable and responsible suppliers and sub-contractors is the way forward to gain competitive edge in the marketplace. Assessments and evaluations of suppliers and sub-contractors will be performed before engaging them. On-site visit will be carried out if necessary to understand the potentiality of suppliers and sub-contractors. GUH Group emphasises on quality control, purchasing assessment, production and distribution network and work closely with its partners so that they meet the expectation of GUH Group.

GUH Group always maintains a healthy and long term relationship with its suppliers and sub-contractors in order to ensure efficiency, higher quality and better customer relationships.

Further the GUH Group endeavours to ensure that its supply chain is well diversified and sustainable. It aims to engage a variety of suppliers and service providers to reduce the reliance on individual firms / companies. Sourcing from a variety of suppliers and service providers enables GUH to stay abreast of industry developments and market prices.

Critical to sustainability in the Group's supply chain is the elimination of opportunities for corruption or bribery. As such, the awarding of all works are done through open tender and the Group rigorously implements its anti-bribery and corruption policy through measures including yearly reminders, declarations by employees and audits.

(d) Business Integrity/Governance

Business integrity and ethics form a key elements to the success of GUH Group business. GUH Group emphasises ethical conduct and will continue its efforts to maintain high standards of corporate ethics and strict compliance with

SUSTAINABILITY STATEMENT

all the relevant rules and regulations in its business operations at all times. The Risk Management & Sustainability Committee identifies and manages significant risks associated to its business operations. The committee is headed by an experienced Independent Non-executive Director overseeing the Internal Audit Department which executes scheduled internal audits, related party transaction audits, enterprise risk management surveys, ad-hoc audits, oversight of all rules, regulations and policies. The following policies are created and maintained by the Internal Audit department to ensure fair and ethical behaviour:

- The Whistle Blowing Policy
- The Anti-bribery and Corruption Policy
- The Code of Ethics & Code of Conduct Policy

GUH Group has its own Personal Data Protection Policy which is in line with the Personal Data Protection Act 2010. The Personal Data Protection Policy provides guidance to collect, process, usage, disclose, transfer and store the personal data. GUH Group has all time enforced its data and security protection measures to prevent unauthorised disclosure of personal or important information to external parties. All important documents and information such as authority approved drawings hardcopy, pricing list, etc are located in locked storage or secure rooms which are accessible by authorised personnel only.

Data privacy and security	Year 2020	Year 2021	Year 2022	Target(s)
No. of complaints on breach of data	0 case	0 case	0 case	0 case

GUH Group ensures compliance with the Malaysian Anti-Corruption Commission (Amendment) Act 2018. GUH Group has its own Anti-bribery and Corruption Policy in place which takes a zero-tolerance approach to any bribery and corruption with integrity in all its daily business dealings and operations. GUH Group has also adopted a “No Gift” Policy whereby all the employees are prohibited from receiving or providing gifts unless certain procedures and exceptions are applicable. A gift register form is in place to track and assess gifts received by employees. GUH Group has established a Whistleblowing Policy and Procedures which helps stakeholders raise concerns, without fear of retaliation, on any real or suspected corruption incidents, malpractice or misconduct they observed in the Company. In addition, conflict of Interest Declaration Form will be signed by all employees on a yearly basis.

Anti-Corruption	Year 2020	Year 2021	Year 2022	Target(s)
Substantiated complaints pertaining to Anti-Bribery & Corruption and gift giving incidents	0 case	0 case	0 case	0 case

(e) Strategic Partners

GUH Group also engages with strategic partners to ensure its sustainability. Through strategic partnerships, the Group is able to leverage on the expertise of partners to undertake ventures.

The Group is involved in renewable energy projects in Taiwan through joint ventures with experienced local and Taiwanese renewable energy players. The Group aims to obtain sustainable, recurrent revenue streams through renewable energy projects which will operate for decades to come, while bolstering its green and eco-friendly credentials.

The Group has also partnered with experienced local and international industry players in venturing into a worker’s dormitory in Sungai Bakap, Penang. This venture is also expected to contribute to the sustainability of the Group by creating a sustainable revenue stream by servicing the many factories in Penang.

Teknoserv Engineering Sdn. Bhd. (“Teknoserv”) from GUH Utilities Division focuses on Water Treatment Works, Sewerage Treatment Works, and other infrastructure works including roads. It constantly establishes strategic partnerships with identified local contractors in tendering exercises and project implementation.

For the financial year ended 31 December 2022 under review, 11 numbers of tenders for waterworks and sewerage

SUSTAINABILITY STATEMENT

works were successfully tendered by Teknoserv and targeting 12 numbers of tenders to be submitted for the year 2023.

ENVIRONMENTAL

GUH Group is attentive to its business' impact on the environment and remains dedicated to safeguarding the environment by establishing long-term sustainable solutions. It is committed to safeguard the environment by focusing on its efforts towards efficient fleet management and resource conservation practices to continue working at an operative and sustainable economic level over a longer term. The Group is committed to manage and reduce its ecological footprint through continuous improvements in its business processes and operations.

(a) Energy Management and Resource Conservation

GUH PG vested commitment to perform good energy management due to the nature of the manufacturing business where substantial cost is in electricity consumption and all manufacturers have the responsibility to reduce their carbon footprint as much as possible. The main energy source is electricity from the TNB grid. Rules and regulations are cascaded down to all that energy management is part and parcel of production management to ensure efficient use of energy in its operation and activities. All departments and sections have KPI indicators to monitor output against electricity used such as to inculcate continual improvement of the energy consumption performance. Employees are educated and reminded of energy management in daily activities which cover all aspects not only in the manufacturing processes but to have the culture of switching off lights and air-conditioners when vacating the office and meeting rooms.

Trainers are engaged to cascade the knowledge and culture of Energy Efficiency with managers, engineers and certified energy manager to brainstorm and produce project ideas on the principle of "using the same amount of energy for more output." In order that projects are done in a systematic manner, GUH PG hires a full time Energy Manager certified by Suruhanjaya Tenaga to lead and manage electricity efficiency improvement. Process managers and leaders are trained to improve constant running machines to Ecosystems whereby machines run only when parts are detected thus saving energy and water, Genbas to detect air leaks, reduce air compressor run times and daily analysis to control and move WIP to ensure maximum machine utilisation. 12,400 units of fluorescent tubes and downlights were changed to LED lights reducing lighting costs by 50%. The other advantage of changing to LED lighting is to reduce mercury disposals inherent in fluorescent lights. Motion sensors have also been implemented along the corridors and washrooms with automatic lights. Timer was installed to automate the lighting switches including premise surrounding during night time to prevent unnecessary usage of energy. The office windows were improved with better tinting film which reduces air-conditioning costs while admitting natural light.

Examples of Energy Savings Measures (ESM) as part of reports to Suruhanjaya Tenaga Malaysia:

- Change one Exposure Machine to LED Exposure Machine – Approximate Yearly Savings of 40,375.090kWh
- Air Conditioner System of Clean Room changed to Chiller and AHU System – Approximate Yearly Savings of 25,597.470kWh
- Installed 90HP Inverter System for Gas Scrubber 12 – Approximate Yearly Savings of 137,240kWh
- Installed 100HP Inverter System for Gas Scrubber 8 – Approximate Yearly Savings of 254,338kWh



GUH Group has continuously instilled awareness among its employees on environment conservation through the 3R Concept ("Reduce, Reuse and Recycle"). Employees are encouraged to segregate the wastes for proper recycling and disposal purposes. Employees are educated to reduce paper consumption by going paperless or printing documents on double side basis to save trees.

In order to avoid wastage of water, the maintenance team has carried out periodical checks on water leaking issue and auto water cut-off system has been installed in main production line. Rainwater harvesting system is being built onto Semi-Detached products that saves water for plants and flood prevention in its property development projects under the Group's Properties Division. In conserving the environment, though Plantation Division is of a small scale of oil palm plantation, it promotes the use of solar lamps. It also stacked empty fruits bunches and fronds surrounding the palm trees and these will return nutrients to the soil after decomposing. Rainwater from gutters is reused for general washing and weeding purposes.

(b) Responsibilities on Discharges to Air, Water and Land

In respect of environmental pollution control, GUH Group adopts best practices in its daily operations through accountable processes, continuous monitoring and implementation of effective initiatives to reduce and mitigate the impact to the environment in the way it carries out its activities.

All employees in the manufacturing plant are trained to report any unusual smell or sight encountered. GUH PG is certified to ISO14001 since year 2004 and GUH PG takes pride that its annual audits are passed with good results and that GUH PG educates its people in the philosophy that the practicing what GUH PG says in its system is equally important as the certificate on the wall. All air discharges are cleansed with gas scrubbers equipped with water sprays containing neutraliser chemicals before discharging. Further, an external certified body is engaged to monitor air discharges concurrent to monitoring internally. Water discharges are cleansed by the newly upgraded waste water systems before being discharged. The reports from the external certified body monitoring the discharges showed good and stable performances. The environment management reports directly to top management and also ensures a professional environment operations team is in place to ensure strict compliance with environment regulations. The weekly report by the external certified body is perused by top management and kept on file.

Properties Division has carried out its effort to prevent and reduce environment pollution in a few manners. Maintenance of sediment basins to ensure non-polluted discharge to river. Material transport vehicles undergo regular washing and cleaning at washing bay before exiting site for cleanliness. Open burning is prohibited in the project site to reduce the greenhouse gases release. The surrounding of the sites is kept clean at all times. The environmental related aspects are monitored and inspected on a regular basis. No complaints and compounds were received by Properties Division on open burning, pollution caused to site surroundings or any other environment related matters to date.

Precautions are constantly taken and adhere to environmental regulations to prevent site activities from adversely damaging the environment. Besides providing effective measures and control of debris and rubbish disposal and soil erosion during construction activities to prevent clogging of drainage and irrigation systems, Utilities Division also provides proper treatment of sewerage effluent before discharging into drains and rivers to prevent contamination of watercourse. Open air burning of debris and rubbish is strictly forbidden. As a responsible contractor, strict site supervision and control to prevent spillage of liquids, oils, diesel and chemicals and ensure proper containment to avoid contamination of rivers and other water sources is implemented. Adequate trainings were provided to GUH operatives to enable controlled containment in the event of contamination incident. Employees are all the time reminded to avoid all practices that impact the environment negatively.

As for Plantation Division, neither electricity nor water supply is provided in the plantation estate. Plantation workers collect water from the 4 ponds available and also use gutters to collect rainwater for general washing, toilet use, and weeding purposes. High Biodiversity Value (HBV) and High Conservation Value (HCV) were conducted by engaging relevant government authorities. Burning activities of any form is strictly prohibited in the estate.

Management has conducted Hazard Identification, Risk Assessment and Risk Control (HIRARC) assessment to identify operational activities that may pose hazards to the employees and the environment. Detailed Safety Data Sheet for all the chemicals used in the plantations which include fertiliser and weedicide is recorded and suppliers need to ensure that every shipment of fertilizer needs to come with Material Safety Data Sheet. Besides, the GUH Plantation has engaged Eurofins NM Laboratory Sdn. Bhd. to perform a thorough chemical assessment of the chemical used. Plantation Division will continue to source for better fertilisers and weedicides that cause less harm to the environment, minimise the effective amount of weeding agent recommended and will try to use biodegradable organic weeding

SUSTAINABILITY STATEMENT

agents if available. Laboratory Test has been conducted for the water sample collected from nearby river and no issues have been found.

Finally, as highlighted above, GUH has invested into renewable energy and electric vehicles as it intends to play a role in promoting cleaner energy and reducing harmful discharges through electrified transportation.

(c) Active Role and Role Model

GUH Group is proactively promoting a clean industrial environment coexisting with nearby residential areas. Environmental awareness is inculcated among the employees by participating in environmental improvement programmes by external agencies such as the State Department of Environment (DOE). Some examples are the National River Trail Programme, River Adoption Programmes, training, roadshows, team events and donations to environmental projects. As an internal project, 254 potted plants have been planted and placed in strategic places at the office and factory in 2022. The targeted number by the end of 2023 is to achieve 370 potted plants in the compound. The most recent project is the planting of 1000 flowering shrubs with turfing along the river bank fronting the office with the consent of Majlis Bandaraya Pulau Pinang (MBPP) and Jabatan Pengairan Dan Saliran (JPS). Another noteworthy mention is the “Go Green” project of GUH in the formation of the eVehicle company whereby initial actions are assisted by people from GUH PG. The debut of the GUH eMotorbike is expected to be in late 2023. The objective of eVehicle project is to do its part for reducing carbon emissions in Malaysia as well as adding another sustainable business to the GUH portfolio.

SOCIAL

GUH Group recognises that its success is made possible by the commitment of its employees, the contributions of its supply chain partners and the support of communities in which it operates. GUH Group strives to be a good employer that attracts and retains high performing talent, and promotes diversity, non-discrimination and inclusion in building the workforce. It promotes human rights across its operations and supply chain, providing access to equal opportunities, and offering back to communities.

(a) Leadership and People Interaction

Due to the nature of the manufacturing industry, GUH PG employees spend significant time at work at office premises or manufacturing plant. Thus GUH Group believes a caring workplace is of utmost importance. PCB manufacturing even in the highest technological and automated environment produces lots of excitement and stress. A good relationship where employees can feel comfortable can only be built in an environment of understanding, community and encouragement. From the CEO/Group Managing Director and top leaders downwards, an environment of trust in people, positive encouragement and pledge to reward people contributing to good results is built. In GUH Group, people are recognised as social beings and human connections are basic fundamental needs and good relationships really matter in business sustainability. In addition, relationships offer support that can contribute to the meaningfulness of work transforming people from merely doing a job and making a living to someone wanting in earnest to contribute to the company's success. A famous management “Guru” once said, “A caring workplace is one where leaders genuinely care about employees, supervisors care about workers, and employees have friends at work and where senior leaders are visible and show empathy and appreciation.” Traditional Malaysian companies mostly have a narrow perspective of money matters but modern management leaders have discovered that it is only part of the equation.

In GUH Group, leaders endeavour to engage with employees at all levels through official channels and unofficial channels of social interaction, team events, sports events and training. This is pledged and enshrined in the GUH Mission Statement of, “For Its Employees, To Provide a Conducive Working Environment, To Provide Proper Training, Development, and Opportunities for Career Advancement”. The strategies and action plans are founded on the principle that Good Leadership is the main enabler of meaningful interaction between People, Policy and Strategies, Partnership and Resources which enables good Business Processes resulting in good People Results, Customer Results and Society Results which naturally gives good Key Performance Indicator Results.

Finally, in order to ensure its sustainability, the GUH Group continuously strives for talent to be identified and developed

through proper training. In order to attract the best talent while improving its efficiency and capabilities, GUH recruits internationally, particularly for roles which require a high degree of technical ability. Talented employees are then rewarded for their contributions and given sufficient room to grow, to ensure effective succession planning. As part of its efforts to retain talent, the GUH Group has implemented a share grant plan to enable employees to share in the success of the Group.

(b) Trainings

Policies and strategies are structured to improve the knowledge of GUH Group employees through continuous training. It is the vested strategy of GUH Group to develop local talent from bringing up people from the intern stage to sharing gathered knowledge with institutions like the Institute of Printed Circuits (IPC) and local suppliers. Training plans include sending employees for training and exposure in China, Taiwan and Japan as well as local training involving in-house training and training by external experts and trainers. On average more than 2000 man hours were invested in training on technical skills as well as soft skills.

Employees are exposed to Health and Safety Knowledge not only in in-house training but also in interactions with local authorities as in the following examples:

- Department of Health and Safety Interactions and Knowledge Transfer
- Fire Authority BOMBA Inspection and Training on Requirements and Acts
- Participation in the Program Hari Bomba Sedunia, Kepala Batas, Penang
- Workshops or Bengkel Kawalan Hazard Kesihatan di Sektor Elektronik
- Participation in the Fire Authority BOMBA for Tayangan Amal and Public Fire Prevention Awareness
- Participate, Training, Record Taking and Actions in NRA-Noise Risk Assessment Reduction and Protection
- Joint Event with Local Authorities in the Annual Safety Environment Briefing
- Training in Accident Prevention
- Full Scale Fire and Chemical Spill Drills with Local Authorities

GUH Group is registered under Human Resources Development Fund (HRDF) in year 2022 and levy is paid on a monthly basis and employees welfare is always looked into for training needs required. All employees have equal opportunity to attend relevant trainings and seminars to foster productivity and self-development through HRDF.

(c) Safe Working Environment

The highest priority index has always been safety for GUH Group as a caring employer. GUH Group always strives to create a safe working environment for all its employees while looking after productivity. The formation of the Environmental, Health, Safety and Sustainability (EHS&S) Committee, is to oversee the safety as well as environmental management, policies, targets and procedures. A certified Safety Officer and a certified Environment Officer were engaged with a dedicated team working together. GUH Group always observes occupational health and safety at sites and complies with the rules and regulations of regulatory bodies such as Department of Environmental and Location (DOE), Department of Occupational Safety and Health (DOSH), Occupational Health and Safe Act 1994 (OSH Act 1994), Construction Industry Development Board (CIDB) and National Institute of Occupational Safety and Health (NIOSH).

A qualified Site Safety Officer, Authorised Gas Tester (AGT) and Entry Supervisor (ES) are provided to ensure all construction site employees are inducted, attended the CIDB, Health and Safety Programme and have obtained a CIDB Green card. One Staff has been appointed as AGT and ES For Confined Space by NIOSH. One Staff has been appointed as Authorised Entrant and Standby Person For Confined Space, by NIOSH. All construction site personnel are briefed and inducted with the Healthy, Safety and Emergency (HSE) regulations to ensure they are fully aware and observe the regulations at all times.

Occupational health and safety is a priority aspect of GUH PG and mandatory training programmes are arranged for all employees on Personal Protective Equipment (PPE) regulations and usage during the start of every shift. Strict PPE and Safety rules are ingrained by Training, Internal Roadshows, twice a day during shift meetings and repeated offenders are re-educated with a stern warning or disciplinary action taken. GUH Group always ensures its employees

SUSTAINABILITY STATEMENT

are competent and well equipped with all necessary proper attires, safety gears and facilities. Safety equipment such as helmets, gloves, boots and goggles are provided to the employees in discharging their duties. Site hazards include electricity, fire, smoke, pollutions, working at height, handling of hazardous materials and chemicals were addressed to the workers as well.

In the manufacturing operations, essential components of plant wide fire and evacuation drills are carried out twice a year. The effectiveness, time of clearance and proper coordination are marked by the Fire and Rescue Department. This is orchestrated by GUH's permanent Emergency Response Team (ERT) and all members need to undergo training and retraining by the Fire and Rescue Department periodically. Some indicators for continuous improvement reassurance are the building evacuation clearance time of 6 minutes in 2018, 5 minutes in 2019 and in 2021 with a record time of 4.05 minutes was set beating the previous target time set of 5 minutes by the instructors.

Routine housekeeping has been practiced to ensure office and site area are kept safe and clean all the time as well as to eliminate any infectious diseases. Safety measures such as installing magnetic locks for doors, CCTV in place, regular cleaning by outsourced cleaners, no dangerous tools and equipment are kept in the public area of the office and floor and stairs are kept dry all the time.

GUH Group which covers the operations under Electronic, Properties, Utilities and Plantation Divisions is glad to achieve a zero rate of lost-work time injuries and has established "zero accident" target for the financial year under review. GUH PG recorded zero fatality and zero serious accidents from its operations for a period of 11 years including year 2022.

With the effective implementation of the safety and health policy and strict adherence to the regulations, GUH Group achieved zero case work-related fatality at work sites in year 2022.

Health & Safety	Year 2020	Year 2021	Year 2022	Target(s)
No. of work-related fatality at work sites	0 case	0 case	0 case	0 case

As part of the initiative to keep guard and protect GUH Group employees from a possible COVID 19 upsurge, a third vaccination dose was arranged. GUH Group continues to enforce the compulsory use of face masks within the Group premises. GUH Group also strictly adheres and complies with the Standard Operating Procedures issued by authorities, from time to time, including for the Covid-19 pandemic. Those employees who are tested positive would have to go under quarantine immediately. Visitors to GUH manufacturing site are required to declare on their health status and do self-test before their visit to GUH's site or premises.

(d) Creating a Sense of Belonging

In order to create a sense of belonging, several activities including sharing of internal news are made known to employees to be aware of the latest developments and the direction of the Company. This sharing of news starts from CEO briefings and is cascaded to all levels. Routine events and news are cascaded down through official memos as well as "stand-up" shift meetings daily. GUH Group practices good recognition programme where praise and recognition are given during meetings and also in the monthly "Best Worker Awards" presentation. Ideas and innovation are not only nurtured in the Technical Teams but also by any employee who has ideas on the improvement of the product or improvement to any of the Company's business process is encouraged and points are collected for inclusion in the annual and special reviews. In the manufacturing plant, weekly sessions to review employees' suggestions facilitating a two way channel for the employees' voices to be heard are also formed. Several work related team forums also include the Quality Improvement Teams (QIT), Quality Improvement Circles (QCC), 5S, Process Improvement, and Total Preventive Maintenance (TPM) Teams to people well-being teams such as the Canteen Committee, Sports Events Team and Team Event Teams. GUH hears and values its employees.

(e) Conducive Work Place

An important pillar of any sustainable business is the people element in its equation and with sufficient funds, latest technology can be bought but even with the highest level of automation the people factor cannot be discounted. In fact, most organisation find that the higher the level of technology the more sustainability depends on the sense of

belonging because with technocrats and skilled engineers, the ability to switch jobs is higher. Therefore, GUH PG ensures its workplace and facilities are on par with Best-In-Class standards. Facilities include a subsidised canteen with a comfortable seating capacity of 105 persons and table distance on par with good restaurants. Food prices are being overseen by a committee comprising members from the factory as well as corporate office representatives. Weekly inspections at the canteen are done on criterion of cleanliness, timeliness, pricing and taste and feedback from the employees are reviewed and acted on. The rest and recreation facilities include pantries equipped with refrigerators, microwave ovens, and best in class drinking water machines dispensing hot and cold water. GUH PG also provides coffee corners, facilities for nursing mothers, assigned smoking room, subsidised hot and cold choices vending machines with prices lower than market prices and an ATM machine on the premises. Car park fee is subsidised by the Company and motorbike owners have peace of mind parking in the Company's covered parking with security protection by CCTV, proximity alarms and timed security patrols.

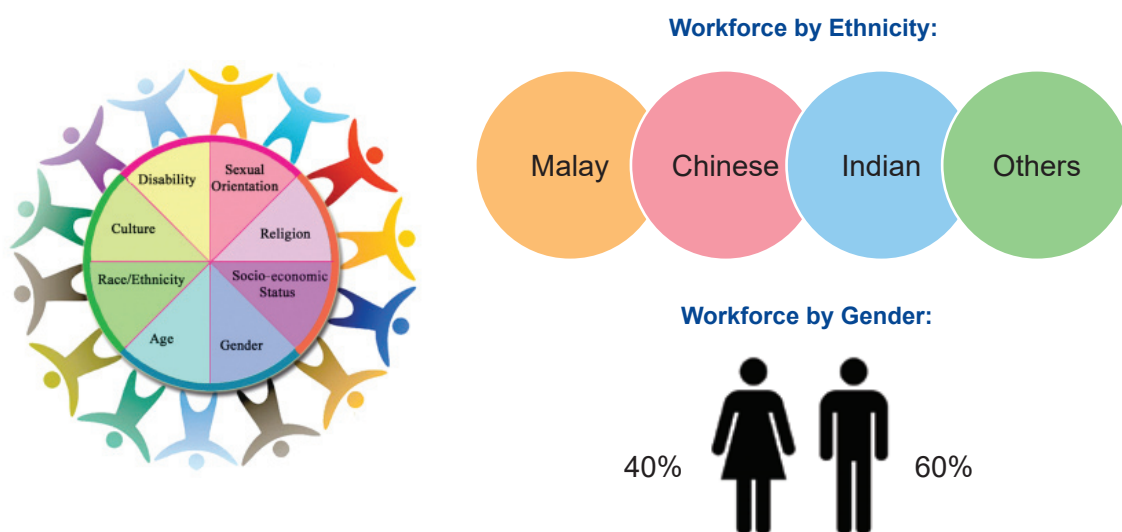
(f) Employees Welfare and Workforce Diversity

The excitement of the COVID 19 restrictions being eased had the sports events being organised after an interval of two years. The employees worked hard and played hard in the badminton competition, futsal competition, bowling competition and the fun ride event. The weekly yoga classes conducted by a certified yoga instructor also resumed for the employees. GUH Group provides EPF, SOCSO, term life insurance, hospitalisation & surgical insurance and medical fees for all employees.

Job vacancies in GUH Group are filled according to ability, potential and performance, and all employment contracts comply with local employment laws. The company encourages positive competitive working environment by offering exceptional rewards, including competitive salary, career advancement, continuous learning etc. GUH Group practices gender equality and respect each other regardless of gender, age or race.

In order to enhance and ensure the work environment of GUH employees is harmonious, GUH Group reviews potential development of relevant personnel to offer opportunity to enable employees to further develop their professional and personal skills. GUH Group also ensures all employees are treated with utmost respect and encouraged in social inclusion by implementing a fairness, inclusion and respect ethos throughout the organisation. All employees, no matter what race or creed, have their personal rights respected and along with their religious preference.

GUH Group strictly prohibits the employment of child labour and forced labour of any form within the Group of Companies included its business associates (for examples, contractors and consultants).



SUSTAINABILITY STATEMENT

(g) A Pledge to the Triple Bottom Line

One of the key objectives of the Management of GUH Group is that its operations must always be on a win-win partnership with the community. Policies are implemented with emphasis on economic, environmental, social and ethical conduct in its interactions with society and community. GUH Group pledges its commitment to the Triple Bottom Line precept of Profit, People, and the Planet and that there are positive contributions to society during the conduct of business. The concurrent expectations are to improve people's lives while protecting the planet.

(h) Contribution to the Industrial Fraternity

Through the years, in line with its pledge to contribute and impart knowledge to society, GUH PG developed several suppliers from fledging simple process suppliers into suppliers with considerable technology in chemicals, precision drill tools, machine language programming, machine refurbishment and a host of PCB industry support services. GUH PG is proud to have participated in developing local suppliers capable of delicate chemical compounds, high precision tools engineering, electronic and software solutions and believes it is one of the forerunners in recognising Penang as a place with capabilities of attracting high-end PCB manufacturers.

(i) Community Cohesion

GUH Group always maintained a close rapport with the local authorities and community by placing significant emphasis on corporate social responsibility. Community contributions in 2022 include:

- Donated RM2,000 for Kelab Sukan & Sosial Pejabat Tanah Dan Galian Pulau Pinang for their inter-state competition 2022.
- Sponsorship of 50 food hampers to the local community in need during 2022 Hari Raya celebration.
- Donated RM3,300 for Kejohanan Sukan SUK-Semalaysia 2022 as support toward health and sport awareness.
- Donated RM5,000 for Program Explore Race Sempena Bulan Kemerdekaan Peringkat Dun Bukit Kepayang 2022 as support toward health and sport awareness.
- Donated RM5,000 for Karnival Sukan Jabatan Kerja Raya Semalaysia Tahun 2022 as support toward health and sport awareness.

(j) Healthy Lifestyle

GUH Group is mindful that the concept of lifestyle has been the subject of interest in livings of community. Properties Division takes in the emergence of living lifestyle environment into its housing or projects developments. It has all the time customises their products in meeting customers' interest. In each of the previous and future residential development, Properties Division has and will allocate an area to build children playground and green field for the purpose of enhancing a healthy lifestyle and preserving the green at the same time. A total of 174,418sqft children playing areas have been built to encourage residents to have a healthy outdoor lifestyle.

As a responsible member of the community, GUH Group always takes due care of the community and prevent any adverse impact on the community whenever GUH Group carries out its activities. GUH Group always uses appropriate equipment and work within the appropriate hours to mitigate nuisance and visual intrusion to neighbours where business operation is carried out. Proper protection of the adjacent work areas and ensuring all works are carried out in a way which does not cause any safety hazard to the community is also provided.

Sustainability Journey

The milestone

GUH is continuously enhancing its sustainability approach based on best practices in addressing the material

SUSTAINABILITY STATEMENT

Environmental, Social and Governance (ESG) matters throughout the Group. Investors are increasingly applying these non-financial factors as part of their analysis process to identify material risks and growth opportunities. Therefore, culture embedment into the whole Group is crucial to ensure effective implementation of the Group initiatives in achieving its sustainability goals.

GUH has embarked and is now paying attention to ESG as a functional approach to doing its business. Each criterion of ESG plays an important role in the effort to increase focus on sustainable and ethical investments. As such, GUH is in progress of developing and implementing numbers of plans in order to incorporate ESG into the Company's business model, namely Business Sustainability Plan, Energy Conservation Plan, Water Management Plan, Waste Management Plan and others which may be deemed applicable.

Environment

Environment factors such as air and water quality, energy performance, carbon footprint and waste management/pollution that GUH involved in elaborate how much GUH considers the protection of natural resources.

- Strictly comply to all applicable environmental legislation to prevent pollution
- Promote energy saving concept in daily operation
- Implement water reduction strategies in manufacturing facilities
- Generated waste to be recycled where possible or to be disposed in a professional way for preventing pollution
- Investment into eco-friendly industries such as renewable energy and EVs

Social

Social such as customer satisfaction, data protection and privacy policies and efforts, employee diversity, equality and health and safety are among the factors that how GUH treats people and stakeholders.

- Insurance for employees
- Health, safety and environment
- Compliance with laws and regulations
- Provide accommodation for foreign workers in accordance with the regulatory standards
- Meet Malaysia's minimum wage
- No to forced/child labours
- Execute corporate social responsibility to invest in community
- Maximise the proportion of spending on local suppliers
- Perform a market survey to meet the customer's demand or expectation
- Organise events that involve stakeholder

Governance

Governance examines how GUH sets policies itself, focusing on internal system controls and practices to maintain compliance.

- Act with integrity and maintain accountability
- Maintain confidentiality
- Develop and implement Anti-Bribery and Corruption Policy to ensure compliance with the Malaysian Anti-Corruption Commission Act
- Implement safety measures which are in compliance with the Occupational Health and Safety Act
- Execute practices by observing compliance with the Employment Act
- Organise refresher trainings to all the employees for ensuring compliance with the rules and regulations

SUSTAINABILITY STATEMENT

Sustainable for Value Creation

As sustainability always plays a fundamental role in driving into value creation process, GUH and its Board are cognisant in doing its business in a sustainable way. Increasing reporting on record-high temperatures, landslides and flooding in the recent decades have been making it difficult and becoming a frightening alarm for those living in many parts of the world.

As part of the corporate world, GUH has embarked on its plans to diversify its business into various sectors after taking into consideration the climate change and global warming effect and moving forward to decarbonise the economy by venturing into green energy initiatives with the hope to support the alignment of resources to produce holistic and long-term solutions to build a sustainable future. Through its associate company, namely Leader GUH Renewable Energy Sdn. Bhd. involved in the solar power business, which is a renewable source of power plays an important role in reducing greenhouse gas emissions and mitigating climate change which is crucial to protecting all the living and ecosystem. GUH has also ventured into the investment of another green project, i.e. the electric vehicles (“EV”) and EV-related business. EV is a global trend and stakeholders from governments to manufacturers are putting effort into moving from traditional petrol-fuel vehicles to EV. The global EV market is expected to grow exponentially in the near future, driven by various factors including global concerns for pollution, governmental policies, advancements in technology and etc. As a cleaner alternative, EV is an important step in sustainable transportation. EV also serve as a greener alternative to gas or diesel vehicles by eliminating exhaust, reducing greenhouse gas emissions. This advantage helps businesses to stay sustainable and compliant with the government initiatives and guidelines.

Statement of Assurance

While there are currently no requirements for Sustainability Statement to be subjected to any assurance process, this Sustainability Statement of GUH Group has not been subjected to an assurance process for the financial year ended 31 December 2022 under review. Nevertheless, there have been increasing expectations placed on companies to provide credible assurance, GUH Group strives to increase the coverage of the assurance process pertaining to the Sustainability Statement over time with the aim to eventually ensuring the entire Sustainability Statement to an assurance process and compliance with all the applicable laws, rules and regulations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of GUH Holdings Berhad (“GUH” or “the Company”) is committed to embracing and pursuing a strategy of adopting suitable best practices of corporate governance within GUH Group which is in line with the recommendations as set out in the Malaysian Code on Corporate Governance (“MCCG”) which has been last revised and effective since April 2021 that forms part of the continuing obligations of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”). The Board firmly believes that excellence in corporate governance helps to cultivate a conclusive and ethical environment and enhance stakeholders’ value which is vital to business sustainability. It is important for the Group to strictly comply and adhere to good corporate governance such as integrity, transparency, accountability and responsible business conduct, so as to build a sustainable future that generates positive value creation.

The Board is pleased to present the Corporate Governance Overview Statement for the financial year ended 31 December 2022 which takes guidance from the Corporate Governance (“CG”) Principles as set in the MCCG 2021.

The Corporate Governance Overview Statement should be read in tandem with other Statements in the Company’s Annual Report 2022, i.e. the Sustainability Statement, Statement on Risk Management and Internal Control and Audit Committee Report. The explanation of the application and departure on the corporate governance practices is reported under the Corporate Governance Report (“CG Report”) which is published on the Company’s website, www.guh.com.my based on a prescribed format as specified in Paragraph 15.25(2) of the Listing Requirements.

As there is no ‘one size fits all’ approach to corporate governance while maintaining the best approach to adopting the principles, the Board will use its best endeavours to maintain the compliance of the relevant principles as set out in MCCG and to promote high standards of corporate governance. The Company has applied most of the practices in the MCCG 2021 except for the following:

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority Independent Directors.

Practice 5.4 - Step up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilizes independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Practice 8.2

The board discloses on a named basis the top five senior management’s remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The statement supports the three (3) key principles of MCCG, namely Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

(i) Board Roles and Responsibilities

The Company is headed by a Board, which assumes responsibility for the Company’s leadership and is collectively responsible for meeting the objectives and goals of the Company and the Group. The Board not only sets the strategic direction but also oversees the business conduct to ensure the Group is in compliance with rules and regulations, laws and requirements and upholding ethical values. The Board also oversees the integration of sustainability considerations in corporate strategy, governance and decision making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board Charter of the Company sets out the Board's strategic intent and clearly defines the Board's roles and responsibilities as well as elaborates the fiduciary and leadership functions of the Board. The Board Charter is reviewed annually with its latest update being made in November 2022. To ensure the effective discharge of its fiduciary duties and to enhance business and operational efficiency, specific responsibilities have been delegated to various Board Committees where appropriate. The Board Committees comprise Audit Committee, Nomination Committee, Remuneration Committee, Risk Management & Sustainability Committee and the Share Grant Plan Committee. Each Committee operates within its respective terms of reference which have been approved by the Board. The Terms of Reference of all the Board Committees are reviewed and updated regularly to ensure the latest requirements of the MCCG and Listing Requirements are incorporated. Each Committee reports its recommendations and decisions to the Board for approval.

The Board Charter and Terms of Reference of the Board Committees are available online at the Company's website, www.guh.com.my.

(ii) Separation of the position of Executive Chairman and the Chief Executive Officer/Group Managing Director ("CEO/Group MD")

There is a clear division of responsibilities between the Executive Chairman and the CEO/Group MD. The distinction of the two positions in the Company ensures an appropriate balance of roles, responsibilities and accountability. The Executive Chairman also ensures that no single Board member can dominate discussion and decision making. The Executive Chairman ensures all Board resolutions are put to vote with the will of the majority to prevail. Details of the roles and responsibilities of the Executive Chairman are spelled out in the Board Charter. Tan Sri Dato' Seri H'ng Bok San is the Executive Chairman of the Board. He is the presiding Executive Chairman during the General Meeting of the Company as well. He provides leadership and governance to the Board to ensure its smooth and effective functioning.

Datuk Seri Kenneth H'ng Bak Tee has assumed the role of the CEO/Group MD since 2004. He leads the Management Team and oversees the day-to-day operational and financial management of GUH Group including to fulfill all policies. He also oversees daily conduct of operating divisions, business affairs, financial management, human resource management with respect to key positions in the Group's hierarchy to ensure organisational effectiveness.

(iii) Commitment

Board meetings are scheduled ahead in order to enable the Board members to have good attendance at Board meetings and the expected degree of attention to the Board meeting agenda. This would also enable the Directors to prepare and deal with if any matter arising during such meetings efficiently. Formal agenda and relevant reports covering strategic, financial, operational and regulatory compliance matters are normally circulated to all members a week before the scheduled meeting. During the financial year 2022, a total of four (4) Board meetings were held where the Board deliberated upon and considered a variety of matters including the Group's quarterly financial results and operations, strategic decisions, business plan and discussing other pertinent matters. Relevant senior management and external consultants were invited to attend the Board meetings as and when required in order to present and advise the Board members with information and clarification on the meeting agenda to facilitate informed decision making. The deliberations and decisions adopted at the meetings are properly documented. Any Director who has an interest in the subject matter to be deliberated shall abstain and had abstained from deliberating and voting during the meetings. Minutes of each Board meeting are circulated to each Director prior to confirmation of the minutes by the Chairman in the next Board meeting. The daily operational matters that require immediate Board decision in the interval between Board meetings will be sought via Directors' circular resolutions, supported by full detailed information. The Board is satisfied with the level of time commitment given by each of the Directors towards fulfilling their roles on the Board and Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The attendance record of each member of the Board during the financial year ended 2022 is set out below:

Board of Directors	Feb	May	Aug	Nov	Total
Tan Sri Dato' Seri H'ng Bok San Executive Chairman	√	√	√	√	4/4
Datuk Seri Kenneth H'ng Bak Tee CEO/Group MD	√	√	√	√	4/4
Dato' Harry H'ng Bak Seah Non-Independent Non-Executive Director	√	√	√	√	4/4
Datin Seri Jessica H'ng Hsieh Ling Non-Independent Non-Executive Director	√	√	X	√	3/4
Dato' Dr. Gan Kong Meng Independent Non-Executive Director	√	√	√	√	4/4
Mr. Teng Chang Yeow Independent Non-Executive Director (Appointed on 30-05-2022)	N/A	N/A	√	√	*2/2
Ms. Phoon Yee Min Independent Non-Executive Director (Appointed on 30-05-2022)	N/A	N/A	√	√	*2/2
Mr. Chew Hock Lin Senior Independent Non-Executive Director (Retired on 30-05-2022)	√	N/A	N/A	N/A	*1/1
Dato' Ismail Bin Hamzah Independent Non-Executive Director (Retired on 30-05-2022)	√	N/A	N/A	N/A	*1/1
Dato' Lai Chang Hun Independent Non-Executive Director (Retired on 30-05-2022)	√	N/A	N/A	N/A	*1/1
En. W Ismail Bin W Nik Independent Non-Executive Director (Retired on 30-05-2022)	√	N/A	N/A	N/A	*1/1

* reflects the attendance and the number of meetings held during the period the Directors held office

The Board carried out the following activities:

- Reviewed the Company's performance in 2022 and the business outlook for 2023;
- Supervised and assessed management's performance;
- Received reports on any related party transaction(s) and declaration of interest by Directors;
- Approved the Directors' Report and Audited Financial Statement for the financial year ended 31 December 2021;
- Approved Annual Report 2021;
- Approved the Statement in relation to the Proposed Renewal of Share Buy Back;
- Approved the draft Circular to Shareholders in relation to the Proposed Renewal of Recurrent Related Party Transactions of revenue or trading nature;
- Reviewed and approved quarterly results for 2022 and announcements;
- Reviewed the quarterly reports from the CEO/Group MD on the progress of all business divisions and any significant change in the business and the external environment, which affected operations;
- Approved the annual budget and capital expenditure budget;
- Reviewed the Company's strategies and plans;
- Proposed the re-appointment of the Group's external auditors and ensured that the external auditors meet the criteria provided by the Listing Requirements;
- Reviewed and approved the appointment of Independent Non-Executive Directors;
- Reviewed and approved the changes in the composition of Board Committees;
- Approved the reports of the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management & Sustainability Committee and the Share Grant Plan Committee;
- Reviewed the risk management framework of GUH;
- Reviewed the succession planning for the Group's continuity in leadership for all key positions; and
- Noted the updates and any amendments made to the Listing Requirements, laws and regulations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

GUH recognises the importance of continuous professional development and training for its Directors. All Directors of the Company have completed the Mandatory Accreditation Programme. Directors are encouraged to attend seminars and trainings to keep themselves abreast with the latest developments of new regulations and compliance including to enhance their skills and knowledge. Directors will be informed and updated on key corporate governance developments and salient changes to the Listing Requirements, laws and regulations. The external auditors also brief the Audit Committee on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

The summary of courses, seminars and trainings attended by respective Directors of the Company during the financial year ended 31 December 2022 are set out as follows:

Tan Sri Dato' Seri H'ng Bok San
<ul style="list-style-type: none"> An overview of Listing Requirements (1&2/06/2022)
Datuk Seri Kenneth H'ng Bak Tee
<ul style="list-style-type: none"> Cyber Security. A Boardroom Agenda. (03/03/2022) Corporate liability for corruption offences: MACC Act Section 17A, Adequate procedures and ISO 37001 Anti-Bribery Management Systems (10/03/2022) Key provisions and compliance requirements under Companies Act 2016 (06/04/2022) How to set up an effective whistleblowing system (27/06/2022) Making effective decisions and solving problems (29/06/2022)
Dato' Harry H'ng Bak Seah
<ul style="list-style-type: none"> Future proof sustainable enterprise : Scenario planning around the megatrends (28/09/2022)
Datin Seri Jessica H'ng Hsieh Ling
<ul style="list-style-type: none"> An overview of Listing Requirements (1&2/06/2022)
Dato' Dr. Gan Kong Meng
<ul style="list-style-type: none"> Tax Corporate Governance Framework (13/07/2022) AI for Non-AI Personnel (17/06/2022) AOB Conversation with Audit Committees (07/04/2022)
Mr. Teng Chang Yeow (Appointed on 30/05/2022)
<ul style="list-style-type: none"> Bursa Malaysia Mandatory Accreditation Programme (MAP) (20-22/09/2022)
Ms. Phoon Yee Min (Appointed on 30/05/2022)
<ul style="list-style-type: none"> Bursa Malaysia Mandatory Accreditation Programme (MAP) (23-25/05/2022) Supply Chain Sustainability: Advancing ESG Adoption Amongst Malaysian SMEs (22/06/2022) PowerTalk ESG Series #4 - ESG Disclosure At A Glance: Key Developments And Future Trends (27/07/2022) ICDM PowerTalk ESG Series #5 – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives (04/08/2022) HRD Corporation Train the Trainer (08-12/08/2022) ACCA Evening Talk Series 2022: Young Professionals on Corporate Board is a Game Changer (27/10/2022) Green finance skills: costs and opportunities of your transition to net zero (01/12/2022) The Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees (06/12/2022) Starting & Managing Corporate Sustainability & ESG Strategy (07/12/2022)

(iv) Qualified Company Secretaries, Access to Information and Advice

All Directors have access to the advices and services of qualified Company Secretaries in discharging their fiduciary duties. The Company Secretaries are qualified to act under Section 235 of the Companies Act 2016 (“the Act”). The Company Secretaries support the effective functioning of the Board, provide advice and guidance to the Board on policies and procedures, relevant rules, regulations and laws in relation to corporate secretarial matters and principles of good governance practices. They also manage the process of the Board Meetings and Annual General Meeting. The Company Secretaries receive regular updates on training programmes from various organisations.

All Directors have access to the advice and services of independent professional advice if required, in pursuance of their duties at the Group’s expense.

The Board members are satisfied that the information is sufficiently supplied on a timely basis and of quality to enable them to discharge their duties.

(v) Strengthening Corporate Governance Culture

GUH Group recognises the needs of its employees to discharge their responsibilities ethically and appropriately in order to protect the best interest of the Group and its stakeholders. The Code of Ethics and Code of Conduct adopted by the Group set out the principles in relation to integrity, dependability, excellence and fairness to be upheld by the Directors and employees of the Group in dealing with their daily work and to achieve the Group’s business goals in an ethical manner.

GUH Group’s employee handbook guides the desired standard of behavior from all employees in discharging their duties including terms and conditions of general employment, compensation and benefits.

In line with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Board has adopted Anti-bribery and Corruption Policy to provide a strong framework to prevent its employees, Directors and business partners from undertaking corruption practices relating to its business activities. This policy outlines the Group’s commitment to conduct business ethically in compliance with all anti-bribery and corruption regulations.

In addition, GUH Group also has a Whistleblowing Policy establishing proper communication channels for reporting of any misconduct within the Group while maintaining integrity and ethical behaviour. This helps to encourage transparency and confidentiality to its employees and external parties to report the issues regarding business conduct.

The details of The Code of Ethics and Code of Conduct, Anti-bribery and Corruption Policy and Whistleblowing Policy are available on the Company’s website at www.guh.com.my.

The Board emphasised that the corporate commitment shall be a balance of economic, environmental, social and governance elements in the daily business operations to create and maximise the stakeholders’ value over the long term.

The Board is responsible for the development of the Group’s sustainability strategies. The Risk Management & Sustainability Committee with the support of Executive Directors and Senior Management are entrusted with the management of sustainability matters. The Group’s sustainability strategies addressing the material risks and opportunities are reported in the Sustainability Statement of this Annual Report 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD COMPOSITION

(i) Composition and Independence of the Board

For the financial year 2022, the Board consists of seven (7) members of whom are the Executive Chairman, the CEO/Group MD, two (2) Non-Executive Directors and three (3) Independent Non-Executive Directors. The Board has complied with Paragraph 15.02 of the Listing Requirements that stipulates at least two (2) Directors or one-third of the Board of the Company, whichever is the higher are Independent Directors. Although the Board has not met the composition of at least half (50%) of the Board comprising Independent Directors, the Board believes three (3) Independent Directors are capable to ensure the matters relating to strategies, performance and resources proposed by the Management are objectively evaluated, taking into consideration the interest of stakeholders.

The Independent Directors play a pivotal role in the Board's responsibilities. Nevertheless, they are not accountable or responsible for the day-to-day running of the business operations, which is the role of the Executive Directors. They do not participate and engage in any business dealings or other relationships within the Group. The Independent Directors have been actively involved in various Board Committees to assist the Board in carrying out the duties and responsibilities in accordance with the Terms of Reference as set out in each Committee.

In respect of potential conflicts of interest, the Board is comfortable that there is no undue risk involved as all related party transactions are disclosed and strictly dealt with in accordance with the Listing Requirements. The Board is always mindful of the potential conflict of interest that may arise in each transaction, in which case, interested Directors have abstained from decision making. The Board is also responsible for the corporate governance practices of the Group on behalf of the shareholders and retains full and effective control over the Group.

(ii) Nomination Committee

The Nomination Committee of GUH currently consists exclusively of Independent Non-Executive Directors, with the responsibilities of assessing the balance composition of the Board members, nominating any proposed Board member(s) by looking into his/her skills and expertise for the contribution to the Company. The tenure of each Director is reviewed and annual re-election of the Directors should be contingent on a satisfactory evaluation of the Directors' performance and contribution to the Board. The Nomination Committee is also responsible to perform the annual assessment of the Board, Board Committees and individual Directors including to disclose the conduct of evaluation in the Corporate Governance Report.

The present members of the Committee are:

Dato' Dr. Gan Kong Meng (Appointed on 30-05-2022)
Chairman, Independent Non-Executive Director

Mr. Teng Chang Yeow (Appointed on 30-05-2022)
Member, Independent Non-Executive Director

Ms. Phoon Yee Min (Appointed on 30-05-2022)
Member, Independent Non-Executive Director

Dato' Ismail Bin Hamzah (Retired on 30-05-2022)
Chairman, Independent Non-Executive Director

Mr. Chew Hock Lin (Retired on 30-05-2022)
Member, Independent Non-Executive Director

Dato' Lai Chang Hun (Retired on 30-05-2022)
Member, Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Pursuant to MCCG, the Chair of the Nomination Committee should be the Independent Director or Senior Independent Director identified by the Board. Dato' Dr. Gan Kong Meng has been appointed as the Independent Non-Executive Director of the Group since 2015 and the Board is of the view that Dato' Dr. Gan is considered experienced and competent to be the Chairman of the Nomination Committee of the Company.

The Board has stipulated the Terms of Reference for the Nomination Committee and the details are available for reference at www.guh.com.my.

The summary of activities undertaken by the Nomination Committee during the financial year ended 31 December 2022 included the following:

- Reviewed overall structure, size and composition of the Board with an aim to achieve a balance of view from the Board;
- Reviewed the required mix of skills, experiences and other qualities including core competencies and time commitment to the Board;
- Reviewed and confirmed the minutes of the Nomination Committee meeting held;
- Conducted annual performance evaluation and assessment on the effectiveness of the Board, Board Committees and individual Directors;
- Recommended on the re-election of the Directors at the Annual General Meeting pursuant to the Constitution of the Company;
- Reviewed and recommended the Terms of Reference of the Nomination Committee to the Board for approval.

The Nomination Committee meets at least once every financial year and may be required as and when necessary. The attendance record of each member of the Nomination Committee during the financial year ended 2022 is set out below:

Nomination Committee	Nov	Total
Dato' Dr. Gan Kong Meng, Chairman (Appointed on 30-05-2022)	√	*1/1
Mr. Teng Chang Yeow, Member (Appointed on 30-05-2022)	√	*1/1
Ms. Phoon Yee Min, Member (Appointed on 30-05-2022)	√	*1/1
Dato' Ismail Bin Hamzah, Chairman (Retired on 30-05-2022)	N/A	N/A
Dato' Lai Chang Hun, Member (Retired on 30-05-2022)	N/A	N/A
Mr. Chew Hock Lin, Member (Retired on 30-05-2022)	N/A	N/A

* reflects the attendance and the number of meetings held during the period the Directors held office

(iii) Evaluation for Board, Board Committee and Individual Director

The Nomination Committee conducted an annual assessment of the performance of the Board as a whole, Board Committees and individual Directors based on the Directors' peer evaluation approach. The criteria used in evaluating the performance of individuals, including their contribution to interaction, integrity, competency and time commitment of the members of the Board as well as the Board Committees in discharging their duties, are in a set of questionnaires.

The Constitution of the Company provides that an election of Directors shall take place each year. All Directors shall retire from office once at least in every three years. A retiring Director shall be eligible for re-election. The Directors who shall retire once at least in every three years and are standing for re-election and re-appointment at the forthcoming Annual General Meeting of the Company to be held in 2023 are stated in the Notice of Annual General Meeting.

A Fit and Proper Policy has been adopted and published on Company's website at www.guh.com.my to guide the Nomination Committee for the assessment and evaluation of the potential Directors on their new appointments and those who are seeking re-election.

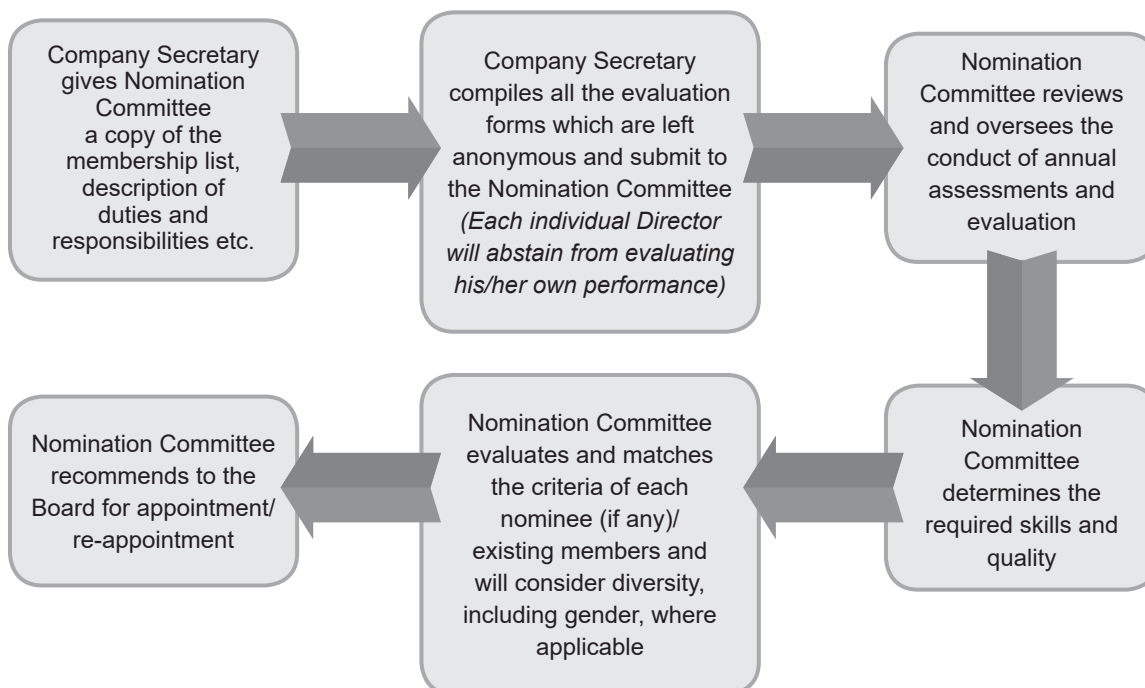
CORPORATE GOVERNANCE OVERVIEW STATEMENT

All candidates to the Board and retiring Directors who are subject to re-election are assessed by the Nomination Committee prior to their appointment by taking into account the assessment criteria as set out in the Fit and Proper Policy. Personal qualities such as probity, personal integrity, financial integrity and personal reputation are considered in evaluating the candidates or Directors. In assessing their experience and competency, qualifications, training and skills, relevant past performance or track record, inter alia, time and commitment are also taken into consideration.

The performance of the Board, Committees and individual Directors are appraised whether the person or Committees have sufficient achievements or demonstrated performance in the Company's nature of business. The Nomination Committee will also consider whether the candidates or Directors are occupying high-level positions in comparable organisations and were accountable for driving and leading the organisation's governance, business performance or operations.

For the financial year ended 31 December 2022, the Nomination Committee carried out a peer evaluation, where the name of the Director completing the evaluation has been left anonymous as it is believed that the anonymity would achieve an honest general consensus. The Director who is subject to election and/or re-election at Annual General Meeting is assessed by the Nomination Committee before a recommendation is made to the Board and/or shareholders. Appropriate assessment and recommendation by the Nomination Committee is based on the annual assessment conducted. All assessments and comments from the evaluation are documented and discussed during the Nomination Committee Meeting which was then tabled at the Board Meeting held thereafter.

The process for the nomination and election/re-election of the Non-Executive Director (both Independent and Non-Independent) is as follows:



Based on the assessment conducted, the Board and the Nomination Committee are satisfied with the current size, composition as well as the mix of qualifications, skills and expertise among the Board and the Board Committee members.

(iv) Tenure of Independent Directors

The policy on the tenure of Independent Directors is nine years unless re-designated as Non-Independent Director. The retention of Independent Director who serves more than 9 years shall be confirmed and approved annually by the shareholders at the Annual General Meeting via a two-tier voting process.

GUH always strives its best to adhere to all applicable laws, rules and regulations in order to ensure good corporate governance principles are applied in every aspect of business processes and at all levels of the Group. The principles of good corporate governance are needed to achieve long term sustainability of the Group. Further to the amendments made to the Listing Requirements for the purpose to encourage board renewal and strengthen board independence, quality and diversity, all the 4 long-serving Independent Directors of the Company, namely Mr. Chew Hock Lin, Dato' Ismail Bin Hamzah, Dato' Lai Chang Hun and En. W Ismail Bin W Nik had opted to retire and not to seek for retention as Independent Non-Executive Directors at the Annual General Meeting which was held on 30 May 2022. Hence, the 4 long-serving Directors had retired from the Board and all relevant Board Committees during the financial year.

Based on the assessment conducted, the Board and the Nomination Committee are satisfied with the current size, composition as well as the mix of qualifications, skills and expertise among the Board and the Board Committee members.

2 new Independent Directors have been nominated and appointed to the Board to fulfill the composition of Independent Non-Executive Directors serving on the Board. For the financial year under review, none of the Independent Non-Executive Directors' tenures have exceeded the term limit of 9 years.

Having reviewed the Board composition and the tenure of each Independent Director, the tenure of all the 3 present Independent Directors are not more than 9 years which is in compliance with both Listing Requirements and MCCG.

Upon the recommendation of the Nomination Committee, the Board is satisfied with the composition of the existing 3 Independent Directors with their ability to act in the best interest of the Company and continue to help the Company in improving corporate credibility and governance standards.

(v) Gender Diversity

The Board recognises the essentials of diversity within its Board and Senior Management. GUH Group is committed to providing fair and equal opportunities and nurturing diversity within the Group. The appointment of board members and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

With the different backgrounds, specialisation and mix of expertise from the present Directors, Company is essentially led and guided by an experienced and competent Board. The profile of each Director is summarised in the Profile of Directors of this Annual Report 2022.

At present, the Board consists of two (2) female Directors reflecting a 28.57% allocation, which is close to the composition of the overall Board as required by the MCCG practice of 30% female Directors and in compliance with the Listing Requirement of one (1) female Director. The Board opined that diversity should be in phase with expertise, skills and experience but not gender alone. GUH Group has also broaden its recruitment to include women in Senior Management and in decision making participation.

(vi) Independent Sources on Qualified Candidates

During the financial year, Ms. Phoon Yee Min and Mr. Teng Chang Yeow were nominated by the Board members to the Nomination Committee as Independent Non-Executive Directors with the consideration of their skills, knowledge, expertise and commitment towards the Board. Upon deliberation and guided by the criteria of fit and proper policy, the Board has approved their appointments subsequent to the retirement of four (4) long serving Independent Non-Executive Directors. The Board is satisfied with the outcomes of the evaluation and composition of the current Board and is of the view that the appointment of an independent third party on the conduction process is not necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

REMUNERATION

(i) Remuneration Policies and Procedures

Directors and Senior Management Remuneration Policies and Procedures has been established to provide guidance in recommending the remuneration package to the Directors and Senior Management according to the following principles as well as in line with the best practise as recommended by MCCG:

- To attract and retain Directors and Senior Management
- To motivate Directors and Senior Management to achieve and work towards the Group's vision and mission
- To align the interests of the Directors and Senior Management with the interests of the shareholders.

The Remuneration Policies and Procedures of the Directors and Senior Management is available on the Company's website at www.guh.com.my.

In summary, the result of the performance assessment is reviewed by the Remuneration Committee and recommended to the Board for approval.

(ii) Remuneration Committee

The Remuneration Committee of GUH currently comprises the following Directors, all of whom are Non-Executive, with the majority of Independent Directors.

Dato' Dr. Gan Kong Meng (Appointed on 30-05-2022)
Chairman, Independent Non-Executive Director

Ms. Phoon Yee Min (Appointed on 30-05-2022)
Member, Independent Non-Executive Director

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

Dato' Ismail Bin Hamzah (Retired on 30-05-2022)
Chairman, Independent Non-Executive Director

Mr. Chew Hock Lin (Retired on 30-05-2022)
Member, Independent Non-Executive Director

The Remuneration Committee meets at least once a year and may be requested as and when necessary to deliberate and discuss the remuneration of the Executive Directors. 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 participated in any way in determining their individual remuneration. In reviewing the remuneration package of the Executive Directors, the Committee shall normally consider the level of responsibilities of its Directors, and is guided by the framework that covers the terms and conditions for the Executive Directors and the management team. The remuneration package contains both fixed and performance-linked elements and their remunerations are benchmarked against the remuneration of other companies within the same industry. The Executive Directors are paid fixed salaries, allowances, bonuses and other benefits in accordance with the terms and conditions as agreed upon. The terms and conditions are normally reviewed annually to ensure the performance and contributions are justified.

During the financial year ended 31 December 2022, the Remuneration Committee had one meeting to discuss and recommend to the Board for approval of the remuneration package of the Executive Directors. The determination of the remuneration of the Non-Executive Directors is a matter determined by the Board as a whole. Payment of Directors' fees is one of the salient elements. The Director's fee was proposed at RM70,000 per Director and the shareholders' approval had been sought at the last AGM held in year 2022. During the year, the Remuneration Committee also recommended the Directors' fee for the period from year 2023 to the next AGM in year 2024, subject to the shareholders' approval at the forthcoming AGM. The Company reimbursed expenses incurred by the Directors for attending the Board and Committee meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The detailed disclosure on the named basis for the remuneration of individual directors can be found in the Company's Corporate Governance Report 2022.

All meeting minutes, including meeting papers that had been deliberated by the Remuneration Committee are reported to the Board by the Chairman of the Remuneration Committee for the Board's consideration and approval.

The attendance record of each member of the Remuneration Committee during the financial year ended 2022 is set out below:

Remuneration Committee	Nov	Total
Dato' Dr. Gan Kong Meng, Chairman (Appointed on 30-05-2022)	√	*1/1
Ms. Phoon Yee Min, Member (Appointed on 30-05-2022)	√	*1/1
Datin Seri Jessica H'ng Hsieh Ling, Member	√	1/1
Dato' Ismail Bin Hamzah, Chairman (Retired on 30-05-2022)	N/A	N/A
Mr. Chew Hock Lin, Member (Retired on 30-05-2022)	N/A	N/A

* reflects the attendance and the number of meetings held during the period the Directors held office.

(iii) Details of Top Five Senior Management's Remuneration

Given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment and the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place, the Board takes the view that there is no necessity for the Group to disclose the remuneration of the Company's top five Senior Management personnel who are not Directors whether in aggregate basis or in named basis of RM50,000.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

(i) Audit Committee

The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes, quality of its financial reporting and the results review of internal and external audit activities and to ensure compliance with all applicable accounting standards and any other relevant regulatory authorities. The Audit Committee comprises solely Independent Non-Executive Directors and is chaired by Ms. Phoon Yee Min, a member of the Association of Chartered Certified Accountant (ACCA), Institute of Internal Auditors Malaysia (IIAM), Malaysian Institute of Accountants (MIA) and a Certified Internal Auditor (CIA) while the Executive Chairman of the Board is Tan Sri Dato' Seri H'ng Bok San. This is to ensure that the objectivity of the Board's review of the Audit Committee's findings and recommendations is not impaired. At present none of the members of Audit Committee is a former partner of the external audit firm. In the event of any potential candidate of a former audit partner were to be appointed the cooling-off period of at least three (3) years will be observed.

Terms of Reference of Audit Committee are available on the Company's website at www.guh.com.my. The Board is satisfied with the duties carried out by the Audit Committee. The Board ensured that all members of the Audit Committee are financially literate and have sufficient understanding of the Group's business and matters under the purview of the Audit Committee including the financial reporting process. The diversified skills and experiences of the committee members enable them to discharge their roles and responsibilities effectively. The Audit Committee has reviewed and provided advice on the financial statements which provide a true and fair view of the Company's financial position and performance.

The activities and more details of the Audit Committee have been described in a separate statement in the Audit Committee Report of this Annual Report 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Terms of Reference of Audit Committee are available on the Company's website at www.guh.com.my. The Board is satisfied with the duties carried out by the Audit Committee. The Board ensured that all members of the Audit Committee are financially literate and have sufficient understanding of the Group's business and matters under the purview of the Audit Committee including the financial reporting process. The diversified skills and experiences of the committee members enable them to discharge their roles and responsibilities effectively. The Audit Committee has reviewed and provided advice on the financial statements which provide a true and fair view of the Company's financial position and performance.

The activities and more details of the Audit Committee have been described in a separate statement in the Audit Committee Report of this Annual Report 2022.

(ii) External Auditors

The Audit Committee has policies and procedures in place to assess the suitability, objectivity and independence of the external auditors. The Audit Committee has undertaken annual assessment to assess the suitability and independence of external auditors during the financial year. The criteria for the assessment include among others, quality of services, sufficiency of resources, communication, independence and interaction. In addition, the external auditors have also given written assurance to the Audit Committee confirming their independence. The Audit Committee is satisfied with the result of the assessment and henceforth recommended to the Board for the re-appointment of Messrs. Crowe Malaysia PLT for shareholders approval at the forthcoming 59th AGM. The Audit Committee will also ensure that the audit partner will rotate every five (5) years after the closure of the statutory audit.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

(i) Risk Management & Sustainability Committee

The Risk Management & Sustainability Committee identifies, evaluates and manages the significant risks associated to the Group's current business, new investment and/or divestment and control responsibilities with an appropriate action plan and ensures the implementation of appropriate systems to manage the overall risk exposure of the Group.

The Board, through its Risk Management & Sustainability Committee monitors risks and internal control of the Group. The Risk Management & Sustainability Committee comprises three (3) members, all of whom are Independent Non-Executive Directors.

Ms. Phoon Yee Min (Appointed on 30-05-2022)
Chairlady, Independent Non-Executive Director

Dato' Dr. Gan Kong Meng (Appointed on 30-05-2022)
Member, Independent Non-Executive Director

Mr. Teng Chang Yeow (Appointed on 30-05-2022)
Member, Independent Non-Executive Director

Mr. Chew Hock Lin (Retired on 30-05-2022)
Chairman, Independent Non-Executive Director

Dato' Ismail Bin Hamzah (Retired on 30-05-2022)
Member, Independent Non-Executive Director

Datin Seri Jessica H'ng Hsieh Ling (Resigned on 30-05-2022)
Member, Non-Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The attendance record of each member of the Risk Management & Sustainability Committee during the financial year ended 2022 is set out below:

Risk Management & Sustainability Committee	Nov	Total
Ms. Phoon Yee Min, Chairlady (Appointed on 30-05-2022)	√	*1/1
Dato' Dr. Gan Kong Meng, Member (Appointed on 30-05-2022)	√	*1/1
Mr. Teng Chang Yeow, Member (Appointed on 30-05-2022)	√	*1/1
Mr. Chew Hock Lin, Chairman (Retired on 30-05-2022)	N/A	N/A
Dato' Ismail Bin Hamzah, Member (Retired on 30-05-2022)	N/A	N/A
Datin Seri Jessica H'ng Hsieh Ling, Member (Resigned on 30-05-2022)	N/A	N/A

* reflects the attendance and the number of meetings held during the period the Directors held office.

The Board acknowledges the responsibilities for maintaining a sound system of internal control encompassing risk management practices as well as reviewing its adequacy and integrity to safeguard the shareholders' investment and the Group's assets. The internal control system is designed to provide reasonable assurance against material misstatements and losses. The Board reviewed the effectiveness of the system of internal controls through the Audit Committee which supervised the work of the Internal Audit Function of the Group and the comments made by the Company's external auditors. The external auditors are also appointed to review the Statement of Risk Management and Internal Control of the Company and to report thereon.

The Statement on Risk Management and Internal Control provides an overview of the risk management framework and the state of internal control within the Group and is disclosed in this Annual Report 2022.

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

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

Details of the Group's Internal Audit Function and responsibilities are set out in the statement of Internal Audit Function of the Audit Committee Report of this Annual Report 2022.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

ENGAGEMENT WITH STAKEHOLDERS

(i) Communication With Stakeholders

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board reviews and approves all quarterly and other announcements to ensure accuracy and compliance. For the financial year ended 31 December 2022, the Board approved and released the quarterly financial results on the following dates:

2022 Quarterly Results	Date of Release	Listing Requirements Deadline
1st Quarter	30 May 2022	31 May 2022
2nd Quarter	22 August 2022	30 August 2022
3rd Quarter	28 November 2022	30 November 2022
4th Quarter	20 February 2023	28 February 2023

The Company's AGM, normally scheduled in May each year, is the primary platform for communications with the shareholders. The Company acknowledges the importance of strengthening corporate governance practices by proposing resolutions to be voted on by poll. Polling processes will be explained during the general meeting and poll results are verified by appointed scrutineers. The shareholders are at liberty to raise questions while the Directors will provide answers and clarifications during the Company's AGM. Notices of AGM and related circulars and statements to shareholders are normally sent out at least 28 days before the meeting in order to facilitate full understanding of the issues involved. Special business items as set out in the Notice of AGM also give full explanation on the effect of the proposed resolution arising from such items. The outcome of the AGM is announced to Bursa Malaysia Securities Berhad on the same day of the meeting.

The management of the Company also holds conferences and meetings with the press, research analysts and fund managers to provide updates on the latest developments within the Group and to give the best information possible so that they can accurately apply it to evaluate the Company.

The Board is aware of the need to establish a disclosure policy that will provide constructive communication to the shareholders and investors in a prompt manner in order for these stakeholders to be able to make informed investment decisions.

(ii) Integrated Reporting

Integrated reporting based on a globally recognised framework is not applicable to the Company presently as it does not fall within the category of "Large Company".

CONDUCT OF GENERAL MEETING

The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance. In exercising good corporate governance, the Notice for the AGM is circulated at least 28 days prior to the date of the meeting. Shareholders are encouraged to attend and vote on all resolutions. Directors, finance manager and the external auditors are also available to respond to shareholders' queries during the AGM.

In light of the COVID-19 pandemic and in the interest of the health and safety of all stakeholders, the last AGM of the Company held on 30 May 2022 was conducted on a virtual basis through live streaming and electronic voting using remote participation and electronic voting facilities. All Directors of the Company attended the said AGM physically at the broadcast venue to engage with shareholders and address issues of concern raised by the shareholders. Questions from the shareholders, which were raised prior to and during the meeting as well as the Company's response to the same were shared with all shareholders during the Question & Answer session at the AGM. Minutes of AGM and a summary of the key pertinent matters discussed at the AGM are published on the website.

STATEMENT ON DIRECTORS' RESPONSIBILITIES IN PREPARING THE AUDITED FINANCIAL STATEMENT

The Board in discharging its fiduciary duties is accountable to shareholders to prepare and present a clear and meaningful assessment of the Group's financial performance and prospects. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting. The Board is required under Paragraph 15.26(a) of the Listing Requirements to make a statement explaining its responsibility for preparing the annual audited financial statements.

In preparing the Group's consolidated audited financial statements for the financial year ended 31 December 2022, the Directors have provided assurance that the financial statements are drawn up in accordance with the applicable approved accounting standards in Malaysia and the Companies Act 2016 so as to give a true and fair view of the state of affairs and financial position of the Company and the Group in a transparent manner. The Statement by Directors pursuant to Section 251(2) of the Companies Act 2016 is set out in the section titled "Statement by Directors of the Directors' Report enclosed with the Group's consolidated annual audited financial statements for the financial year ended 31 December 2022. The Directors' Report for the audited financial statements of the Company and the Group are set out on pages 74 to 77 of this Annual Report 2022.

The Board has taken the following measures in order to ensure the financial statements are properly drawn up:

- Adoption of appropriate, adequate and applicable accounting standards and policies and applied them consistently;
- Applicable approved accounting standards have been complied with;
- Judgements and estimates are made on a reasonable and prudent basis; and
- Due inquiry has been made into the state of affairs of the Company, there are no material matters that may affect the ability of the Company to continue in business on a going concern basis.

The Directors also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and irregularities.

COMPLIANCE INFORMATION AS AT 31 DECEMBER 2022

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

There are policies and 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 favourable than those generally available to the public and are not detrimental to the minority shareholders.

Significant related party transactions of the Group for the financial year are disclosed in Note 33 to the Financial Statements and the Additional Disclosure on page 62 to 63.

For all other transactions with any related parties which do not fall within the ambit of the above disclosure, will be subject to other applicable provisions of the Listing Requirements and/or any other applicable law.

ADDITIONAL DISCLOSURE

1. Status of Utilisation of Proceeds

There were no proceeds raised by the Company from any corporate proposal during the financial year.

2. Audit and Non-Audit Fees

In general, the Company engages the External Auditors for audit purposes only. Nevertheless, as and when necessary, the Group also engages the External Auditors for their non-audit expertise to carry out non-audit services and activities.

For the financial year ended 31 December 2022, the amount of audit and non-audit fees paid or payable by the Company and the Group to the external auditors and their affiliated companies are as follows:

	Company RM	Group RM
Audit fees	53,000	193,500
Non-audit fees	29,400	97,750

3. Share Buy-Back

The Company did not buy back any of its issued shares from the open market during the financial year.

4. GUH's Share Grant Plan

The Share Grant Plan ("SGP") is the only share issuance scheme of the Company. It was approved by the shareholders at the Extraordinary General Meeting of the Company held on 30 June 2020 and commenced with effect from 10 July 2020. This SGP is in force for a period of 5 years from the effective date and may be extended at the discretion of the Board upon the recommendation of the SGP Committee provided that the SGP Period shall not in aggregate exceed the duration of 10 years from the effective date or such longer duration as may from time to time be permitted by the relevant authorities and it is administered in accordance with its By-Law of SGP Committee. The SGP Committee administers and reviews the share grant plan of the Company and its Group and aligning the compensation of management based on their contribution and position in the Company to attain a better performance for the Company and its Group.

A total of 13,889,464 SGP grants comprises 3,757,100 Restricted Stock Units ("RSU") and 10,132,364 Performance Stock Units ("PSU") were offered to the selected eligible Executive Directors and employees of GUH and its subsidiary companies (excluding subsidiaries which are dormant) ("eligible persons").

Details of the number of ordinary shares ("Shares") granted, forfeited, offered, vested and outstanding pursuant to the SGP during the financial year 2022 are set out below:

	Total	Directors/ Chief Executive	Other Eligible Employees
Shares Granted b/f 31/12/2021	13,264,438	2,777,892	10,486,546
Number of Shares forfeited	(902,815)	-	(902,815)
Number of Shares offered	1,527,841	-	1,527,841
Number of Shares vested	(2,366,762)	(805,588)	(1,561,174)
Number of Shares outstanding	11,522,702	1,972,304	9,550,398

Based on the By-Laws of the SGP, the total number of Shares awarded under the SGP shall be determined at the sole and absolute discretion of the SGP Committee, subject to the following:

- (i) The maximum number of Shares shall not in aggregate exceed 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the SGP ("Maximum Limit");
- (ii) The aggregate allocation to the Executive Directors/Chief Executive shall not exceed 20% of the Maximum Limit;
- (iii) The allocation to any individual eligible person who, either singly or collectively through persons connected with the eligible person holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any), shall not exceed 10% of the Maximum Limit.

ADDITIONAL DISCLOSURE

In regard to shares granted to the Directors/Chief Executive of the Company since commencement of the SGP, the aggregate maximum allocation and the actual percentage granted to Tan Sri Dato' Seri H'ng Bok San, the Executive Chairman and Datuk Seri Kenneth H'ng Bak Tee, the CEO/Group MD are 2,777,892 SGP grants representing 20%. None of the Shares were granted or vested to the Non-Executive Directors of the Company under the SGP.

5. Material Contract

Save as disclosed in this Annual Report 2022, there were no material contracts entered into by the Company and its subsidiaries involving the interests of the Directors or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the financial year.

6. Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature

At the last 58th Annual General Meeting held on 30 May 2022, the Company has obtained its shareholders' renewal mandate to allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as disclosed in the Circular to Shareholders dated 29 April 2022.

Details of the recurrent related party transactions transacted during the financial year ended 31 December 2022 pursuant to shareholders' renewal mandate are disclosed as follows in accordance with Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

Transacting Party of the Group	Transacting Party	Nature of Relationship	Nature of Transactions	Actual Value Transacted from 30 May 2022 to 31 December 2022
GUH Circuit Industry (PG) Sdn. Bhd. (Recipient & Provider)	Kiyamas Chemical Sdn. Bhd. ["KCSB"] (Provider & Recipient)	Lizheng Holdings Sdn. Bhd. ("Lizheng") has a direct shareholding of approximately 30.0% in Kiyamas Holdings Sdn. Bhd. Gan Chern Nee has a direct shareholding of approximately 8.3% in Kiyamas H'ng Chun Li is a director and shareholder of Lizheng. He is also a director of Kiyamas and KCSB	Transactions of raw materials, goods and services	RM11,092,399.84 (Approved Limit: RM30,000,000.00)
GUH Circuit Industry (PG) Sdn. Bhd. (Recipient)	Kyosha Precision Engineering Sdn. Bhd. ["Kyosha"] (Provider)	H'ng Chun Li is a director of Kyosha	Provision of precision engineering and fabrication of parts	RM1,345,143.52 (Approved Limit: RM5,000,000.00)

Notes:

- * Kiyamas Holdings Sdn. Bhd. ("Kiyamas") is the Holding Company of Kiyamas Chemical Sdn. Bhd.
- (1) Datuk Seri Kenneth H'ng Bak Tee, the CEO/Group MD of the Group, is also a director and shareholder of Lizheng Holdings Sdn. Bhd. and the father of H'ng Chun Li
- (2) Dato' Harry H'ng Bak Seah, the Non-Executive Director and a shareholder of GUH, is the spouse of Gan Chern Nee.
- (3) Tan Sri Dato' Seri H'ng Bok San, the Executive Chairman and the major shareholder of GUH, is the brother of Dato' Harry H'ng Bak Seah and Datuk Seri Kenneth H'ng Bak Tee.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board is committed to uphold throughout the Group a sound system of risk management, internal controls and good corporate governance practices as set out in the Statement on Risk Management and Internal Control, prepared in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance (“MCCG”) 2021 and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

Board’s Responsibility

In accordance with Principle B (II) of the MCCG, the Board is responsible for the Group’s risk management and internal control system which includes the establishment of appropriate policies on internal control and ensure the systems are functioning effectively and manage risks that form part of the corporate culture.

The Audit Committee and Risk Management & Sustainability Committee assist the Board to review the adequacy and effectiveness of the Group’s risk management and internal control system and to ensure that measures are carried out by Management to obtain the level of assurance required by the Board.

The risk management and internal control system is designed to manage any inadequacies that are identified, to minimise or eliminate the risk of failure to achieve the Group’s business and corporate objectives. Accordingly, such systems can only provide a reasonable but not absolute assurance against material misstatement, loss or fraud.

Risk Management and Internal Control

In accordance with Practice 10.1 of the MCCG 2021, the Board has, through its Risk Management & Sustainability Committee, established a sound risk management and control framework that was implemented throughout the Group.

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 to ensure its system of internal control is carried out efficiently except for associates. 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.

The Risk Management & Sustainability Committee comprises three (3) Independent Directors of whom are all Non-Executive and supported by Senior Management from the Group’s business divisions, meetings are convened 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 & Sustainability Committee for review. The Risk Management & Sustainability Committee reviews and deliberates the performance of the business divisions of the Group and reports to the Board. This risk management process will help GUH to achieve its performance and profitability targets by providing risk information to enable better decision-making. The Board will have ultimate responsibility for managing risks and internal controls associated with the operations of each Division.

The Board is committed to articulate, implement and review the Group’s internal control system. The internal control system is designed to facilitate achievement of the Group’s business objectives and 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Review of Risk Management and Internal Control System

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

The Group has an on-going process of identifying, evaluating and managing the significant risks in order to achieve its objectives. On a quarterly basis, the Board receives management reports from Senior Management in respect of business risks that have impacted or the likelihood to impact the Group and its achievement of its objectives and strategies and actions taken in response to the risks reported. The Risk Management & Sustainability Committee convenes with the divisional managers once a year for an annual assessment of any significant aspects of risks and internal control matters.

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

The Group has an in-house Internal Audit Function, which is independent of the activities or operations of the subsidiaries, departments, and sections it audits. Its principal responsibility is to undertake regular and systematic reviews of the risk management and system of internal control in order to provide reasonable assurance that such system operates satisfactorily and effectively and 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 reviews on the adequacy and effectiveness of the risk management, internal control system and reports its findings on major weaknesses and risk control procedures, makes recommendations for improvements and performs follow up audits 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 assets and other instances of fraud and malpractice, if any.

A whistleblowing policy has been established to provide appropriate channels that facilitate whistleblowing in a transparent and confidential manner for stakeholders to raise concerns, without fear of retaliation on any wrongdoing that they may observe within the Group.

Key Features of Risk Management and Internal Control Processes

The Group's key features on Risk Management and 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 organisational 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: 2015, ISO 14001: 2015 and IATF 16949: 2016 accreditations for their operational processes.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. Clear definitions of authorisation procedures and delegated authority levels for all operational transactions.
6. Review of all major proposals for investment and divestment by the Risk Management & Sustainability Committee before being deliberated and approved by the Board.
7. The CEO/Group Managing Director holds weekly and monthly management meetings with the Divisional heads. At these meetings, all key performance indices are discussed and monitored, including discussions of significant issues. Accordingly, the Board is updated by the CEO/ Group 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 company level and reviewed by the CEO/Group Managing Director.
10. Progress reports, financial summary and current issues which may significantly affect the company's business for all divisions are discussed at each Board meeting.
11. The Risk Management framework of the Group is in place to assist in the risk management process of the Group.
12. The Group's Internal Audit Function perform regular reviews, monitor compliance with policies and procedures and recommend action plans to improve on areas where control deficiencies are identified during field audits. Thus, providing an independent assurance on the adequacy and effectiveness of the Group's system of internal control.
13. The Audit Committee, on behalf of the Board, reviews report from the Group internal auditors and external auditors and reports its conclusion to the Board.

The associates have not been dealt with as part of the Group for the purpose of this Statement.

Conclusion

For the financial year under review and up to the date of issuance of this statement, the Board is pleased to state that the Group's system of risk management and internal control is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators and employees, as well as the Group's assets. There have been no material losses, contingencies or uncertainties arising from the reviews.

As recommended by the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers, the Board has received assurance from the CEO/Group Managing Director, Chief Operating Officer and all the Divisional heads that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, during the financial year under review and up to the date of this Statement.

The Group will continue to monitor all major risks affecting the Group and will take the necessary measures to mitigate them and enhance the adequacy and effectiveness of the risk management and internal control system of the Group.

The external auditors have reviewed this Statement on Risk Management and Internal Control as required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. Based on their review, nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control set out above is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed issuers and Practices 10.1, 10.2 and 10.3 of the MCCG 2021 to be set out, nor is factually inaccurate.

AUDIT COMMITTEE REPORT

The Audit Committee of GUH Holdings Berhad (“GUH” or “the Company”) has been established to assist the Board of Directors (“the Board”) in fulfilling its statutory and fiduciary responsibilities by reviewing the Company and all its subsidiaries (“the Group”) business processes and monitoring management of financial risk process along with its accounting and financial reporting practices and ensuring the Group’s system of internal control is maintained. The Audit Committee carried out its duties and functions ensuring the integrity of financial reporting and that the financial statements of the Company give a true and fair view of the financial position and results, in compliance with all applicable legal and regulatory financial reporting requirements, accounting standards and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) and to act independently to ensure the interest of shareholders is properly protected. The Audit Committee is of the view that no material misstatements or losses, contingencies or uncertainties have arisen, based on their reviews made and discussions held.

MEMBERS

The present members of the Audit Committee are:

Ms. Phoon Yee Min (Appointed on 30-05-2022)
Chairlady, Independent Non-Executive Director

Dato’ Dr. Gan Kong Meng
Member, Independent Non-Executive Director

Mr. Teng Chang Yeow (Appointed on 30-05-2022)
Member, Independent Non-Executive Director

Mr. Chew Hock Lin (Retired on 30-05-2022)
Chairman, Independent Non-Executive Director

Dato’ Ismail Bin Hamzah (Retired on 30-05-2022)
Member, Independent Non-Executive Director

OBJECTIVES

The primary objective of the Audit Committee is to assist the Board in the effective discharge of its fiduciary responsibilities:

- To review the results of internal and external audit activities to ensure the audit findings are brought up to the highest level for consideration;
- To comply with all the applicable accounting standards and required disclosure policies of the Listing Requirements;
- To ensure the compliance and consistency of the corporate governance framework as set out by the relevant regulatory authorities.

AUDIT COMMITTEE REPORT

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. The current Chairlady of the Audit Committee is Ms. Phoon Yee Min who is an Independent Non-Executive Director of the Company and also member of the Association of Chartered Certified Accountant (ACCA), Institute of Internal Auditors Malaysia (IIAM), Malaysian Institute of Accountants (MIA) and a Certified Internal Auditor (CIA). Thus, the Company is in compliance with Paragraph 15.09(1) of the Listing Requirements. The other members of the Audit Committee are Dato' Dr. Gan Kong Meng and Mr. Teng Chang Yeow. All members of the Audit Committee are financially literate and equipped with the required business skills and necessary knowledge to analyse and interpret financial statements in discharge their duties effectively. The Audit Committee's financial literacy and understanding of the financial reporting process have contributed to the Audit Committee's discussions in the preparation of financial statements of the Company. No alternate director shall be appointed as a member of the Audit Committee. Also, any former key audit partner of the Company shall observe a cooling period of at least three (3) years before being appointed as a member of the Audit Committee.

The Nomination Committee carries out an evaluation and assessment to review the performance of the Audit Committee annually. During the assessment in 2022, the Nomination Committee evaluated the performance and effectiveness of the Audit Committee based on a few areas including the quality of judgment and the commitment/time attend at the meeting as well as the time devoted outside the meeting by the Audit Committee members. The Board is satisfied that the Audit Committee and its members have efficiently discharged its roles, functions and duties in accordance with the Terms of Reference as well as having appropriate level of knowledge and experience to contribute to the effective functioning of the Audit Committee in ensuring a good governance structure within the Group. The Board is of the view that the Audit Committee has provided useful recommendations to assist the Board in making informed decisions in the Board meetings.

The Board is always mindful that an effective Audit Committee can bring transparency, focus and independent judgment needed to oversee the financial reporting process. The appropriate level of knowledge, skills, experience and commitment of its members is critical to the Audit Committee's ability to discharge its responsibilities effectively and strengthen the quality of Audit Committee deliberations.

THE PROCESS OF THE AUDIT COMMITTEE

The Chairlady of the Audit Committee is responsible for ensuring the Audit Committee meetings of the Company run efficiently. She is also responsible for the Management, the development and effective performance of the Audit Committee, planning and organising all of the activities of the Audit Committee.

The Audit Committee will meet as frequently as the Chairlady shall decide in order to discharge its duties but no less than four (4) times a year. The quorum of two (2) members, a majority of whom must be Independent Directors, has always been met for the meetings of the Audit Committee.

During the financial year, the Audit Committee met on a quarterly basis to carry out their duties which include the discussion of proposed disclosures in the quarterly announcement and matters falling within the Audit Committee's Terms of Reference and recommended to the Board for public release. The CEO/Group MD, the senior management and the internal auditor have attended the meetings. Upon invitation by the Audit Committee, representatives of the external auditors have attended two (2) meetings held in February and November 2022. The external auditors may request a special meeting if they consider and deem necessary. Where circumstances arise, the Audit Committee members shall meet with the external auditors without Management and/or executive officer of the Group being present.

AUDIT COMMITTEE REPORT

The Company Secretary shall be the secretary of the Audit Committee or in her absence, another person authorised by the Chairlady 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 each Audit Committee members prior to meeting. The secretary shall also be responsible to record, maintain and circulate the minutes of each meeting to all members and the Board, and the Chairlady of the Audit Committee shall report on key issues discussed at each meeting to the Board. Minutes of each meeting were distributed and confirmed by all Audit Committee members.

During the financial year, five (5) meetings were held and details of the Audit Committee members' attendance are tabled below:

Audit Committee	Feb	Apr	May	Aug	Nov	Total
Ms. Phoon Yee Min, Chairlady (Appointed on 30-05-2022)	N/A	N/A	N/A	√	√	*2/2
Dato' Dr. Gan Kong Meng, Member	√	√	√	√	√	5/5
Mr. Teng Chang Yeow, Member (Appointed on 30-05-2022)	N/A	N/A	N/A	√	√	*2/2
Mr. Chew Hock Lin, Chairman (Retired on 30-05-2022)	√	√	√	N/A	N/A	*3/3
Dato' Ismail Bin Hamzah, Member (Retired on 30-05-2022)	√	√	√	N/A	N/A	*3/3

* reflects the attendance and the number of meetings held during the period the Directors held office.

The Terms of Reference of the Audit Committee is accessible on the Company's website at www.guh.com.my.

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE

The main activities carried out by the Audit Committee during the financial year ended 31 December 2022 were as follows:

1. Financial Reporting

- Reviewed the unaudited quarterly financial results and year-end financial statements of the Company and the Group which include discussion among others, any change of implementation of major accounting policies, the going concern assumption and significant matters;
- Reviewed the Group's quarterly and year-end financial statements and ensured that all are in compliance with the Listing Requirements, Malaysian Accounting Standards Board and other relevant legal and regulatory requirements;
- Reviewed the unaudited financial results announcements before recommending the same to the Board for approval;
- Reviewed the significant matters highlighted by the external auditors in the financial statements and significant judgments made by Management.

AUDIT COMMITTEE REPORT

2. External Audit

- Reviewed and approved the external auditors audit plan and scope of work for the year and the evaluation of the system of internal control for tabling to the Board;
- Reviewed the findings of the external auditors reports, particularly the issues raised in the management letter and ensured where appropriate, that the necessary corrective actions had been taken by the Management;
- Deliberated and reported the results of the annual audit to the Board;
- Met and discussed with the external auditors if any important and major issue need to be highlighted without the presence of Management of the Company. During the private session held with the external auditors, they confirmed that there was no major concern to be highlighted and they had been receiving full co-operation from the Management and the staff of the Group when carrying out their audit work;
- Reviewed and approved the provision of non-audit services carried out by the external auditors. The amount of external audit fees and non-audit fees incurred for the financial year ended 31 December 2022 are as follows:

2022 Fees incurred	Company	Group
Audit services	RM53,000	RM193,500
Non-Audit services	RM29,400	RM97,750

- Carried out the assessment of the objectivity, independence, performance and the quality of service of the external auditors to ensure they are competent and independent throughout the conduct of the audit engagement within the Group, ensure the external auditors met the criteria provided by the Listing Requirements and made recommendations to the Board on their appointment and remuneration.

3. Internal Audit

- Reviewed and approved the annual risk-based internal audit plans, monitored the effectiveness of its work and tabled to the Board;
- Reviewed the internal audit reports, processes and results of internal audit to ensure appropriate actions were taken on the recommendations of the Internal Audit function and tabled to the Board;
- Assessed the performance of the Group's internal audit function and advised whether the appointment of additional internal audit staff is necessary;
- Monitored and assessed the role and effectiveness of the internal audit function in the overall context of the Company's risk management system;
- Deliberated the results of ad-hoc investigations and reports performed by the internal audit function and tabled to the Board.

4. Risk Management

- Reviewed the Risk Management & Sustainability Committee's reports and risk records from all business divisions of the Group and reported to the Board;

- Assessed the adequacy and effectiveness of the risk management framework, internal control systems and the appropriateness of Management's responses to key risk areas and highlighted to the Board;
- Reviewed and recommended to the Board the disclosure included in the Annual Report with regards to the risk management and internal control system.

5. Related Party Transactions

- Reviewed the procedures and processes established by the Company with regards to related party transactions/ recurrent related party transactions and to ensure that any related projects are appropriately identified and that the related party transactions are declared, approved and reported appropriately on a quarterly basis;
- Reviewed the related party transactions that were arising within the Group to ensure that the transactions are fair, reasonable and not detrimental to the minority shareholders;
- Reviewed the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature and recommended to the Board for approval;
- Reviewed submission of disclosures on the changes in shareholdings held by Directors, any conflict of interest situation that may arise within the Company or the Group on a quarterly basis;
- Reviewed any other transactions that do not fall within the definition of a related party transaction as stated in Chapter 10 of the Listing Requirements but involve a certain level of conflict of interest due to the close proximity of the transacting parties so that to safeguard the best interest of the Company.

6. Annual Reporting

- Reviewed the consolidated audited financial statements of the Company and the Group and confirmed with the Management and the external auditors that the statements have been prepared in compliance with applicable Financial Reporting Standards and recommended to the Board for approval;
- Reviewed the Audit Committee Report, reports on related party transactions and recurrent related party transactions, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Sustainability Statement, record on Share Buy-Back and any other statements of the Annual Report and recommended to the Board for approval.

INTERNAL AUDIT FUNCTION

The Group has an in-house Internal Audit Department that is independent of the activities and operations it audits. The head of Internal Audit reports directly to the Audit Committee who reviews and approves the Internal Audit Department's annual risk-based audit plan.

AUDIT COMMITTEE REPORT

The Internal Audit Department is considered an integral part of the assurance framework and its primary mission is to provide assurance on the adequacy and effectiveness of the risk, control and governance of the Group.

During the year, various internal audit assignments have been undertaken covering various 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 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

- Prepared annual risk-based audit plan for Audit Committee's deliberations;
- Performed risk assessment to evaluate risk within the organisation 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;
- Reviewed related party transactions to assess compliance with Listing Requirements;
- Carried out ad-hoc appraisals and reviews as requested by the Audit Committee or Management;
- Performed follow up reviews to ensure that agreed Management actions have been effectively implemented;
- Provided consulting services, i.e. provide advice and assistance to Management and staff on procedures, systems, internal control matters etc. throughout the year to assist Management in meeting its objectives.

The total costs incurred by the Internal Audit Function of the Group for year 2022 was RM204,067 (2021: RM202,466)

Financial Statements

74	Directors' Report	87	Consolidated Statement of Cash Flows
78	Statement by Directors	88	Statement of Financial Position
78	Statutory Declaration	89	Statement of Profit or Loss
79	Independent Auditors' Report	90	Statement of Comprehensive Income
82	Consolidated Statement of Financial Position	91	Statement of Changes in Equity
83	Consolidated Statement of Profit or Loss	92	Statement of Cash Flows
84	Consolidated Statement of Comprehensive Income	93	Notes to the Financial Statements
85	Consolidated Statement of Changes in Equity		

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2022. All values shown in this report are rounded to the nearest thousand ("RM'000") unless otherwise indicated.

Principal activities

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

Results

	Group RM'000	Company RM'000
Loss for the financial year attributable to:-		
- Owners of the Company	(4,282)	(1,992)
- Non-controlling interests	(6)	0
	<u>(4,288)</u>	<u>(1,992)</u>

Dividends

No dividends were recommended, declared or paid by the Company since the end of the previous financial year.

Reserves and provisions

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

Issue of shares or debentures

During the financial year, the Company issued 2,366,762 ordinary shares pursuant to its Share Grant Plan ("SGP"). The details of the SGP are disclosed in Note 24 to the financial statements.

The Company did not issue any debentures during the financial year.

Share options

The Company did not grant any share options during the financial year.

Bad and doubtful debts

Before the financial statements were prepared, 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 provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision 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 provision for doubtful debts inadequate to any substantial extent.

Current assets

Before the financial statements were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records have been written down to an amount which the current assets might be expected so to realise.

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

Valuation methods

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group or 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 which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability which has arisen since the end of the financial year.

No contingent 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 affect the ability of the Group or the Company to meet their obligations 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 the financial statements which would render any amount stated in the financial statements misleading.

Items of an unusual nature

The results of the operations of the Group and the Company during 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 likely, in the opinion of the directors, to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

DIRECTORS' REPORT

Directors

The directors in office since the beginning of the financial year are:-

Directors of the Company

Tan Sri Dato' Seri H'ng Bok San, JP, PSM, DPPN, DGPN, DSPN, PKT, PJK
 Datuk Seri H'ng Bak Tee, DGSM, DPNS, DSPN, PKT, PJM
 Dato' H'ng Bak Seah, DSPN, PJK
 Datin Seri H'ng Hsieh Ling
 Dato' Dr. Gan Kong Meng, DSDK, PSPP, SDK, DJN, BCN, SMP, AMK, KMN, PPA, PhD
 Chew Hock Lin (Retired on 30.5.2022)
 Dato' Ismail Bin Hamzah, AMN, KMN, DIMP (Retired on 30.5.2022)
 Dato' Lai Chang Hun, DSPN, DJN, PKT (Retired on 30.5.2022)
 W Ismail Bin W Nik (Retired on 30.5.2022)
 Teng Chang Yeow (Appointed on 30.5.2022)
 Phoon Yee Min (Appointed on 30.5.2022)

Directors of subsidiaries (other than directors of the Company)

H'ng Chun Li
 Kok Siew Foong
 Yew Kim Chong
 Yam Chong Song
 Yeoh Saw Gaik (Resigned on 1.3.2022)

Directors' interests

According to the register of directors' shareholdings, the interests in shares in the Company of the directors in office at the end of the financial year are as follows:-

Name of director	Number of ordinary shares			
	At 1.1.2022	Allotted/ Bought	Sold	At 31.12.2022
Tan Sri Dato' Seri H'ng Bok San				
- Direct	0	402,794	0	402,794
- Indirect ^(a)	32,435,375	0	0	32,435,375
- Indirect ^(b)	17,401,855	0	0	17,401,855
Datuk Seri H'ng Bak Tee				
- Direct	0	2,118,494	0	2,118,494
- Indirect ^(b)	1,404,649	222,231	0	1,626,880
Dato' H'ng Bak Seah				
- Direct	2,497,710	0	0	2,497,710
Datin Seri H'ng Hsieh Ling				
- Direct	3,598,465	0	0	3,598,465
- Indirect ^(c)	32,435,375	0	0	32,435,375

Directors' interests (cont'd)

Name of director	Number of ordinary shares granted under SGP			
	At 1.1.2022	Granted	Vested	At 31.12.2022
Tan Sri Dato' Seri H'ng Bok San				
- Direct	1,388,946	0	(402,794)	986,152
Datuk Seri H'ng Bak Tee				
- Direct	1,388,946	0	(402,794)	986,152
- Indirect ^(b)	1,111,157	0	(222,231)	888,926

(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 has received or become entitled to receive any benefit (other than the directors' remuneration as disclosed in Note 29 to 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 certain related party transactions as disclosed in Note 33 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement, apart from the Share Grant Plan of the Company, 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.

Indemnity and insurance for directors and officers

There was no indemnity given to any director or officer of the Group or the Company during the financial year. The Group maintains a liability insurance for certain directors and officers and the insurance costs incurred during the financial year amounted to RM12,000.

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office. The auditors' remuneration is disclosed in Note 28 to the financial statements. There was no indemnity given to or liability insurance effected for the auditors during the financial year.

Signed in accordance with a resolution of the directors dated 3 April 2023

Tan Sri Dato' Seri H'ng Bok San, JP
PSM, DPPN, DGPN, DSPN, PKT, PJK

Datuk Seri H'ng Bak Tee
DGSM, DPNS, DSPN, PKT, PJM

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 82 to 146 give a true and fair view of the financial position of the Group and the Company as at 31 December 2022 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed in accordance with a resolution of the directors dated 3 April 2023

Tan Sri Dato' Seri H'ng Bok San, JP

PSM, DPPN, DGPN, DSPN, PKT, PJK

Datuk Seri H'ng Bak Tee

DGSM, DPNS, DSPN, PKT, PJM

STATUTORY DECLARATION

I, Joanne Toh Sue Kim, 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 82 to 146 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed
Joanne Toh Sue Kim at George Town in the State of
Penang on this 3 April 2023

Joanne Toh Sue Kim

Senior Manager

Before me

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GUH HOLDINGS BERHAD
196101000062 (4104-W) (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of GUH Holdings Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and the Company, and the statements of profit or loss, 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 82 to 146.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2022, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group and the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and the Company of the current period. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><u>Valuation of inventories (Refer to Notes 3 and 11 to the financial statements)</u></p> <p>Inventories represent the most significant assets of the Group and mainly consist of development properties. Inventories are subject to assessment for any potential write-down of cost to net realisable value. Such assessment involves judgements and estimation uncertainty in considering information about the asset's value and economic performance as well as the overall property market conditions.</p>	<p>Our audit procedures included, among others:-</p> <ul style="list-style-type: none"> • Reviewing the ageing analysis of inventories to identify slow moving items. • Making inquiries of management regarding the action plans to realise slow moving inventories. • Comparing the proposed selling prices of unsold items to those of similar sold items. • Reviewing the feasibility study of future development projects and evaluating the reasonableness thereof by considering the project plans and budgets as well as the prospective market and economic conditions. • Where comparable selling prices and feasibility study are not available (for land held for future development), obtaining the fair valuation performed by professional valuers and evaluating the appropriateness of their work as well as their competence, capabilities and objectivity.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GUH HOLDINGS BERHAD (cont'd)**

196101000062 (4104-W) (Incorporated in Malaysia)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GUH HOLDINGS BERHAD (cont'd)**

196101000062 (4104-W) (Incorporated in Malaysia)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and the Company, including the disclosures, and whether the financial statements of the Group and the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and the Company of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Eddy Chan Wai Hun
02182/10/2023 J
Chartered Accountant

Date: 3 April 2023

Penang

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
Non-current assets			
Property, plant and equipment	4	104,994	104,412
Investment properties	5	39,907	39,415
Right-of-use assets	6	24,606	26,462
Investments in associates	8	11,058	6,137
Investment in joint venture	9	20,968	16,560
Other investments	10	6,043	0
Inventories	11	167,459	160,877
Prepayments		1,393	750
Deferred tax assets	12	962	2,352
		<u>377,390</u>	<u>356,965</u>
Current assets			
Inventories	11	94,617	111,084
Biological assets	13	146	225
Contract costs	14	372	0
Contract assets	15	5,698	4,752
Receivables	16	38,291	54,267
Derivatives	17	9	0
Prepayments		1,405	1,189
Current tax assets		2,609	150
Cash and cash equivalents	18	90,329	83,962
		<u>233,476</u>	<u>255,629</u>
Current liabilities			
Contract liabilities	15	5,555	6,233
Payables	19	46,513	61,241
Loans and borrowings	20	25,291	10,270
Lease liabilities	21	215	281
Financial guarantee contracts	22	4,507	183
Current tax liabilities		1,470	3,250
		<u>83,551</u>	<u>81,458</u>
Net current assets		149,925	174,171
Non-current liabilities			
Deferred tax liabilities	12	8,232	7,796
Loans and borrowings	20	27,561	25,785
Lease liabilities	21	167	292
Retirement benefits	23	8,824	8,048
		<u>44,784</u>	<u>41,921</u>
Net assets		<u>482,531</u>	<u>489,215</u>
Equity			
Share capital	24	279,084	277,992
Treasury shares	24	(148)	(148)
Statutory reserve		13,960	13,960
Share grant reserve		991	1,576
Currency translation reserve		38,615	41,518
Retained profits		150,054	154,336
Equity attributable to owners of the Company		<u>482,556</u>	<u>489,234</u>
Non-controlling interests	25	(25)	(19)
Total equity		<u>482,531</u>	<u>489,215</u>

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

**CONSOLIDATED STATEMENT OF
PROFIT OR LOSS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
Revenue	26	275,842	278,796
Cost of revenue		(250,447)	(248,998)
Gross profit		<u>25,395</u>	<u>29,798</u>
Interest income		1,224	1,169
Other income		3,884	10,827
Administrative expenses		(17,926)	(16,227)
Distribution expenses		(3,902)	(4,084)
Finance costs		(1,707)	(1,429)
Impairment losses on financial assets	27	(30)	0
Other expenses		(5,212)	(2,128)
Share of associates' (loss)/profit		(565)	172
Share of joint venture's loss		(99)	(40)
Profit before tax	28	<u>1,062</u>	<u>18,058</u>
Tax expense	30	(5,350)	(3,489)
(Loss)/Profit for the financial year		<u>(4,288)</u>	<u>14,569</u>
(Loss)/Profit for the financial year attributable to:-			
- Owners of the Company		(4,282)	14,573
- Non-controlling interests	25	<u>(6)</u>	<u>(4)</u>
		<u>(4,288)</u>	<u>14,569</u>
(Loss)/Earnings per share:-	31		
- Basic (sen)		<u>(1.53)</u>	<u>5.25</u>
- Diluted (sen)		<u>(1.53)</u>	<u>5.18</u>

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

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 RM'000	2021 RM'000
(Loss)/Profit for the financial year	(4,288)	14,569
Other comprehensive income:-		
<i>Items that may be reclassified subsequently to profit or loss:-</i>		
- Currency translation differences for foreign operations	(2,473)	4,749
- Reclassification adjustment on disposal of foreign operations	0	199
- Share of associate's other comprehensive income	(430)	215
Total other comprehensive income for the financial year	<u>(2,903)</u>	<u>5,163</u>
Comprehensive income for the financial year	<u>(7,191)</u>	<u>19,732</u>
Comprehensive income for the financial year attributable to:-		
- Owners of the Company	(7,185)	19,736
- Non-controlling interests	<u>(6)</u>	<u>(4)</u>
	<u>(7,191)</u>	<u>19,732</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Non-distributable			Distributable			Equity		
	Share capital RM'000	Treasury shares RM'000	Statutory reserve (Note (i)) RM'000	Share grant reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000	attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2021	277,992	(148)	13,960	0	36,355	139,763	467,922	(15)	467,907
Currency translation differences for foreign operations	0	0	0	0	4,749	0	4,749	0	4,749
Reclassification adjustment on disposal of foreign operations	0	0	0	0	199	0	199	0	199
Share of associate's other comprehensive income	0	0	0	0	215	0	215	0	215
Total other comprehensive income for the financial year	0	0	0	0	5,163	0	5,163	0	5,163
Profit/(Loss) for the financial year	0	0	0	0	0	14,573	14,573	(4)	14,569
Comprehensive income for the financial year	0	0	0	0	5,163	14,573	19,736	(4)	19,732
Share-based payments (representing total transactions with owners)	0	0	0	1,576	0	0	1,576	0	1,576
At 31 December 2021	277,992	(148)	13,960	1,576	41,518	154,336	489,234	(19)	489,215
Currency translation differences for foreign operations	0	0	0	0	(2,473)	0	(2,473)	0	(2,473)
Share of associate's other comprehensive income	0	0	0	0	(430)	0	(430)	0	(430)
Total other comprehensive income for the financial year	0	0	0	0	(2,903)	0	(2,903)	0	(2,903)
Loss for the financial year	0	0	0	0	0	(4,282)	(4,282)	(6)	(4,288)
Comprehensive income for the financial year	0	0	0	0	(2,903)	(4,282)	(7,185)	(6)	(7,191)
Share-based payments	0	0	0	507	0	0	507	0	507
Issue of shares pursuant to Share Grant Plan	1,092	0	0	(1,092)	0	0	0	0	0
Total transactions with owners	1,092	0	0	(585)	0	0	507	0	507
At 31 December 2022	279,084	(148)	13,960	991	38,615	150,054	482,556	(25)	482,531

Note (i) - This represents the cumulative amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
Cash flows from operating activities			
Profit before tax		1,062	18,058
Adjustments for:-			
Amortisation of financial guarantee contract		(183)	(275)
Depreciation		15,316	15,048
Dividend income		(101)	0
Fair value changes in biological assets		79	(73)
Fair value losses/(gains) on financial instruments		2,638	(493)
Gain on derecognition of financial guarantee contract		0	(550)
Gain on disposal of associate		(19)	(4,603)
Gain on disposal of investment property		0	(796)
Gain on disposal of property, plant and equipment		(76)	(95)
Gain on disposal of subsidiary		0	(360)
Impairment losses on financial assets		30	0
Interest expense		1,707	1,429
Interest income		(1,224)	(1,169)
Inventories written down		453	149
Provision for retirement benefits		776	761
Revenue from sale of development land		0	(16,600)
Reversal of impairment loss on property, plant and equipment		0	(1,453)
Reversal of inventories written down		(373)	(489)
Share-based payments		507	1,576
Share of associates' loss/(profit)		565	(172)
Share of joint venture's loss		99	40
Unrealised gain on foreign exchange		(801)	(452)
Variable lease payments		0	(16)
Operating profit before working capital changes		20,455	9,465
Changes in:-			
Inventories		8,971	11,626
Contract costs		(372)	48
Contract assets		(946)	(414)
Receivables		13,766	(242)
Prepayments		(859)	530
Contract liabilities		(678)	2,609
Payables		(14,214)	601
Cash generated from operations		26,123	24,223
Tax paid		(7,734)	(6,325)
Tax refunded		23	10
Net cash from operating activities		18,412	17,908

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)

	Note	2022 RM'000	2021 RM'000
Cash flows from investing activities			
Acquisition of property, plant and equipment		(14,619)	(7,898)
Acquisition of right-of-use assets	32	(11)	0
Additions of investment properties		(542)	(1,889)
Additions of other investments		(8,728)	(8,891)
Disposal of subsidiary, net of cash disposed of		0	(5,577)
Dividends received		122	225
Interest and fund distributions received		1,262	1,210
Proceeds from disposal of associate		1,186	8,864
Proceeds from disposal of investment property		0	1,480
Proceeds from disposal of other investments		0	9,346
Proceeds from disposal of property, plant and equipment		457	116
Subscription for shares in associate		(5,937)	0
Net cash used in investing activities		<u>(26,810)</u>	<u>(3,014)</u>
Cash flows from financing activities			
Changes in term deposits pledged as security		0	420
Drawdown of long-term loans	32	4,999	4,005
Increase in short-term loans and borrowings (net)	32	13,149	2,571
Interest paid		(1,710)	(1,353)
Payment of lease liabilities	32	(281)	(393)
Repayment of long-term loans	32	(1,387)	(13,814)
Net cash from/(used in) financing activities		<u>14,770</u>	<u>(8,564)</u>
Currency translation differences		(5)	2,617
Net increase in cash and cash equivalents		6,367	8,947
Cash and cash equivalents brought forward		83,942	74,995
Cash and cash equivalents carried forward	18	<u>90,309</u>	<u>83,942</u>

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

**STATEMENT OF
FINANCIAL POSITION**
AS AT 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
Non-current assets			
Property, plant and equipment	4	59	51
Investment properties	5	23,125	23,125
Right-of-use assets	6	57	158
Investments in subsidiaries	7	212,118	214,081
Investment in joint venture	9	4,507	0
Other investments	10	6,043	0
Receivables	16	189,994	197,814
		<u>435,903</u>	<u>435,229</u>
Current assets			
Receivables	16	21,197	19,791
Prepayments		37	29
Current tax assets		1	1
Cash and cash equivalents	18	10,596	18,905
		<u>31,831</u>	<u>38,726</u>
Current liabilities			
Payables	19	6,410	16,161
Lease liabilities	21	49	85
Financial guarantee contracts	22	4,507	183
		<u>10,966</u>	<u>16,429</u>
Net current assets		20,865	22,297
Non-current liabilities			
Deferred tax liabilities	12	1,099	1,099
Lease liabilities	21	9	58
Retirement benefits	23	8,824	8,048
		<u>9,932</u>	<u>9,205</u>
Net assets		<u>446,836</u>	<u>448,321</u>
Equity			
Share capital	24	279,084	277,992
Treasury shares	24	(148)	(148)
Share grant reserve		991	1,576
Retained profits		166,909	168,901
Total equity		<u>446,836</u>	<u>448,321</u>

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

STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
Revenue	26	12,893	12,493
Cost of services rendered		(8,609)	(9,116)
Gross profit		<u>4,284</u>	<u>3,377</u>
Interest income		180	200
Other income		592	7,129
Administrative expenses		(1,920)	(1,689)
Finance costs		(4)	(10)
Impairment gains/(losses) on financial assets	27	335	(1,684)
Other expenses		(5,459)	(795)
(Loss)/Profit before tax	28	<u>(1,992)</u>	<u>6,528</u>
Tax expense	30	0	0
(Loss)/Profit for the financial year		<u>(1,992)</u>	<u>6,528</u>

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

STATEMENT OF
COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 RM'000	2021 RM'000
(Loss)/Profit for the financial year	(1,992)	6,528
Other comprehensive income for the financial year	0	0
Comprehensive income for the financial year	<u>(1,992)</u>	<u>6,528</u>

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

**STATEMENT OF
CHANGES IN EQUITY**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Share capital RM'000	Treasury shares RM'000	Non- distributable Share grant reserve RM'000	Distributable Retained profits RM'000	Total equity RM'000
At 1 January 2021	277,992	(148)	0	162,373	440,217
Profit (representing comprehensive income) for the financial year	0	0	0	6,528	6,528
Share-based payments (representing total transactions with owners)	0	0	1,576	0	1,576
At 31 December 2021	<u>277,992</u>	<u>(148)</u>	<u>1,576</u>	<u>168,901</u>	<u>448,321</u>
Loss (representing comprehensive income) for the financial year	0	0	0	(1,992)	(1,992)
Share-based payments	0	0	507	0	507
Issue of shares pursuant to Share Grant Plan	1,092	0	(1,092)	0	0
Total transactions with owners	1,092	0	(585)	0	507
At 31 December 2022	<u>279,084</u>	<u>(148)</u>	<u>991</u>	<u>166,909</u>	<u>446,836</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
Cash flows from operating activities			
(Loss)/Profit before tax		(1,992)	6,528
Adjustments for:-			
Amortisation of financial guarantee contract		(183)	(275)
Depreciation		124	242
Dividend income		(6,501)	(6,400)
Fair value losses/(gains) on financial instruments		2,647	(493)
Gain on derecognition of financial guarantee contract		0	(550)
Gain on disposal of property, plant and equipment		(302)	0
Impairment (gains)/losses on financial assets		(335)	1,684
Impairment loss on investments in subsidiaries		2,092	0
Interest expense		4	10
Interest income		(180)	(200)
Provision for retirement benefits		776	761
Reversal of impairment loss on investments in subsidiaries		0	(5,804)
Share-based payments		378	927
Unrealised gain on foreign exchange		(8)	(5)
Operating loss before working capital changes		(3,480)	(3,575)
Changes in:-			
Receivables		7,149	10,248
Prepayments		(8)	(1)
Payables		(9,751)	1,226
Net cash (used in)/from operating activities		(6,090)	7,898
Cash flows from investing activities			
Acquisition of property, plant and equipment		(31)	(27)
Additions of other investments		(8,728)	(8,891)
Dividends received		6,101	6,400
Interest and fund distributions received		218	241
Proceeds from disposal of other investments		0	9,346
Proceeds from disposal of property, plant and equipment		302	0
Net cash (used in)/from investing activities		(2,138)	7,069
Cash flows from financing activities			
Interest paid		(4)	(10)
Payment of lease liabilities	32	(85)	(130)
Net cash used in financing activities		(89)	(140)
Currency translation differences		8	5
Net (decrease)/increase in cash and cash equivalents		(8,309)	14,832
Cash and cash equivalents brought forward		18,905	4,073
Cash and cash equivalents carried forward	18	10,596	18,905

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

The 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, Malaysia.

The consolidated financial statements set out on pages 82 to 87 together with the notes thereto cover the Company and its subsidiaries ("Group") and the Group's interests in associates and joint venture. The separate financial statements of the Company set out on pages 88 to 92 together with the notes thereto cover the Company solely.

The presentation currency of the financial statements is Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") unless otherwise indicated.

The financial statements were authorised for issue in accordance with a resolution of the directors dated 3 April 2023.

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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

The initial application of the above MFRSs did not have any significant impacts on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Significant accounting policies (cont'd)

2.1 Basis of preparation of financial statements (cont'd)

The Group and the Company have not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective:-

MFRS (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

2.2 Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. If the assets acquired are not a business, the transaction or other event is accounted for as an asset acquisition.

Business combinations are accounted for 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)

2.2 Business combinations (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 2.10. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

2.3 Basis of consolidation

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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 less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Freehold land and capital work-in-progress are not depreciated. Bearer plants, which represent the capitalised costs on new planting and replanting of oil palm, are 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%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Significant accounting policies (cont'd)

2.4 Property, plant and equipment (cont'd)

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 properties

Investment property is property held (by the owner or the lessee as a right-of-use asset) to earn rentals or for capital appreciation or both. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Freehold land and building under construction are not depreciated. Buildings are depreciated on a straight-line basis over their estimated useful lives of 33 to 50 years.

2.6 Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Lessor accounting

When the Group or the Company acts as a lessor, it classifies each lease as either an operating lease or a finance lease. A finance lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, whereas an operating lease does not.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term. The Group and the Company have not entered into any finance lease.

Lessee accounting

Initial recognition and measurement

When the Group or the Company acts as a lessee, it recognises a right-of-use asset (representing its right to use the underlying leased asset) and a lease liability (representing its obligation to make lease payments) at the commencement date. The Group and the Company have elected not to apply such recognition principle to short-term leases (which have a lease term of 12 months or less) and leases of low-value assets. The lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term.

A right-of-use asset is initially recognised at cost, which comprises the initial amount of lease liability, any lease payments made at or before the commencement date (less any lease incentives), any initial direct costs and any estimated dismantling, removing and restoring costs.

A lease liability is initially recognised at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The unpaid lease payments included in the measurement of lease liability comprise fixed payments (less any lease incentives), variable lease payments linked to an index or a rate, expected amounts payable under residual value guarantees, the exercise price of a purchase option reasonably certain to be exercised and the penalties of a termination option reasonably certain to be exercised.

2. Significant accounting policies (cont'd)

2.6 Leases (cont'd)

Lessee accounting (cont'd)

Subsequent measurement

A right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The impairment policy is disclosed in Note 2.10.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that a purchase option will be exercised, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of its useful life. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term.

A lease liability is subsequently measured at amortised cost, and remeasured to reflect any reassessment (arising from changes to the lease payments) or lease modifications.

2.7 Investments in subsidiaries

As required by the Companies Act 2016, 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 2.10.

2.8 Investments in associates

An associate is an entity over which an investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the consolidated financial statements, investments in associates are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the investment is assessed for any objective evidence of impairment. If any such evidence exists, the carrying amount of the investment is tested for impairment in accordance with Note 2.10.

2.9 Investment in joint venture

A joint venture is a joint arrangement whereby the joint venturers that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the joint venturers sharing control.

In the consolidated financial statements, investment in joint venture is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the investment is assessed for any objective evidence of impairment. If any such evidence exists, the carrying amount of the investment is tested for impairment in accordance with Note 2.10.

In the separate financial statements of the Company, investment in joint venture is stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.10.

2. Significant accounting policies (cont'd)

2.10 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 deferred tax assets, biological assets stated at fair value less costs of disposal, inventories, contract costs and contract assets, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal 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.

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. An impairment loss on goodwill is not reversed.

2.11 Biological assets

Biological assets (excluding bearer plants but including the produce growing thereon) and agricultural produce harvested therefrom are measured at fair value less costs of disposal. Any gain or loss arising from initial recognition at or a change in the fair value less costs of disposal is recognised in profit or loss.

2.12 Inventories

Property development

Inventories are valued at the lower of cost (determined principally on the specific identification basis) and net realisable value. Cost consists of costs associated with the acquisition of land, costs that relate directly to a specific development project and other costs attributable to development activities in general and can be allocated to the project. 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.

Land held for property development is classified as non-current assets. It is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle. Property development costs attributable to development units sold are recognised in profit or loss on a systematic basis that is consistent with the recognition of related revenue as disclosed in Note 2.20. Upon completion of development project, costs attributable to unsold units are transferred to completed development units.

Materials and goods

Inventories 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.

2. Significant accounting policies (cont'd)

2.13 Contract costs

The incremental costs of obtaining a contract and costs incurred in fulfilling the contract (other than inventories) are recognised as an asset if those costs are expected to be recovered. The asset is amortised on a systematic basis that is consistent with the recognition of related revenue as disclosed in Note 2.20. When the carrying amount of the asset exceeds the remaining amount of consideration expected to be received in exchange for the goods or services less the related costs that have not been recognised as expenses, the excess represents an impairment loss and is recognised in profit or loss. As a practical expedient, the incremental costs of obtaining a short-term contract of which the amortisation period is one year or less are recognised as an expense when incurred.

2.14 Contract assets and contract liabilities

A contract is presented in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services transferred to a customer when that right is conditioned on something other than the passage of time. The asset is subject to impairment assessment on the same basis as trade receivables as disclosed in Note 2.15. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

2.15 Financial assets

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

Initial 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. Trade receivables that do not contain a significant financing component are initially recognised at their transaction price (as defined in Note 2.20). Other financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss in accordance with their classification on the basis of both the business model within which they are held and their contractual cash flow characteristics.

(i) Amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All receivables, cash and bank balances and term deposits are classified under this category. Any gain or loss is recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

2. Significant accounting policies (cont'd)

2.15 Financial assets (cont'd)

Subsequent measurement (cont'd)

(ii) Fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is to both collect contractual cash flows and sell financial assets and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group and the Company do not have any financial assets classified under this category.

(iii) Fair value through profit or loss

A financial asset is measured at fair value through profit or loss if it does not meet the criteria to be measured at amortised cost or fair value through other comprehensive income. All investments in equity instruments, derivatives and short-term funds are classified under this category. Any gain or loss is recognised in profit or loss.

Impairment

At each reporting date, the Group and the Company recognise a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9 *Financial Instruments*. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.

Derecognition

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or all the risks and rewards of ownership are substantially transferred. A direct write-off of gross carrying amount when there is no reasonable expectation of recovering a financial asset constitutes a derecognition event.

2.16 Financial liabilities

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

2. Significant accounting policies (cont'd)

2.16 Financial liabilities (cont'd)

Initial 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 minus, in the case of a financial liability not at fair value through profit or loss, transaction costs.

Subsequent measurement

All payables and loans and borrowings are subsequently measured at amortised cost. Any gain or loss is recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

Derivatives are subsequently measured at fair value through profit or loss. Any gain or loss is recognised in profit or loss.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance and the amount initially recognised less any cumulative income recognised.

Derecognition

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

2.17 Foreign currency transactions and translation

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

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

In translating the financial position and results of a foreign operation whose functional currency is not the 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 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.

2. Significant accounting policies (cont'd)

2.18 Share capital

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

Own shares purchased are held as treasury shares in accordance with the requirements of Section 127 of the Companies Act 2016. 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 distributable reserves. When treasury shares are resold in the open market, the difference between the sale consideration and the cost of the shares resold is adjusted to share capital. When treasury shares are cancelled, the cost of the shares cancelled is applied in the reduction of distributable reserves and the issued share capital is diminished by the shares so cancelled.

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

2.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following or a combination thereof:-

- (i) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.
- (ii) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.
- (iii) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

- (i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- (ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3 - unobservable inputs for the asset or liability.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

2. Significant accounting policies (cont'd)

2.19 Fair value measurement (cont'd)

Non-financial assets

The fair values of land and buildings are measured using the market comparison approach. Under this approach, the fair values are derived from observable market data such as prices per square foot for comparable properties in similar locations (i.e. Level 2).

The fair values of fresh fruit bunches ("FFBs") growing on oil palm trees are measured by multiplying the estimated quantities of FFBs of different age attributes by the observable current market prices of harvested FFBs prorated using a linear interpolation (i.e. Level 2).

Financial assets and financial liabilities

The carrying amounts of receivables, cash and bank balances, term deposits, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

The fair values of quoted investments are directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

The fair values of derivatives and short-term funds are directly measured using their unadjusted market values quoted by financial institutions (i.e. Level 1).

The fair value of financial guarantee contract, being the expected cash shortfall resulting from a credit event, is measured at the present value of the guarantee amount multiplied by the probability of default. The probability of default is estimated using credit rating methodologies on a non-proprietary approach to maximise the use of observable market and external data (i.e. Level 2).

2.20 Revenue from contracts with customers

The Group and the Company recognise revenue (by applying the following steps) to depict the transfer of promised goods or services to customers at the transaction price.

- (i) Step 1: Identify contract - A contract is an agreement between two or more parties that creates enforceable rights and obligations.
- (ii) Step 2: Identify performance obligations - Each promise to transfer distinct goods or services is identified as a performance obligation and accounted for separately.
- (iii) Step 3: Determine transaction price - The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. It is adjusted for the effects of variable consideration (e.g. discounts, rebates, incentives or penalties), significant financing component, non-cash consideration and consideration payable to customer.
- (iv) Step 4: Allocate transaction price to performance obligations - The transaction price is allocated to each performance obligation on the basis of the relative (estimated) stand-alone selling prices of each distinct good or service promised in the contract.

2. Significant accounting policies (cont'd)

2.20 Revenue from contracts with customers (cont'd)

- (v) Step 5: Recognise revenue - Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). Revenue is recognised either over time or at a point in time depending on the timing of transfer of control.

Sale of goods

The Group determines that the transfer of control of promised goods generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of goods is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

Sale of agricultural produce

The Group determines that the transfer of control of promised agricultural produce generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of agricultural produce is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

Rendering of services

The Company determines that the transfer of control of promised services generally coincides with the Company's performance as the customer simultaneously receives and consumes the benefits of the performance as the Company performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Company measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. time elapsed.

Property development

For sale of properties under development, the Group determines that the transfer of control generally coincides with the Group's performance as the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Accordingly, revenue is recognised over time during the development period. The Group measures the progress towards complete satisfaction of the performance obligation using an input method, i.e. costs incurred relative to the total expected costs. The effects of any costs incurred that do not depict the Group's performance are excluded from the calculation.

Sale of development land and completed development units

For sale of development land and completed development units, the Group determines that the transfer of control generally coincides with the delivery of vacant possession. Accordingly, revenue is recognised at a point in time when the vacant possession has been delivered to the customer.

Construction contracts

The Group determines that the transfer of control of promised services generally coincides with the Group's performance as the performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Accordingly, revenue from construction contracts is recognised over time during the construction period. The Group measures the progress towards complete satisfaction of the performance obligation using an input method, i.e. costs incurred relative to the total expected costs. The effects of any costs incurred that do not depict the Group's performance are excluded from the calculation.

2. Significant accounting policies (cont'd)

2.21 Other income

Dividend income is recognised in profit or loss only when the entity's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

Interest income for financial assets measured at amortised cost is recognised in profit or loss using the effective interest method. Interest or fund distribution income for financial assets measured at fair value through profit or loss is included in their net fair value gains or losses.

Operating lease income is recognised in profit or loss on a straight-line basis over the lease term.

2.22 Government grants

Government grants are recognised when there is reasonable assurance that the Group or the Company will comply with the conditions attaching to the grants and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group or the Company recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets are presented in the statement of financial position as deferred income which is amortised on a straight-line basis over the estimated useful lives of the assets. Grants related to income are presented under "other income" in the statement of profit or loss.

2.23 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 the cost of an asset, 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 the cost of an asset, where appropriate, in the period in which the associated services are rendered by the employee.

Defined benefit plans

The Group and the Company operate an unfunded final salary defined benefit plan for certain key management personnel. The liability in respect of the defined benefit plan is the present value of the future benefits that the key management personnel have earned in return for their services rendered in the current and prior periods. The calculation is performed using the projected unit credit method, with actuarial valuations being carried out with sufficient regularity at an interval of not more than three years such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period. All components of defined benefit costs are recognised in profit or loss in the period in which they are incurred, except for remeasurement of the defined benefit liability which is recognised in other comprehensive income.

2. Significant accounting policies (cont'd)

2.23 Employee benefits (cont'd)

Share-based payments

The Share Grant Plan of the Company grants the Group's eligible employees shares in the Company upon satisfying specified vesting conditions. These equity compensation benefits are treated as equity-settled share-based payment transactions and recognised in profit or loss with a corresponding increase in equity over the vesting period as share grant reserve. The total amount to be recognised is determined by reference to the fair value of the shares at grant date and the estimated number of shares expected to vest on vesting date.

Termination benefits

Termination benefits are recognised in profit or loss at the earlier of when the Group can no longer withdraw an offer of those benefits and when it recognises any related restructuring costs.

2.24 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.

2.25 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.

2.26 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand 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. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

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 is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

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:-

Valuation of inventories

Inventories are subject to assessment for any potential write-down of cost to net realisable value. Such assessment involves judgements and estimation uncertainty in considering information about the asset's value and economic performance as well as the overall property market conditions. Any changes in these accounting estimates will result in revisions to the valuation of inventories (Note 11).

Property development

The Group recognises property development revenue over time by measuring the progress towards complete satisfaction of the performance obligation. Property development costs and incremental costs of obtaining the contract are also recognised in profit or loss on a systematic basis that is consistent with the recognition of related revenue. These procedures involve judgements and estimation uncertainty in predicting the outcome of the performance obligation based on past experience, work of experts and continuous monitoring mechanism. Any changes in these accounting estimates will affect the carrying amounts of inventories (Note 11), contract costs (Note 14), contract assets and contract liabilities (Note 15).

Construction contracts

The Group considers the effects of variable consideration in determining the transaction price of a performance obligation satisfied over time, and recognises revenue accordingly by measuring the progress towards complete satisfaction of the performance obligation. These procedures involve judgements and estimation uncertainty in predicting the outcome of the performance obligation based on past experience, work of experts and continuous monitoring mechanism. Any changes in these accounting estimates will affect the carrying amounts of contract assets and contract liabilities (Note 15).

Impairment of contract assets and receivables

The Group and the Company recognise loss allowance for expected credit losses on contract assets and receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of contract assets (Note 15) and receivables (Note 16).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. Property, plant and equipment

Group

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Bearer plants RM'000	Capital work-in- progress RM'000	Total RM'000
Cost								
At 1 January 2021	21,193	63,367	217,994	9,040	4,566	804	603	317,567
Additions	0	124	5,891	184	404	0	1,295	7,898
Disposals/Write-offs	0	0	(1,511)	(4)	(221)	0	0	(1,736)
Reclassifications	0	0	68	0	0	0	(68)	0
Transfer from right-of-use assets	0	0	0	0	646	0	0	646
Transfer to investment properties	0	(950)	0	0	0	0	0	(950)
Currency translation differences	0	2,318	6,025	231	28	0	0	8,602
At 31 December 2021	21,193	64,859	228,467	9,451	5,423	804	1,830	332,027
Additions	0	1,046	12,025	151	929	0	468	14,619
Disposals/Write-offs	0	(22)	(5,253)	(104)	(888)	0	0	(6,267)
Transfer from right-of-use assets	0	0	0	0	600	0	0	600
Currency translation differences	0	(1,265)	(3,208)	(126)	(13)	0	0	(4,612)
At 31 December 2022	21,193	64,618	232,031	9,372	6,051	804	2,298	336,367
Depreciation and impairment losses								
At 1 January 2021								
Accumulated depreciation	0	30,796	165,270	7,320	4,013	543	0	207,942
Accumulated impairment losses	0	379	2,322	7	0	0	0	2,708
	0	31,175	167,592	7,327	4,013	543	0	210,650
Depreciation	0	4,461	7,369	508	258	34	0	12,630
Reversal of impairment loss	0	0	(1,453)	0	0	0	0	(1,453)
Disposals/Write-offs	0	0	(1,499)	(4)	(212)	0	0	(1,715)
Transfer from right-of-use assets	0	0	0	0	646	0	0	646
Transfer to investment properties	0	(241)	0	0	0	0	0	(241)
Currency translation differences	0	1,453	5,417	206	22	0	0	7,098
At 31 December 2021								
Accumulated depreciation	0	36,469	176,408	8,030	4,727	577	0	226,211
Accumulated impairment losses	0	379	1,018	7	0	0	0	1,404
	0	36,848	177,426	8,037	4,727	577	0	227,615
Depreciation	0	4,356	7,796	444	347	33	0	12,976
Disposals/Write-offs	0	(6)	(4,892)	(111)	(877)	0	0	(5,886)
Transfer from right-of-use assets	0	0	0	0	600	0	0	600
Currency translation differences	0	(953)	(2,854)	(113)	(12)	0	0	(3,932)
At 31 December 2022								
Accumulated depreciation	0	39,866	176,458	8,250	4,785	610	0	229,969
Accumulated impairment losses	0	379	1,018	7	0	0	0	1,404
	0	40,245	177,476	8,257	4,785	610	0	231,373
Carrying amount								
At 1 January 2021	21,193	32,192	50,402	1,713	553	261	603	106,917
At 31 December 2021	21,193	28,011	51,041	1,414	696	227	1,830	104,412
At 31 December 2022	21,193	24,373	54,555	1,115	1,266	194	2,298	104,994

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. Property, plant and equipment (cont'd)

The carrying amounts of property, plant and equipment pledged as security for credit facilities granted to the Group are as follows:-

	Group		
	2022 RM'000	2021 RM'000	
Freehold land	3,450	3,450	
Buildings	998	1,022	
	4,448	4,472	
 Company			
	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost			
At 1 January 2021	259	903	1,162
Additions	27	0	27
Disposals/Write-offs	(4)	0	(4)
At 31 December 2021	282	903	1,185
Additions	31	0	31
Transfer from right-of-use assets	0	600	600
Disposals/Write-offs	(12)	(877)	(889)
At 31 December 2022	301	626	927
Accumulated depreciation			
At 1 January 2021	210	857	1,067
Depreciation	25	46	71
Disposals/Write-offs	(4)	0	(4)
At 31 December 2021	231	903	1,134
Depreciation	23	0	23
Transfer from right-of-use assets	0	600	600
Disposals/Write-offs	(12)	(877)	(889)
At 31 December 2022	242	626	868
Carrying amount			
At 1 January 2021	49	46	95
At 31 December 2021	51	0	51
At 31 December 2022	59	0	59

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. Investment properties

Group

	Freehold land RM'000	Buildings RM'000	Building under construction RM'000	Total RM'000
Cost				
At 1 January 2021	11,555	27,633	1,296	40,484
Additions	0	42	1,847	1,889
Borrowing costs capitalised	0	0	12	12
Transfer from property, plant and equipment	0	950	0	950
Disposal	0	(950)	0	(950)
At 31 December 2021	11,555	27,675	3,155	42,385
Additions	0	0	542	542
Borrowing costs capitalised	0	0	39	39
Transfer from inventories	834	0	0	834
Reclassification	0	3,736	(3,736)	0
At 31 December 2022	12,389	31,411	0	43,800
Accumulated depreciation				
At 1 January 2021	0	2,132	0	2,132
Depreciation	0	863	0	863
Transfer from property, plant and equipment	0	241	0	241
Disposal	0	(266)	0	(266)
At 31 December 2021	0	2,970	0	2,970
Depreciation	0	923	0	923
At 31 December 2022	0	3,893	0	3,893
Carrying amount				
At 1 January 2021	11,555	25,501	1,296	38,352
At 31 December 2021	11,555	24,705	3,155	39,415
At 31 December 2022	12,389	27,518	0	39,907
Fair value				
Estimated fair value at 31 December 2021	16,500	29,440	n/a	45,940
Estimated fair value at 31 December 2022	16,500	33,390	n/a	49,890

Company

	Freehold land RM'000
Cost	
At 1 January 2021 / 31 December 2021 / 31 December 2022	23,125
Fair value	
Estimated fair value at 31 December 2021	26,800
Estimated fair value at 31 December 2022	26,800

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. Investment properties (cont'd)

The fair values of investment properties were measured based on appraisals performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 2).

The carrying amounts of investment properties pledged as security for credit facilities granted to the Group are as follows:-

	Group	
	2022 RM'000	2021 RM'000
Freehold land	7,874	7,040
Buildings	26,799	23,953
Building under construction	0	3,155
	34,673	34,148

The Group and the Company lease certain investment properties under operating leases for 3 to 30 (2021 : 23 to 30) years. The undiscounted lease payments to be received are as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Within 1 year	3,690	3,378	181	181
1 to 2 years	3,789	3,474	181	181
2 to 3 years	3,762	3,573	190	181
3 to 4 years	3,789	3,684	190	190
4 to 5 years	3,896	3,789	190	190
After 5 years	130,662	134,558	3,059	3,249
	149,588	152,456	3,991	4,172

The Company also leases certain portions of its freehold land to a subsidiary on a yearly basis from January to December.

6. Right-of-use assets

Group

	Leasehold		Motor	
	land RM'000	Buildings RM'000	vehicles RM'000	Total RM'000
At 1 January 2021	25,931	78	536	26,545
Remeasurement of lease liabilities	0	414	0	414
Depreciation	(1,106)	(170)	(279)	(1,555)
Currency translation differences	1,058	0	0	1,058
At 31 December 2021	25,883	322	257	26,462
Additions	0	0	101	101
Depreciation	(1,115)	(166)	(136)	(1,417)
Currency translation differences	(540)	0	0	(540)
At 31 December 2022	24,228	156	222	24,606

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. Right-of-use assets (cont'd)

Company

	Motor vehicles RM'000
At 1 January 2021	329
Depreciation	(171)
At 31 December 2021	<u>158</u>
Depreciation	(101)
At 31 December 2022	<u>57</u>

The Group acquired the rights to use the leasehold land as its principal places of business for 48 to 60 years. It also leases the buildings as branch offices for 2 to 3 years. The rights to use the motor vehicles were acquired by the Group and the Company under hire purchase financing whereby ownership will be transferred by the end of the lease term of 5 years.

7. Investments in subsidiaries

Company

	2022 RM'000	2021 RM'000
Unquoted shares - at cost	232,476	232,476
Contributions under Share Grant Plan	778	649
Impairment losses	(21,136)	(19,044)
	<u>212,118</u>	<u>214,081</u>

The details of the subsidiaries are as follows:-

Name of subsidiary	Principal place of business/ Place of incorporation	Effective ownership interest		Principal activity
		2022	2021	
GUH Asset Holdings Sdn. Bhd.	Malaysia	100%	100%	Investment holding
GUH Capital Sdn. Bhd.	Malaysia	100%	100%	Investment holding
GUH Electronic Holdings Sdn. Bhd.	Malaysia	100%	100%	Investment holding
GUH International (HK) Private Limited ^{(a)/(b)}	Hong Kong	100%	100%	Dormant
GUH Land Sdn. Bhd.	Malaysia	100%	100%	Investment holding
GUH Plantations Sdn. Bhd.	Malaysia	100%	100%	Cultivation of oil palm
GUH Properties Sdn. Bhd.	Malaysia	100%	100%	Property development
GUH Utilities Holdings Sdn. Bhd.	Malaysia	100%	100%	Investment holding

7. Investments in subsidiaries (cont'd)

Name of subsidiary	Principal place of business/ Place of incorporation	Effective ownership interest		Principal activity
		2022	2021	
<u>Subsidiaries of GUH Asset Holdings Sdn. Bhd.</u>				
GUH eBattery Sdn. Bhd. (formerly known as GUH Construction Sdn. Bhd.)	Malaysia	100%	100%	Dormant
GUH Electrical (BW) Sdn. Bhd.	Malaysia	100%	100%	Dormant
GUH eVehicle Sdn. Bhd. (formerly known as GUH Electrical (KL) Sdn. Bhd.)	Malaysia	100%	100%	Dormant
GUH Realty Sdn. Bhd.	Malaysia	100%	100%	Property development and investment in real estate
Milan Diamond Sdn. Bhd.	Malaysia	100%	100%	Property letting
Tecnovac Marketing Sdn. Bhd.	Malaysia	100%	100%	Dormant
<u>Subsidiaries of GUH Electronic Holdings Sdn. Bhd.</u>				
Grand Circuit Industry (Philippines) Inc. ^(a)	Philippines	100%	100%	Dormant
Grand United (BVI) Co., Ltd. ^{(a)(b)}	British Virgin Islands	100%	100%	Dormant
GUH Circuit Industry (PG) Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of printed circuit boards
GUH Circuit Industry (Suzhou) Co., Ltd. ^(a)	China	100%	100%	Manufacture and sale of printed circuit boards
<u>Subsidiary of GUH Land Sdn. Bhd.</u>				
GUH Development Sdn. Bhd.	Malaysia	99%	99%	Property development
<u>Subsidiaries of GUH Utilities Holdings Sdn. Bhd.</u>				
GUH Water Pte Limited ^{(a)(b)}	Hong Kong	100%	100%	Dormant
Teknoserv Engineering Sdn. Bhd.	Malaysia	100%	100%	Project managers and contractors for construction of water & wastewater treatment plant and road infrastructure
<u>Subsidiary of GUH Realty Sdn. Bhd.</u>				
Jeladan Sdn. Bhd.	Malaysia	100%	100%	Dormant

^(a) Not audited by Crowe Malaysia PLT

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

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. Investments in associates

Group

	2022 RM'000	2021 RM'000
Unquoted shares - at cost	11,547	5,610
Share of post-acquisition changes in net assets	(489)	527
	<u>11,058</u>	<u>6,137</u>
Attributable to:-		
- Leader GUH Renewable Energy Sdn. Bhd.	11,058	6,114
- Supreme Fortress Sdn. Bhd.	0	23
	<u>11,058</u>	<u>6,137</u>

The details of the associates are as follows:-

Name of associate	Principal place of business/ Place of incorporation	Effective ownership interest		Principal activity
		2022	2021	
Leader GUH Renewable Energy Sdn. Bhd. ("LGRE")	Malaysia	40%	40%	Investment holding
Supreme Fortress Sdn. Bhd.	Malaysia	0%	25%	Dissolved in March 2022

The summarised consolidated financial information of LGRE is as follows:-

	2022 RM'000	2021 RM'000
Non-current assets	23,205	15,303
Current assets	55,137	721
Current liabilities	(49,762)	(738)
Net assets	28,580	15,286
Revenue	0	0
Loss for the financial year	(1,406)	(146)
Other comprehensive income for the financial year	(1,078)	337
Comprehensive income for the financial year	<u>(2,484)</u>	<u>191</u>

8. Investments in associates (cont'd)

The reconciliation of the above summarised financial information to the carrying amount of the investment in LGRE is as follows:-

	2022 RM'000	2021 RM'000
Net assets	28,580	15,286
Non-controlling interests	(936)	0
Net assets attributable to owners of the associate	<u>27,644</u>	<u>15,286</u>
Effective ownership interest	40%	40%
Carrying amount	<u>11,058</u>	<u>6,114</u>

9. Investment in joint venture

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted shares - at cost	*0	*0	0	0
Share application monies	16,600	16,600	0	0
Contribution via financial guarantee contract (Note 22)	4,507	0	4,507	0
Share of post-acquisition changes in net assets	(139)	(40)	0	0
	<u>20,968</u>	<u>16,560</u>	<u>4,507</u>	<u>0</u>

* Denotes RM51

The details of the joint venture are as follows:-

Name of joint venture	Place of incorporation	Effective ownership interest		Principal activity
		2022	2021	
GUH Centralised Dormitory Sdn. Bhd. ("GUHCD")	Malaysia	51%	51%	Yet to commence operation

In March 2020, the Group (through a wholly-owned subsidiary) entered into a joint venture agreement ("JVA") with another joint venturer to establish GUHCD. Pursuant to the JVA, decisions about the relevant activities of GUHCD require the unanimous consent of the joint venturers sharing control. Accordingly, the Group determines that it does not control GUHCD on its own even though it holds 51% of the equity interest therein.

The intended principal activities of GUHCD are the construction and subsequent operation of foreign worker dormitories on a property of the Group identified in the JVA ("Identified Property"). In 2021, the Group had transferred the Identified Property to GUHCD at fair value of RM16,600,000 as its contribution to the enlarged capital of GUHCD. The said contribution was accounted for as share application monies and will be converted to shares in 2023.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. Investment in joint venture (cont'd)

The summarised financial information of GUHCD is as follows:-

	2022 RM'000	2021 RM'000
Non-current assets	31,290	19,019
Current assets	7,523	14,205
Cash and cash equivalents (included in current assets)	7,483	14,185
Current liabilities	(2,132)	(754)
Loans and borrowings (included in current liabilities)	(13)	0
Non-current liabilities	(4,406)	0
Loans and borrowings (included in non-current liabilities)	(4,406)	0
Net assets	32,275	32,470
Revenue	0	0
Depreciation	(2)	0
Interest income	35	0
Interest expense (capitalised in non-current assets)	(30)	0
Tax expense	0	0
Loss (representing comprehensive income) for the financial year	<u>(195)</u>	<u>(76)</u>

The reconciliation of the above summarised financial information to the carrying amount of the investment in GUHCD is as follows:-

	Group	
	2022 RM'000	2021 RM'000
Net assets	32,275	32,470
Effective ownership interest	51%	51%
Share of net assets	<u>16,461</u>	<u>16,560</u>
Contribution via financial guarantee contract	4,507	0
Carrying amount	<u>20,968</u>	<u>16,560</u>

10. Other investments

Group and Company

	2022 RM'000	2021 RM'000
Quoted shares - at fair value	<u>6,043</u>	<u>0</u>

The fair values of quoted investments were directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

11. Inventories

Group

	2022 RM'000	2021 RM'000
Non-current assets		
Land held for property development	<u>167,459</u>	<u>160,877</u>
Current assets		
Property development costs	3,065	2,772
Completed development units	50,792	71,190
Raw materials	15,603	12,046
Work-in-progress	5,336	4,342
Finished goods	11,440	8,916
Consumables	4,813	5,509
Goods-in-transit	<u>3,568</u>	<u>6,309</u>
	<u>94,617</u>	<u>111,084</u>
Total inventories	<u>262,076</u>	<u>271,961</u>

The carrying amounts of inventories pledged as security for credit facilities granted to the Group are as follows:-

	2022 RM'000	2021 RM'000
Land held for property development	6,378	2,426
Completed development units	<u>0</u>	<u>17,142</u>
	<u>6,378</u>	<u>19,568</u>

While holding for sale in the ordinary course of business, the Group leases certain completed development units under operating leases which are cancellable at its discretion. The undiscounted lease payments to be received are as follows:-

	2022 RM'000	2021 RM'000
Within 1 year	971	544
1 to 2 years	472	142
2 to 3 years	18	36
3 to 4 years	<u>0</u>	<u>18</u>
	<u>1,461</u>	<u>740</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. Deferred tax assets and deferred tax liabilities

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 January	(5,444)	(9,568)	(1,099)	(1,099)
Deferred tax (expense)/income relating to origination and reversal of temporary differences	(1,663)	807	0	0
Deferred tax liabilities (under)/over provided in prior year	(163)	3,317	0	0
At 31 December	<u>(7,270)</u>	<u>(5,444)</u>	<u>(1,099)</u>	<u>(1,099)</u>
Disclosed as:-				
- Deferred tax assets	962	2,352	0	0
- Deferred tax liabilities	<u>(8,232)</u>	<u>(7,796)</u>	<u>(1,099)</u>	<u>(1,099)</u>
	<u>(7,270)</u>	<u>(5,444)</u>	<u>(1,099)</u>	<u>(1,099)</u>
In respect of (taxable)/deductible temporary differences of:-				
- Property, plant and equipment	(8,011)	(7,605)	0	0
- Investment properties	(286)	(286)	(1,099)	(1,099)
- Right-of-use assets	(36)	(61)	0	0
- Inventories	(19)	1,263	0	0
- Financial instruments	1,044	1,183	0	0
- Lease liabilities	38	62	0	0
	<u>(7,270)</u>	<u>(5,444)</u>	<u>(1,099)</u>	<u>(1,099)</u>

12. Deferred tax assets and deferred tax liabilities (cont'd)

Save as disclosed above, as at 31 December 2022, 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 RM1,728,000 and RM7,000 (2021 : RM1,880,000 and RM15,000) respectively. No further deferred tax assets have been recognised for the following excess of deductible temporary differences, unused capital allowances and tax losses over taxable temporary differences:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deductible temporary differences of:-				
- Investment properties	1,060	1,060	0	0
- Inventories	11,431	11,220	0	0
- Financial instruments	0	957	0	112
- Lease liabilities	186	223	18	52
- Retirement benefits	8,824	8,048	8,824	8,048
Unused capital allowances	1,944	1,814	1,290	1,212
Unused tax losses expiring in year of assessment:-				
- 2025	28,833	29,844	0	0
- 2026	8,742	9,049	0	0
- 2027	5,765	0	0	0
- 2028	41,060	41,060	19,069	19,069
- 2029	4,509	4,509	2,260	2,260
- 2030	6,830	6,830	1,865	1,865
- 2031	4,057	4,057	2,193	2,193
- 2032	4,902	0	2,765	0
Taxable temporary differences of:-				
- Property, plant and equipment	(2,179)	(3,847)	(31)	(25)
- Right-of-use assets	(11,427)	(12,372)	0	(37)
- Biological assets	(146)	(225)	0	0
- Financial instruments	(61)	(1)	0	0
	<u>114,330</u>	<u>102,226</u>	<u>38,253</u>	<u>34,749</u>

The deductible temporary differences and unused capital allowances have no expiry date.

13. Biological assets

Group

	2022 RM'000	2021 RM'000
At 1 January	225	152
Fair value gains	1,523	1,781
Harvest and sales	<u>(1,602)</u>	<u>(1,708)</u>
At 31 December	<u>146</u>	<u>225</u>
Estimated quantities:-		
- Harvested during the year (metric tonnes)	1,537	1,937
- Unharvested at 31 December (metric tonnes)	<u>360</u>	<u>380</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. Biological assets (cont'd)

Biological assets represent fresh fruit bunches ("FFBs") growing on oil palm trees and are measured at fair value less costs of disposal. The fair values were measured by multiplying the estimated quantities of FFBs of different age attributes by the observable current market prices of harvested FFBs prorated using a linear interpolation (i.e. Level 2).

14. Contract costs

Group

	2022 RM'000	2021 RM'000
Costs of obtaining contracts	<u>372</u>	<u>0</u>

15. Contract assets and contract liabilities

Group

Contract assets

	2022 RM'000	2021 RM'000
Property development (Note (i))	5,194	3,442
Construction contracts (Note (ii))	<u>504</u>	<u>1,310</u>
	<u>5,698</u>	<u>4,752</u>

Contract liabilities

	2022 RM'000	2021 RM'000
Property development (Note (i))	534	356
Construction contracts (Note (ii))	<u>5,021</u>	<u>5,877</u>
	<u>5,555</u>	<u>6,233</u>

(i) Contract assets and contract liabilities from property development

	2022 RM'000	2021 RM'000
At 1 January	3,086	2,721
Revenue recognised during the year	14,704	15,946
Progress billings during the year	<u>(13,130)</u>	<u>(15,581)</u>
At 31 December	<u>4,660</u>	<u>3,086</u>
Disclosed as:-		
- Contract assets	5,194	3,442
- Contract liabilities	<u>(534)</u>	<u>(356)</u>
	<u>4,660</u>	<u>3,086</u>

15. Contract assets and contract liabilities (cont'd)

(i) Contract assets and contract liabilities from property development (cont'd)

As disclosed in Note 2.20, the Group generally satisfies its performance obligations over time during the development period. Any excess of revenue recognised over progress billings is presented as contract asset, whereas any deficit is presented as contract liability.

The Group measures the loss allowance for contract assets at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on contract assets are not considered to be material and hence, have not been recognised.

Remaining performance obligations

As at 31 December 2022, the aggregate transaction price allocated to the remaining performance obligations amounted to RM16,786,000 (2021 : nil) and the Group expects to recognise this revenue when the projects are completed over the next 1 year.

(ii) Contract assets and contract liabilities from construction contracts

	2022 RM'000	2021 RM'000
At 1 January	(4,567)	(2,188)
Revenue recognised during the year	10,676	16,816
Progress billings during the year	<u>(10,626)</u>	<u>(19,195)</u>
At 31 December	<u>(4,517)</u>	<u>(4,567)</u>
Disclosed as:-		
- Contract assets	504	1,310
- Contract liabilities	<u>(5,021)</u>	<u>(5,877)</u>
	<u>(4,517)</u>	<u>(4,567)</u>

As disclosed in Note 2.20, the Group generally satisfies its performance obligations over time during the construction period. Any excess of revenue recognised over progress billings is presented as contract asset, whereas any deficit is presented as contract liability.

The Group measures the loss allowance for contract assets at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on contract assets are not considered to be material and hence, have not been recognised.

Remaining performance obligations

As at 31 December 2022, the aggregate transaction price allocated to the remaining performance obligations amounted to RM67,052,000 (2021 : RM77,221,000) and the Group expects to recognise this revenue when the projects are completed over the next 1 to 2 (2021 : 1 to 2) years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16. Receivables

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Amounts due from subsidiaries	0	0	206,460	214,005
Loss allowance	0	0	(16,466)	(16,191)
	<u>0</u>	<u>0</u>	<u>189,994</u>	<u>197,814</u>
Current assets				
Trade receivables:-				
- Related party ^(a)	725	718	0	0
- Unrelated parties	36,667	50,199	0	0
	37,392	50,917	0	0
- Loss allowance	(2,427)	(2,676)	0	0
	<u>34,965</u>	<u>48,241</u>	<u>0</u>	<u>0</u>
Other receivables	3,326	6,026	41	699
Dividend receivable	0	0	6,400	6,000
Amounts due from subsidiaries	0	0	15,054	14,000
Loss allowance	0	0	(298)	(908)
	<u>0</u>	<u>0</u>	<u>14,756</u>	<u>13,092</u>
	<u>38,291</u>	<u>54,267</u>	<u>21,197</u>	<u>19,791</u>
Total receivables	<u>38,291</u>	<u>54,267</u>	<u>211,191</u>	<u>217,605</u>

^(a) Being a company in which a director has substantial financial interest

Trade receivables

The Group determines credit risk concentrations in terms of counterparties and geographical areas. As at 31 December 2022, there were 2 (2021 : 2) major groups of customers that individually accounted for 10% or more of the Group's trade receivables and the total outstanding balances due from these major groups amounted to RM12,184,000 (2021 : RM11,976,000). The credit risk concentration profile by geographical areas of trade receivables is as follows:-

	Group	
	2022	2021
	RM'000	RM'000
Malaysia	20,538	30,709
China	2,486	3,830
Indonesia	7,468	6,718
Singapore	5,296	7,188
Others	1,604	2,472
	<u>37,392</u>	<u>50,917</u>

16. Receivables (cont'd)

Trade receivables (cont'd)

The credit terms of trade receivables range from 14 to 135 days. The Group uses past due information to assess the credit risk of trade receivables. The analysis by past due status is as follows:-

	Group	
	2022 RM'000	2021 RM'000
Not past due	32,091	38,264
1 to 30 days past due	2,806	5,380
31 to 60 days past due	0	3,909
61 to 90 days past due	69	0
More than 90 days past due	2,426	3,364
	<u>37,392</u>	<u>50,917</u>

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. The changes in the loss allowance are as follows:-

	Group	
	2022 RM'000	2021 RM'000
At 1 January	2,676	2,520
Write-offs	(164)	0
Currency translation differences	(85)	156
At 31 December	<u>2,427</u>	<u>2,676</u>

The above loss allowance is in respect of individually assessed credit-impaired trade receivables. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on trade receivables that are not credit-impaired are not considered to be material and hence, have not been recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16. Receivables (cont'd)

Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

The Company measures the loss allowance at an amount equal to lifetime expected credit losses. The gross carrying amounts and the related loss allowance changes are as follows:-

Company

	Not credit- impaired RM'000	Credit- impaired RM'000	Total RM'000
2022			
Gross carrying amount	123,113	98,401	221,514
Loss allowance:-			
- At 1 January	(1,226)	(15,873)	(17,099)
- Impairment gains/(losses)	915	(580)	335
- At 31 December	(311)	(16,453)	(16,764)
	<u>122,802</u>	<u>81,948</u>	<u>204,750</u>
Disclosed as:-			
- Non-current assets	108,046	81,948	189,994
- Current assets	14,756	0	14,756
	<u>122,802</u>	<u>81,948</u>	<u>204,750</u>
2021			
Gross carrying amount	136,015	91,990	228,005
Loss allowance:-			
- At 1 January	(112)	(15,303)	(15,415)
- Impairment losses	(1,114)	(570)	(1,684)
- At 31 December	(1,226)	(15,873)	(17,099)
	<u>134,789</u>	<u>76,117</u>	<u>210,906</u>
Disclosed as:-			
- Non-current assets	121,697	76,117	197,814
- Current assets	13,092	0	13,092
	<u>134,789</u>	<u>76,117</u>	<u>210,906</u>

The Company determines that an amount due from subsidiary is credit-impaired when the subsidiary is in negative equity position.

17. Derivatives

Group

	2022 RM'000	2021 RM'000
Forward exchange contracts - at fair value	<u>9</u>	<u>0</u>

Forward exchange contracts are used to hedge the exposure to currency risk. The Group does not apply hedge accounting. As at 31 December 2022, the Group had contracts with financial institutions due within 1 year to buy RM3,971,000 (2021 : nil) and sell USD900,000 (2021 : nil) at contractual forward rates.

17. Derivatives (cont'd)

The fair values of forward exchange contracts were directly measured using their unadjusted market values quoted by the financial institutions (i.e. Level 1).

18. Cash and cash equivalents

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	29,695	28,239	226	1,155
Term deposits	60,582	53,183	10,327	15,210
Short-term funds - at fair value	52	2,540	43	2,540
	<u>90,329</u>	<u>83,962</u>	<u>10,596</u>	<u>18,905</u>

Cash and bank balances and term deposits are placed with reputable financial institutions with low credit risk. Accordingly, their expected credit losses are not considered to be material and hence, have not been recognised.

Certain term deposits of the Group totalling RM20,000 (2021 : RM20,000) have been pledged as security for credit facilities granted to the Group. Accordingly, these term deposits are not freely available for use.

The effective interest rates of term deposits as at 31 December 2022 ranged from 0.48% to 3.85% (2021 : 0.10% to 3.50%) per annum.

Short-term funds represent highly liquid investments in money market funds managed by financial institutions that invest in low-risk instruments, and are readily redeemable with insignificant risk of changes in value. Their fair values were directly measured using the unadjusted market values quoted by the financial institutions (i.e. Level 1).

For the purpose of statement of cash flows, cash and cash equivalents are presented net of pledged deposits as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and cash equivalents	90,329	83,962	10,596	18,905
Term deposits pledged as security	(20)	(20)	0	0
	<u>90,309</u>	<u>83,942</u>	<u>10,596</u>	<u>18,905</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19. Payables

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade payables:-				
- Related party ^(a)	1,728	2,252	0	0
- Related party ^(b)	636	636	0	0
- Unrelated parties	29,841	39,516	0	0
	32,205	42,404	0	0
Other payables:-				
- Related party ^(a)	250	398	0	0
- Unrelated parties	14,058	18,439	1,997	2,316
	14,308	18,837	1,997	2,316
Amounts due to subsidiaries	0	0	4,413	13,845
	<u>46,513</u>	<u>61,241</u>	<u>6,410</u>	<u>16,161</u>

^(a) Being companies in which a director has substantial financial interests

^(b) Being a company in which a close family member of certain directors has substantial financial interest

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 and other payables

The credit terms of trade and other payables range from 30 to 120 days.

Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

20. Loans and borrowings

Group

	2022 RM'000	2021 RM'000
Secured		
Short-term loan	0	2,215
Long-term loans	30,913	27,265
Unsecured		
Revolving credit	14,000	3,000
Trust receipts	7,939	3,575
	<u>52,852</u>	<u>36,055</u>
Disclosed as:-		
- Current liabilities	25,291	10,270
- Non-current liabilities	27,561	25,785
	<u>52,852</u>	<u>36,055</u>

Secured loans and borrowings are secured against certain property, plant and equipment (Note 4), investment properties (Note 5) and inventories (Note 11).

20. Loans and borrowings (cont'd)

The effective interest rates of loans and borrowings as at 31 December 2022 ranged from 4.06% to 5.96% (2021 : 1.28% to 4.26%) per annum.

Except for long-term loans, loans and borrowings are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Long-term loans are repayable over 4 to 15 years. The repayment analysis is as follows:-

	2022 RM'000	2021 RM'000
Gross loan instalments:-		
- Within 1 year	4,711	2,452
- 1 to 5 years	16,348	12,095
- After 5 years	17,023	18,529
Total contractual undiscounted cash flows	38,082	33,076
Future finance charges	(7,169)	(5,811)
Present value of long-term loans	<u>30,913</u>	<u>27,265</u>

The fair values of long-term loans were measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured were considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated to the effective interest rates of long-term loans.

21. Lease liabilities

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Gross lease liabilities:-				
- Within 1 year	228	302	51	89
- 1 to 5 years	176	303	8	59
Total contractual undiscounted cash flows	404	605	59	148
Future finance charges	(22)	(32)	(1)	(5)
Present value of lease liabilities	<u>382</u>	<u>573</u>	<u>58</u>	<u>143</u>
Disclosed as:-				
- Current liabilities	215	281	49	85
- Non-current liabilities	167	292	9	58
	<u>382</u>	<u>573</u>	<u>58</u>	<u>143</u>

The incremental borrowing rates applied to lease liabilities as at 31 December 2022 ranged from 4.39% to 5.00% (2021 : 4.39% to 5.00%) per annum.

22. Financial guarantee contracts

Group and Company

	2022 RM'000	2021 RM'000
At 1 January	183	1,008
Initial recognition at fair value	4,507	0
Amortisation	(183)	(275)
Derecognition	0	(550)
At 31 December	<u>4,507</u>	<u>183</u>
In respect of:-		
- Leader GUH Renewable Energy Sdn. Bhd. (Note 8)	0	183
- GUH Centralised Dormitory Sdn. Bhd. (Note 9)	<u>4,507</u>	<u>0</u>
	<u>4,507</u>	<u>183</u>

Leader GUH Renewable Energy Sdn. Bhd. ("LGRE")

In 2020, in connection with the Group's proposed joint venture investment in Yabisi Solar Power Co., Ltd. ("Yabisi"), a company incorporated in Taiwan, to explore business opportunities within the renewable energy sector in Taiwan, the Taiwanese government required a bank guarantee of USD10,905,000 (equivalent to RM43,827,000) from Yabisi in order to access the government land. Accordingly, the Group (with the Company as the ultimate guarantor) issued a financial guarantee to a financial institution to secure the bank guarantee facility granted by the latter.

The aforementioned financial guarantee contract was initially recognised at fair value based on valuation performed by independent professional valuer who calculated the present value of the guarantee amount multiplied by the probability of default. The probability of default was estimated using credit rating methodologies with observable market and external data (i.e. Level 2). The financial guarantee contract was subsequently amortised on a straight-line basis over the contractual term of 2 years. No maturity analysis is presented for the financial guarantee contract as the entire guarantee amount could be called at any time in the event of default by Yabisi.

In 2021, the Group (through its 40%-owned associate, LGRE) finalised its joint venture investment in Yabisi. Upon finalisation of the investment, 60% of the aforementioned financial guarantee was assigned to the holding company of LGRE, and the carrying amount of the contract attributable to the assigned portion was derecognised.

The aforementioned financial guarantee contract had expired in 2022.

GUH Centralised Dormitory Sdn. Bhd. ("GUHCD")

In 2022, the Company entered into a financial guarantee contract to provide proportionate financial guarantee to a financial institution for credit facilities granted to GUHCD. The total limit of the credit facilities is RM51,000,000 and the portion guaranteed by the Company is capped at RM26,010,000. The total utilisation of these credit facilities as at 31 December 2022 amounted to RM4,420,000.

The aforementioned financial guarantee contract was initially recognised at fair value based on valuation performed by independent professional valuer who calculated the present value of the guarantee amount multiplied by the probability of default. The probability of default was estimated using credit rating methodologies with observable market and external data (i.e. Level 2). The financial guarantee contract will be amortised on a straight-line basis over the contractual term of 15 years. No maturity analysis is presented for the financial guarantee contract as the entire guarantee amount could be called at any time in the event of default by GUHCD.

22. Financial guarantee contracts (cont'd)

Company

Save as disclosed above, the Company also 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 RM202,168,000 (2021 : RM116,278,000). The total utilisation of these credit facilities as at 31 December 2022 amounted to RM57,615,000 (2021 : RM73,329,000). In addition, the Company executed a performance guarantee contract up to a limit of RM35,736,000 (2021 : RM35,736,000) to guarantee the due performance of all the contract works by a subsidiary in a construction project.

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 2.16. After considering that the probability of the subsidiaries defaulting on the credit lines or contract works is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material. No maturity analysis is presented for the financial guarantee contracts as the entire guarantee amount could be called at any time in the event of default by the subsidiaries.

23. Retirement benefits

Group and Company

	2022 RM'000	2021 RM'000
Present value of defined benefit obligations:-		
- At 1 January	8,048	7,287
- Defined benefit costs	<u>776</u>	<u>761</u>
- At 31 December	<u>8,824</u>	<u>8,048</u>

The components of defined benefit costs are as follows:-

	2022 RM'000	2021 RM'000
Current service cost	461	464
Interest expense	<u>315</u>	<u>297</u>
	<u>776</u>	<u>761</u>

The principal actuarial assumptions used to determine the present value of the defined benefit obligations are as follows:-

	2022 %	2021 %
Discount rate	4.88	4.10
Future salary growth	<u>4.00</u>	<u>4.00</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23. Retirement benefits (cont'd)

The following table demonstrates the sensitivity of the defined benefit obligations to changes in each principal actuarial assumption that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Increase/(Decrease) in defined benefit obligations	
	2022 RM'000	2021 RM'000
Increase in discount rate by 1%	(370)	(362)
Decrease in discount rate by 1%	401	395
Increase in future salary growth by 1%	401	564
Decrease in future salary growth by 1%	<u>(377)</u>	<u>(521)</u>

24. Share capital

	Number of ordinary shares with no par value '000	RM'000
Issued and fully paid		
At 1 January 2021 / 31 December 2021	277,905	277,992
Issue of shares pursuant to Share Grant Plan	<u>2,367</u>	<u>1,092</u>
At 31 December 2022	<u>280,272</u>	<u>279,084</u>

Treasury 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. As at 31 December 2022, there were 116,000 (2021 : 116,000) ordinary shares purchased from the open market and held as treasury shares at total cost of RM148,000 (2021 : RM148,000). The number of outstanding shares in issue after excluding the treasury shares is 280,156,000 (2021 : 277,789,000).

Share Grant Plan ("SGP")

The shareholders of the Company, by a resolution passed at the extraordinary general meeting held on 30 June 2020, approved the Company's SGP. The SGP became effective on 10 July 2020 and is administered in accordance with its by-laws by the SGP committee. Under the SGP, no monetary consideration is required to be paid by the eligible persons for the acceptance of and subsequent vesting of the new shares.

The salient terms of the SGP are as follows:-

- (i) The maximum number of shares which may be made available under the SGP shall not in aggregate exceed 10% of the total number of issued shares (excluding treasury shares) in the Company at any point in time during the tenure of the SGP.

24. Share capital (cont'd)

Share Grant Plan ("SGP") (cont'd)

- (ii) The number of shares that may be offered to an eligible person shall be determined at the sole discretion of the SGP committee after taking into consideration, amongst others, the provisions of the relevant regulatory requirements, the eligible person's performance, target, position, annual appraised performance, seniority, length of service, contribution, potential for future contribution to the success and development of the Group, category or grade of employment, or such other matters which the SGP committee may in its sole discretion deem fit. Further, the SGP committee shall have sole and absolute discretion in determining whether the granting of the SGP shares shall be subject to any vesting period and/or conditions.
- (iii) The aggregate allocation of grants to the executive directors/chief executive shall not exceed 20% of the maximum number of shares available under the SGP. In addition, not more than 10% of the maximum number of shares available under the SGP shall be allocated to an eligible person who either singly or collectively, through persons connected to him/her, holds 20% or more of the total number of issued shares (excluding treasury shares) in the Company. At any point in time when an offer is made, not more than 90% of the total grants available under the SGP shall be allocated, in aggregate, to the executive directors and senior management of the Group who are eligible persons.
- (iv) Only eligible executive directors and employees of the Group who meet the criteria as set out in the SGP by-laws are eligible to participate in the SGP. In the case of an executive director, chief executive or major shareholder of the Company and/or persons connected to them who is an eligible person, their specific entitlements/allotments under the SGP shall be approved by the shareholders of the Company in a general meeting.
- (v) The SGP shall be in force for a period of 5 years from the effective date and may be extended at the discretion of the directors upon the recommendation of the SGP committee provided that the SGP period shall not in aggregate exceed the duration of 10 years from the effective date or such longer duration as may from time to time be permitted by the relevant authorities.
- (vi) The new shares to be issued upon vesting of the SGP grants will, upon allotment and issuance, rank equally in all respects with the existing ordinary shares in the Company in issue, save and except that the new shares will not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders, the entitlement date of which precedes the date of allotment and issuance of the new shares.
- (vii) The new shares to be issued and allotted to the eligible persons pursuant to the SGP may be subject to such reasonable retention period or restriction on transfer (if any/applicable) imposed or determined by the SGP committee at its discretion.

24. Share capital (cont'd)

Share Grant Plan ("SGP") (cont'd)

The movements in the number of ordinary shares granted under the SGP during the financial year are as follows:-

	Number of shares under SGP '000	Weighted average fair value RM
At 1 January 2021	0	
Granted	13,264	0.47
At 31 December 2021	13,264	
Vested	(2,367)	
Forfeited	(208)	
At 31 December 2022	10,689	

The fair values of the shares granted were measured at the market prices of the Company's shares at grant dates. Where appropriate, the market prices were adjusted to take into account the terms and conditions upon which the shares were granted.

25. Non-controlling interests ("NCI")

Group

	Accumulated NCI		Loss allocated to NCI	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
GUH Development Sdn. Bhd.	(25)	(19)	(6)	(4)

The details of the subsidiary that has NCI are as follows:-

Name of subsidiary	Principal place of business/ Place of incorporation	Effective ownership interest held by NCI		Principal activity
		2022	2021	
GUH Development Sdn. Bhd.	Malaysia	1%	1%	Property development

The summarised financial information of the above subsidiary has not been disclosed as its NCI are not material to the Group.

**NOTES TO THE
FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. Revenue

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers:-				
- Sale of goods	213,885	210,910	0	0
- Sale of agricultural produce	1,602	1,708	0	0
- Rendering of services	0	0	5,356	5,101
- Property development	14,704	15,946	0	0
- Sale of development land	0	16,600	0	0
- Sale of completed development units	31,425	14,213	0	0
- Construction contracts	10,676	16,816	0	0
	<u>272,292</u>	<u>276,193</u>	<u>5,356</u>	<u>5,101</u>
Other sources of revenue:-				
- Dividend income	101	0	6,501	6,400
- Operating lease income	3,449	2,603	1,036	992
	<u>3,550</u>	<u>2,603</u>	<u>7,537</u>	<u>7,392</u>
	<u>275,842</u>	<u>278,796</u>	<u>12,893</u>	<u>12,493</u>

Disaggregation of revenue from contracts with customers

Group

	Operating segments (Note 34)				
	Manufacture of printed circuit boards RM'000	Cultivation of oil palm RM'000	Property development RM'000	Construction contracts RM'000	Total RM'000
2022					
Major products/services:-					
- Printed circuit boards	213,885	0	0	0	213,885
- Fresh fruit bunches	0	1,602	0	0	1,602
- Properties under development	0	0	14,704	0	14,704
- Completed development units	0	0	31,425	0	31,425
- Water & wastewater treatment plant and road infrastructure	0	0	0	10,676	10,676
	<u>213,885</u>	<u>1,602</u>	<u>46,129</u>	<u>10,676</u>	<u>272,292</u>
Geographical areas:-					
- Malaysia	96,940	1,602	46,129	10,676	155,347
- China	3,232	0	0	0	3,232
- Indonesia	37,738	0	0	0	37,738
- Singapore	65,983	0	0	0	65,983
- Others	9,992	0	0	0	9,992
	<u>213,885</u>	<u>1,602</u>	<u>46,129</u>	<u>10,676</u>	<u>272,292</u>
Timing of revenue recognition:-					
- Over time	0	0	14,704	10,676	25,380
- At a point in time	213,885	1,602	31,425	0	246,912
	<u>213,885</u>	<u>1,602</u>	<u>46,129</u>	<u>10,676</u>	<u>272,292</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. Revenue (cont'd)

Disaggregation of revenue from contracts with customers (cont'd)

Group

	Operating segments (Note 34)				Total RM'000
	Manufacture of printed circuit boards RM'000	Cultivation of oil palm RM'000	Property development RM'000	Construction contracts RM'000	
2021					
Major products/services:-					
- Printed circuit boards	210,910	0	0	0	210,910
- Fresh fruit bunches	0	1,708	0	0	1,708
- Properties under development	0	0	15,946	0	15,946
- Development land	0	0	16,600	0	16,600
- Completed development units	0	0	14,213	0	14,213
- Water & wastewater treatment plant and road infrastructure	0	0	0	16,816	16,816
	<u>210,910</u>	<u>1,708</u>	<u>46,759</u>	<u>16,816</u>	<u>276,193</u>
Geographical areas:-					
- Malaysia	100,723	1,708	46,759	16,816	166,006
- China	2,338	0	0	0	2,338
- Indonesia	32,165	0	0	0	32,165
- Singapore	64,109	0	0	0	64,109
- Others	11,575	0	0	0	11,575
	<u>210,910</u>	<u>1,708</u>	<u>46,759</u>	<u>16,816</u>	<u>276,193</u>
Timing of revenue recognition:-					
- Over time	0	0	15,946	16,816	32,762
- At a point in time	210,910	1,708	30,813	0	243,431
	<u>210,910</u>	<u>1,708</u>	<u>46,759</u>	<u>16,816</u>	<u>276,193</u>

Company

Information about disaggregation of revenue has not been disclosed as the Company derives revenue mainly from rendering management services to subsidiaries.

27. Impairment (losses)/gains on financial assets

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other receivables	(30)	0	0	0
Amounts due from subsidiaries	0	0	335	(1,684)
	<u>(30)</u>	<u>0</u>	<u>335</u>	<u>(1,684)</u>

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. Profit/(Loss) before tax

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit/(Loss) before tax is arrived at after charging:-				
Amortisation of contract costs	9,799	13,945	0	0
Auditors' remuneration:-				
- Current year	214	250	55	53
- Prior year	0	(5)	0	0
Depreciation of investment properties	923	863	0	0
Depreciation of property, plant and equipment	12,976	12,630	23	71
Depreciation of right-of-use assets	1,417	1,555	101	171
Direct operating expenditure for investment properties generating rental income	42	42	28	28
Employee benefits expense (Note 29)	53,348	55,638	9,202	9,803
Fair value changes in biological assets (net)	79	0	0	0
Fair value losses on financial instruments mandatorily measured at fair value through profit or loss	2,638	0	2,647	0
Fee expense for financial instruments not measured at fair value through profit or loss	349	391	4	2
Impairment loss on investments in subsidiaries ^(a)	0	0	2,092	0
Interest expense for financial liabilities not measured at fair value through profit or loss	1,685	1,396	0	0
Interest expense for lease liabilities	22	33	4	10
Inventories written down	453	149	0	0
Lease expense relating to:-				
- Short-term leases	34	96	129	129
- Leases of low-value assets (other than short-term leases)	3	5	0	0
Realised loss on foreign exchange	152	0	0	0
and crediting:-				
Amortisation of financial guarantee contract	183	275	183	275
Fair value changes in biological assets (net)	0	73	0	0
Fair value gains on financial instruments mandatorily measured at fair value through profit or loss	0	493	0	493
Gain on derecognition of financial guarantee contract	0	550	0	550
Gain on disposal of associate	19	4,603	0	0
Gain on disposal of investment property	0	796	0	0
Gain on disposal of property, plant and equipment	76	95	302	0
Gain on disposal of subsidiary ^(b)	0	360	0	0
Gain on foreign exchange:-				
- Realised	0	633	0	0
- Unrealised	801	452	8	5

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. Profit/(Loss) before tax (cont'd)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Government grants under Wage Subsidy Programme	24	162	4	2
Interest income for financial assets measured at amortised cost	1,224	1,169	180	200
Operating lease income from:-				
- Investment properties	3,450	2,603	1,037	992
- Others	1,000	487	0	0
Reversal of impairment loss on investments in subsidiaries ^(c)	0	0	0	5,804
Reversal of impairment loss on property, plant and equipment ^(c)	0	1,453	0	0
Reversal of inventories written down	373	489	0	0
Variable lease payments from covid-19-related rent concessions	0	16	0	0
	<u>0</u>	<u>16</u>	<u>0</u>	<u>0</u>

(a) Included in other expenses

(b) Included in other income and comprising loss of RM293,000 attributable to measuring retained investment at fair value

(c) Included in other income

29. Employee benefits expense (including directors' remuneration)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors of the Company:-				
- Fees	587	671	549	630
- Other short-term employee benefits	3,916	4,153	3,916	4,153
- Defined contribution plans	698	743	698	743
- Defined benefit plans	762	748	762	748
- Share-based payments	286	655	286	655
	6,249	6,970	6,211	6,929
Directors of subsidiaries:-				
- Fees	48	53	0	0
- Other short-term employee benefits	1,535	1,298	707	476
- Defined contribution plans	150	120	83	56
- Defined benefit plans	14	13	14	13
- Share-based payments	101	333	76	175
- Termination benefits	473	0	0	0
	2,321	1,817	880	720
Other employees:-				
- Short-term employee benefits	41,097	42,264	1,882	1,845
- Defined contribution plans	2,765	3,187	213	212
- Share-based payments	120	588	16	97
- Termination benefits	796	812	0	0
	44,778	46,851	2,111	2,154
	<u>53,348</u>	<u>55,638</u>	<u>9,202</u>	<u>9,803</u>

29. Employee benefits expense (including directors' remuneration) (cont'd)

The estimated money value of benefits received or receivable by certain directors otherwise than in cash is as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors of the Company	31	44	31	44
Directors of subsidiaries	22	16	10	10
	<u>53</u>	<u>60</u>	<u>41</u>	<u>54</u>

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.

30. Tax expense

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Tax based on results for the year:-				
- Current tax	3,327	7,524	0	0
- Deferred tax	1,663	(807)	0	0
	<u>4,990</u>	<u>6,717</u>	<u>0</u>	<u>0</u>
Tax under/(over) provided in prior year:-				
- Current tax	197	89	0	0
- Deferred tax	163	(3,317)	0	0
	<u>5,350</u>	<u>3,489</u>	<u>0</u>	<u>0</u>

The numerical reconciliation between the product of profit/(loss) before tax multiplied by the applicable tax rate, which is the statutory income tax rate, and the tax expense is as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit/(Loss) before tax	<u>1,062</u>	<u>18,058</u>	<u>(1,992)</u>	<u>6,528</u>
Tax at applicable tax rate of 24%	255	4,334	(478)	1,567
Non-deductible expenses	2,337	1,607	1,403	930
Non-taxable income	(115)	(1,431)	(1,766)	(3,247)
Tax incentives claimed	(497)	(693)	0	0
Effect of differential tax rates	(60)	(256)	0	0
Increase in unrecognised deferred tax assets	3,110	3,156	841	750
Tax under/(over) provided in prior year	360	(3,228)	0	0
Tax expense	<u>5,350</u>	<u>3,489</u>	<u>0</u>	<u>0</u>

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31. (Loss)/Earnings per share

Group

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

	2022	2021
(Loss)/Profit for the financial year attributable to owners of the Company (RM'000)	<u>(4,282)</u>	<u>14,573</u>
Number of shares in issue as at 1 January ('000)	277,789	277,789
Effect of shares issued pursuant to SGP ('000)	<u>1,972</u>	<u>0</u>
Weighted average number of shares for computing basic (loss)/earnings per share ('000)	279,761	277,789
Number of shares under SGP deemed to have been issued for no consideration ('000)	<u>2,137</u>	<u>3,570</u>
Weighted average number of shares for computing diluted (loss)/earnings per share ('000)	<u>281,898</u>	<u>281,359</u>
Basic (loss)/earnings per share (sen)	<u>(1.53)</u>	<u>5.25</u>
Diluted (loss)/earnings per share (sen)	<u>*(1.53)</u>	<u>5.18</u>

* The diluted loss per share equals the basic loss per share due to the anti-dilutive effect of the shares under SGP which has been ignored in calculating the diluted loss per share.

32. Notes to statements of cash flows

Acquisition of right-of-use assets

	Group	
	2022	2021
	RM'000	RM'000
Cost of right-of-use assets acquired	101	0
Acquisition by means of leases	<u>(90)</u>	<u>0</u>
Net cash disbursed	<u>11</u>	<u>0</u>

Long-term loans

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	27,265	36,986
Drawdowns	4,999	4,005
Repayments	(1,387)	(13,814)
Other changes	<u>36</u>	<u>88</u>
At 31 December (Note 20)	<u>30,913</u>	<u>27,265</u>

32. Notes to statements of cash flows (cont'd)

Short-term loans and borrowings

	Group	
	2022 RM'000	2021 RM'000
At 1 January	8,790	6,219
Net cash flow changes	13,149	2,571
At 31 December	<u>21,939</u>	<u>8,790</u>
Represented by:-		
- Short-term loan (Note 20)	0	2,215
- Revolving credit (Note 20)	14,000	3,000
- Trust receipts (Note 20)	7,939	3,575
	<u>21,939</u>	<u>8,790</u>

Lease liabilities

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	573	568	143	273
Acquisition of right-of-use assets	90	0	0	0
Remeasurement from reassessment or lease modifications	0	414	0	0
Payments	(281)	(393)	(85)	(130)
Variable lease payments	0	(16)	0	0
At 31 December (Note 21)	<u>382</u>	<u>573</u>	<u>58</u>	<u>143</u>

The total cash outflow for leases is as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Operating activities				
Lease expense recognised in profit or loss (Note 28)	37	101	129	129
Investing activities				
Acquisition of right-of-use assets	11	0	0	0
Financing activities				
Interest portion of lease liabilities (Note 28)	22	33	4	10
Principal portion of lease liabilities	281	393	85	130
	<u>351</u>	<u>527</u>	<u>218</u>	<u>269</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. Related party disclosures

Other than the financial guarantee contracts and directors' remuneration as disclosed in Notes 22 and 29 respectively, transactions with related parties during the financial year are as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Acquisition of property, plant and equipment from other related parties ^(a)	227	40	0	0
Contributions to subsidiaries under SGP	0	0	129	649
Disposal of subsidiary to other related party ^(a)	0	9,706	0	0
Dividend declared from associate	21	225	0	0
Dividend declared from subsidiary	0	0	6,400	6,400
Purchase of goods from other related parties ^(a)	16,625	16,038	0	0
Receiving of services from other related party ^(a)	233	156	0	0
Rendering of services to joint venture	428	0	0	0
Rendering of services to subsidiaries	0	0	5,356	5,101
Rental charged by subsidiary	0	0	129	129
Rental charged by other related party ^(a)	114	100	0	0
Rental charged to associate	0	784	0	0
Rental charged to subsidiary	0	0	784	747
Rental charged to other related party ^(a)	181	172	181	172
Sale of development unit to director	1,930	0	0	0
Sale of development unit to other related party ^(a)	0	1,980	0	0
Sale of goods to other related party ^(a)	4,367	5,191	0	0
Subscription for shares in associate	5,937	0	0	0
Transfer of development land to joint venture	0	16,600	0	0

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

34. 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) Cultivation of oil palm
- (iii) Property development
- (iv) Construction contracts (for water & wastewater treatment plant and road infrastructure)

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.

34. Segment reporting (cont'd)

Operating segments (cont'd)

	Manufacture of printed circuit boards RM'000	Cultivation of oil palm RM'000	Property development RM'000	Construction contracts RM'000	Unallocated non-operating segments RM'000	Total RM'000
2022						
Segment assets	227,073	18,107	259,608	14,950	55,531	575,269
Investments in associates	0	0	0	0	11,058	11,058
Investment in joint venture	0	0	0	0	20,968	20,968
Income tax assets	1,427	134	1,978	30	2	3,571
Total assets	<u>228,500</u>	<u>18,241</u>	<u>261,586</u>	<u>14,980</u>	<u>87,559</u>	<u>610,866</u>
Additions to non-current assets	<u>13,609</u>	<u>0</u>	<u>2,371</u>	<u>114</u>	<u>41</u>	<u>16,135</u>
Segment liabilities	25,652	55	13,878	9,387	16,427	65,399
Loans and borrowings	21,940	0	8,185	0	22,727	52,852
Lease liabilities	0	0	181	143	58	382
Income tax liabilities	8,707	0	45	0	950	9,702
Total liabilities	<u>56,299</u>	<u>55</u>	<u>22,289</u>	<u>9,530</u>	<u>40,162</u>	<u>128,335</u>
External revenue	213,885	1,602	46,129	10,676	3,550	275,842
Intersegment revenue	0	0	0	2,386	12,540	14,926
Total revenue	<u>213,885</u>	<u>1,602</u>	<u>46,129</u>	<u>13,062</u>	<u>16,090</u>	<u>290,768</u>
Segment profit/(loss)	59	(324)	10,077	(2,928)	(4,675)	2,209
Interest income	887	0	157	0	180	1,224
Interest expense	(584)	0	(159)	(22)	(942)	(1,707)
Share of associates' loss	0	0	0	0	(565)	(565)
Share of joint venture's loss	0	0	0	0	(99)	(99)
Profit/(Loss) before tax	<u>362</u>	<u>(324)</u>	<u>10,075</u>	<u>(2,950)</u>	<u>(6,101)</u>	<u>1,062</u>
Tax expense	(2,085)	0	(2,714)	0	(551)	(5,350)
Profit/(Loss) for the financial year	<u>(1,723)</u>	<u>(324)</u>	<u>7,361</u>	<u>(2,950)</u>	<u>(6,652)</u>	<u>(4,288)</u>
Non-cash income	1,150	0	0	25	191	1,366
Depreciation	13,699	34	475	168	940	15,316
Other non-cash expenses	<u>520</u>	<u>79</u>	<u>50</u>	<u>41</u>	<u>3,840</u>	<u>4,530</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

34. Segment reporting (cont'd)

Operating segments (cont'd)

	Manufacture of printed circuit boards RM'000	Cultivation of oil palm RM'000	Property development RM'000	Construction contracts RM'000	Unallocated non-operating segments RM'000	Total RM'000
2021						
Segment assets	232,807	18,396	260,962	17,295	57,935	587,395
Investments in associates	0	0	0	0	6,137	6,137
Investment in joint venture	0	0	0	0	16,560	16,560
Income tax assets	1	109	2,354	29	9	2,502
Total assets	232,808	18,505	263,316	17,324	80,641	612,594
Additions to non-current assets	7,861	5	2,278	0	69	10,213
Segment liabilities	35,514	48	18,564	10,402	11,177	75,705
Loans and borrowings	6,575	0	5,611	0	23,869	36,055
Lease liabilities	0	0	347	83	143	573
Income tax liabilities	8,446	0	1,597	0	1,003	11,046
Total liabilities	50,535	48	26,119	10,485	36,192	123,379
External revenue	210,910	1,708	46,759	16,816	2,603	278,796
Intersegment revenue	0	0	0	604	12,248	12,852
Total revenue	210,910	1,708	46,759	17,420	14,851	291,648
Segment profit/(loss)	7,244	(21)	10,225	(1,326)	2,064	18,186
Interest income	917	0	37	15	200	1,169
Interest expense	(89)	0	(361)	(60)	(919)	(1,429)
Share of associates' profit	0	0	0	0	172	172
Share of joint venture's loss	0	0	0	0	(40)	(40)
Profit/(Loss) before tax	8,072	(21)	9,901	(1,371)	1,477	18,058
Tax expense	(572)	0	(2,529)	0	(388)	(3,489)
Profit/(Loss) for the financial year	7,500	(21)	7,372	(1,371)	1,089	14,569
Non-cash income	2,374	73	16	15	1,282	3,760
Depreciation	13,370	38	381	200	1,059	15,048
Other non-cash expenses	675	0	116	7	1,688	2,486

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysia	158,897	168,609	304,026	292,312
China	3,232	2,338	34,333	39,604
Indonesia	37,738	32,165	0	0
Singapore	65,983	64,109	0	0
Others	9,992	11,575	0	0
	275,842	278,796	338,359	331,916

34. Segment reporting (cont'd)

Major customers

The major groups of customers of the manufacture of printed circuit boards segment that contributed 10% or more of the Group's total revenue are as follows:-

	External revenue	
	2022 RM'000	2021 RM'000
Group of customers I	65,706	61,163
Group of customers II	30,550	22,605
	<u>96,256</u>	<u>83,768</u>

35. Contractual commitments

Group

	2022 RM'000	2021 RM'000
Acquisition of property, plant and equipment	2,565	8,293
Additions of investment properties	0	413
	<u>2,565</u>	<u>8,706</u>

36. Financial risk management

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk, interest rate 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 contracts 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 entities. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 22.

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. The quantitative information about such credit risk exposure is disclosed in Note 16. As the Group only deals with reputable financial institutions, the credit risk associated with derivative contracts and deposits placed with them is low.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36. 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 gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:-

	Group		Company	
	Denominated in USD		Denominated in USD	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Receivables	26,317	27,745	0	0
Cash and cash equivalents	22,748	18,454	158	149
Payables	(12,956)	(17,693)	0	0
Loans and borrowings	(7,940)	(3,575)	0	0
	<u>28,169</u>	<u>24,931</u>	<u>158</u>	<u>149</u>

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

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

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

	Group		Company	
	(Increase)/ Decrease in loss	Increase/ (Decrease) in profit	(Increase)/ Decrease in loss	Increase/ (Decrease) in profit
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Appreciation of USD against RM by 4% (2021 : 1%)	720	157	6	1
Depreciation of USD against RM by 4% (2021 : 1%)	(720)	(157)	(6)	(1)

36. Financial risk management (cont'd)

Currency risk (cont'd)

	Group		Company	
	(Increase)/ Decrease in loss 2022 RM'000	Increase/ (Decrease) in profit 2021 RM'000	(Increase)/ Decrease in loss 2022 RM'000	Increase/ (Decrease) in profit 2021 RM'000
Appreciation of USD against RMB by 5% (2021 : 1%)	234	42	0	0
Depreciation of USD against RMB by 5% (2021 : 1%)	<u>(234)</u>	<u>(42)</u>	<u>0</u>	<u>0</u>

Interest rate risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely term deposits, loans and borrowings and lease liabilities.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments as follows:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Fixed rate instruments				
Financial assets	60,582	53,183	10,327	15,210
Financial liabilities	(22,321)	(7,148)	(58)	(143)
Floating rate instruments				
Financial liabilities	<u>(30,913)</u>	<u>(29,480)</u>	<u>0</u>	<u>0</u>

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss (and equity). For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Group	
	(Increase)/ Decrease in loss 2022 RM'000	Increase/ (Decrease) in profit 2021 RM'000
Increase in interest rates by 40 (2021 : *0) basis points	(98)	(135)
Decrease in interest rates by 40 (2021 : *0) basis points	<u>98</u>	<u>135</u>

* Using standard deviation to measure interest rate volatility for the past 12 months, the Group did not foresee any reasonably possible change in interest rate at the end of the previous reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36. 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 profit or loss (and equity) 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	Increase/ (Decrease)
	in loss 2022	in profit 2021
	RM'000	RM'000
Increase in FBMKLCI by 4%	242	0
Decrease in FBMKLCI by 4%	<u>(242)</u>	<u>0</u>

37. 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 interest-bearing debts 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 interest-bearing debts divided by total equity as follows:-

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Loans and borrowings	52,852	36,055	0	0
Lease liabilities	<u>382</u>	<u>573</u>	<u>58</u>	<u>143</u>
Total interest-bearing debts	53,234	36,628	58	143
Total equity	<u>482,531</u>	<u>489,215</u>	<u>446,836</u>	<u>448,321</u>
Total capital	<u>535,765</u>	<u>525,843</u>	<u>446,894</u>	<u>448,464</u>
Debt-to-equity ratio	<u>11.03%</u>	<u>7.49%</u>	<u>0.01%</u>	<u>0.03%</u>

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

ANALYSIS OF SHAREHOLDINGS

Total number of issued shares	:	280,271,301 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

Distribution Schedule of Shares

As at 31 March 2023

Holdings	No. of Holders	Total Holdings	%
Less than 100	1,347	70,568	0.03
100 - 1,000	2,384	1,048,484	0.37
1,001 – 10,000	6,637	24,812,910	8.86
10,001 – 100,000	1,851	51,333,536	18.32
100,001 – less than 5% of issued shares	226	122,715,092	43.80
5% and above of issued shares	2	80,175,447	28.62
	12,447	280,156,037	100.00

Note: Excluding 115,264 treasury shares

ANALYSIS OF SHAREHOLDINGS

Substantial Shareholders

As at 31 March 2023

No.	Name of Substantial Shareholders	Direct Interest		Deemed Interest	
		No. of Shares	%	No. of Shares	%
1.	HSBC Nominees (Asing) Sdn. Bhd. <i>HBAP For Gold Connection Assets Limited</i>	47,740,072	17.04	-	-
2.	Zun Holdings Sdn. Bhd.	32,435,375	11.58	-	-
3.	Puan Sri Datin Seri Ang Gaik Nga	12,103,708	4.32	32,435,375 ^a	11.58
4.	Datin Seri Jessica H'ng Hsieh Ling	3,598,465	1.28	32,435,375 ^a	11.58
5.	Dato' H'ng Chun Hsiang	2,438,748	0.87	32,435,375 ^a	11.58
6.	H'ng Chun Ching	1,965,200 ^c	0.70	32,435,375 ^a	11.58
7.	H'ng Hsieh Fern	894,199	0.32	32,435,375 ^a	11.58
8.	Tan Sri Dato' Seri H'ng Bok San	402,794	0.14	53,435,695 ^b	19.07

Directors' Shareholding

As at 31 March 2023

No.	Name of Directors	Direct Interest		Deemed Interest	
		No. of Shares	%	No. of Shares	%
1.	Tan Sri Dato' Seri H'ng Bok San	402,794	0.14	53,435,695 ^b	19.07
2.	Datuk Seri Kenneth H'ng Bak Tee	2,338,494	0.83	1,626,880 ^d	0.58
3.	Dato' Harry H'ng Bak Seah	2,497,710	0.89	-	-
4.	Datin Seri Jessica H'ng Hsieh Ling	3,598,465	1.28	32,435,375 ^a	11.58
5.	Dato' Dr. Gan Kong Meng	-	-	-	-
6.	Mr. Teng Chang Yeow	-	-	-	-
7.	Ms. Phoon Yee Min	-	-	-	-

Notes:

^a Deemed interested by virtue of shareholdings held through Zun Holdings Sdn. Bhd., pursuant to Section 8 of the Companies Act 2016

^b Deemed interested by virtue of his spouse's and children's shareholdings in the Company, as well as his shareholdings held through Zun Holdings Sdn. Bhd., pursuant to Sections 8 and 59(11)(c) of the Companies Act 2016

^c Shares are held through UOBM Nominees (Tempatan) Sdn. Bhd.

^d Deemed interested by virtue of his spouse's and son's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016. 1,404,649 shares are held through Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS

Thirty (30) Largest Shareholders

As at 31 March 2023

No.	Name of Securities Account Holders	No. of Shares	%
1	HSBC Nominees (Asing) Sdn. Bhd. <i>HBAP for Gold Connection Assets Limited (PB-SGDIV501999)</i>	47,740,072	17.04
2	Zun Holdings Sdn. Bhd.	32,435,375	11.58
3	Puan Sri Datin Seri Ang Gaik Nga	12,103,708	4.32
4	Song Siew Gnoh	10,321,658	3.68
5	Tay Teck Ho	5,300,000	1.89
6	Kan Yu Oi Ling	4,507,445	1.61
7	Lim Leng Na	3,810,000	1.36
8	Datin Seri Jessica H'ng Hsieh Ling	3,598,465	1.28
9	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Chee Sai Mun</i>	3,493,350	1.25
10	Laico Jaya Sdn. Bhd.	3,147,954	1.12
11	CGS-CIMB Nominees (Asing) Sdn. Bhd. <i>Exempt An for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)</i>	2,528,257	0.90
12	Dato' H'ng Chun Hsiang	2,438,748	0.87
13	Dato' Harry H'ng Bak Seah	2,360,329	0.84
14	Datuk Seri Kenneth H'ng Bak Tee	2,338,494	0.83
15	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Choy Yang Zhou</i>	2,000,000	0.71
16	UOBM Nominees (Tempatan) Sdn. Bhd. <i>UOBM for H'ng Chun Ching (PBM)</i>	1,965,200	0.70
17	Dato' Lai Chang Hun	1,883,042	0.67
18	Kenanga Nominees (Asing) Sdn. Bhd. <i>Exempt An for Phillip Securities Pte Ltd (Client Account)</i>	1,872,095	0.67
19	Shoptra Jaya (M) Sdn. Bhd.	1,464,128	0.52
20	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. <i>Datin Seri Tham Hooi Loon (0151)</i>	1,404,649	0.50
21	Too Chin Kiong	1,350,000	0.48
22	Siaw Poon Keong	1,303,378	0.47
23	Wong Wai Kong	1,000,000	0.36
24	Rudy Yeap Ee Kiat	950,000	0.34
25	Yeo Khee Huat	933,484	0.33
26	H'ng Hsieh Fern	894,199	0.32
27	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Gak Jia Weng</i>	875,000	0.31
28	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Chee Sai Mun (E-KLC)</i>	850,929	0.30
29	Tan Pak Nang	821,340	0.29
30	Nyiew Teng Sia @ Yang Ting Chern	810,834	0.29

LIST OF PROPERTIES

AS AT 31 DECEMBER 2022

No.	Address/ Location	Tenure	Description	Area (square metre)	Approximate Age of properties/ buildings	Net Book Value (RM'000)	Date of Acquisition/ Re-Valuation
1	Plot 1240 & 1241, Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas Penang	Leasehold 60 years Expiring on 27/8/2041	Office/ Factory building	16,339	36 years	16,890	31/12/2013
2	Plot 208A Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas, Penang	Leasehold 60 years Expiring on 20/10/2049	Office/ Factory building	6,167	36 years	6,798	31/12/2013
3	160-4-3 Anson Road, 10400 Penang	Freehold	Apartment	153	41 years	494	31/12/2016
4	588 Changjiang Road, New District Suzhou, Jiangsu, China	Leasehold 50 years Expiring on 17/8/2047	Office/ Factory building	53,325	25 years	23,334	31/12/2013
5	Unit 16, Rose Garden Xiang Xie Mountain Villa Resort No. 289 Jin San Road, Mudu Town, Wuzhong District, 215101 Suzhou Jiangsu Province, China	Leasehold 70 years Expiring on 17/5/2068	Bungalow	232	24 years	540	31/12/2013
6	Along Kuala Lumpur/ Seremban Highway, Pekan Bukit Kepayang, District of Seremban Negeri Sembilan	Freehold	Ongoing mixed development scheme known as Taman Bukit Kepayang	424,420	-	73,187	30/09/2004
7	Along off Jalan Simpang Ampat Mukim 14 & 15 District of Seberang Perai Tengah, Pulau Pinang	Freehold	Ongoing mixed development scheme known as Simpang Ampat	182,949	-	78,359	27/03/2014
8	Lot No. 20339 Mukim 12, Province Wellesley South, Penang	Freehold	Industrial Land	15,126	-	7,969	09/09/2015
9	Lot No. 20338 Mukim 12, Province Wellesley South, Penang	Freehold	Industrial Land	12,747	-	6,581	09/09/2015
10	Lot No. 20337 Mukim 12, Province Wellesley South, Penang	Freehold	Industrial land	11,357	-	4,428	31/12/2016
11	Lot No. 1693, Mukim 12, Province Wellesley South, Penang	Freehold	Industrial land	1,998	-	520	31/12/2016
12	27 Jalan Serendah 26/40 Kawasan Perindustrian Hicom Seksyen 26, 40400 Shah Alam Selangor	Freehold	3-Storey Semi-D factory	819	9 years	4,447	27/12/2013
13	Lot No. 5 Mukim Telui Kiri, Daerah Kuala Muda, Kedah	Freehold	Agricultural land	1,551,773	-	21,200	31/12/2013
14	PT No. 47843 Mukim of Rawang District of Gombak Selangor Darul Ehsan	Freehold	Commerical land	13,901	4 years	29,915	04/06/2015
15	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	35 years	42	31/12/2013
16	1-1-05 No. 1, Persiaran Bukit Jambul 1, Complex Relau, 11900 Penang	Freehold	Shoplot	86	28 years	225	31/12/2016
17	Unit No. 24, 25, 27, 91, 100, 101 & 103 Lembah Beringin, Sector 26-2, Selangor	Freehold	7 units of double storey terrace houses	1,169	24 years	-	31/12/2009
18	PT 666, Pekan Bukit Selambau, Daerah Kuala Muda, Negeri Kedah	Freehold	Industrial Land	3,971	-	522	12/09/2019
19	Lot 20987, Mukim 14 District of Seberang Perai Selatan Pulau Pinang	Freehold	Commercial land	2,793	-	4,774	27/03/2014

Revaluation Policy

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 59th Annual General Meeting (“AGM”) of GUH Holdings Berhad (“the Company”) will be held virtually by way of live streaming via remote participation and electronic voting facilities from the broadcast venue at the Auditorium of the Company at 2nd Floor, Plot 1240 & 1241, Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas, Penang on Wednesday, 31 May 2023 at 10:30 a.m. to transact the following businesses:

AGENDA

As Ordinary Business

1. To lay before the meeting the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and the Auditors thereon.
2. To approve the payment of Directors’ fees and benefits up to an amount of RM2,396,000. **Resolution 1**
3. To re-elect the following Directors who retire pursuant to Article 95 of the Company’s Constitution and being eligible, offer themselves for re-election:
 - (i) Tan Sri Dato’ Seri H’ng Bok San **Resolution 2**
 - (ii) Datuk Seri Kenneth H’ng Bak Tee **Resolution 3**
 - (iii) Dato’ Harry H’ng Bak Seah **Resolution 4**
4. To re-elect the following Directors who retire pursuant to Article 92 of the Company’s Constitution and being eligible, offer themselves for re-election:
 - (i) Mr. Teng Chang Yeow **Resolution 5**
 - (ii) Ms. Phoon Yee Min **Resolution 6**
5. To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration. **Resolution 7**

As Special Business

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

6. **ORDINARY RESOLUTION – AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Resolution 8**

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the Company’s Constitution and approval from relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued, pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued, subject always to the approval of all relevant regulatory bodies being obtained for such issues.”

NOTICE OF ANNUAL GENERAL MEETING

7. ORDINARY RESOLUTION – PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Resolution 9

“THAT subject to the Company’s compliance with all applicable rules, regulations and orders made pursuant to the Companies Act 2016 (“Act”), the provisions of the Company’s Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) and the approval of all other relevant authorities, the Directors of the Company be and is hereby authorised to utilise an amount not exceeding the total retained profits of RM166.9 million of the Company, based on the latest Audited Financial Statements as at 31 December 2022 to purchase such amount of ordinary shares 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 ordinary shares to be purchased pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company 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 authorised 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 retain part of the shares and cancel the remainder; and/or
- (iv) to resell the shares; and/or
- (v) to distribute as share dividends; and/or
- (vi) to transfer the shares for the purpose of an employees’ shares scheme; and/or
- (vii) to transfer the shares as purchase consideration; and/or
- (viii) any combination of the above; and/or
- (ix) in any other manner as prescribed by the Act, 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 AGM of the Company, 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 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 authorised to take all such steps as are necessary or expedient to implement, finalise and to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations, and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.”

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

Resolution 10

“THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Part B of the Statement/Circular to Shareholder dated 28 April 2023, 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 of the Company AND THAT the authority conferred by this mandate shall commence immediately upon the passing of this resolution and is subject to annual renewal. In this respect the authority shall only continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at that AGM;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but not extending to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

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

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

By Order of the Board,

Datuk Seri Kenneth H’ng Bak Tee (LS 0008988) (SSM PC No.: 201908001173)
Kee Gim Tee (MAICSA 7014866) (SSM PC No.: 201908002255)

Company Secretaries
Penang
Dated this 28 April 2023

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at this meeting, shall be entitled to appoint any person as his proxy. A proxy need not also be a member. A member who appoints more than 1 proxy must specify the proportion of his holdings to be represented by each proxy.
2. A member shall not be entitled to appoint more than 2 proxies to attend and vote at this meeting. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of Poll Administrator, Mega Corporate Services Sdn. Bhd. situated at Level 15-2 Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or email to support.GUH@megacorp.com.my. For shareholders' online registrations, kindly refer to the annexure of the Administrative Guide published on the Company's website and announcement.
5. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions will be put to vote by way of poll. Only a Depositor whose name is registered in the Record of Depositors as at 22 May 2023 shall be regarded as member to attend, speak and vote at this meeting.
6. To attend and vote on any or all of the resolutions at this meeting, you may participate via remote participation and electronic voting facilities in accordance with the procedures as set out in the Administrative Guide, which is made available at the Company's website at <http://www.guh.com.my>, or send in your votes in advance by appointing the Chairman of the Meeting as your proxy. If you have any questions in relation to any item of the Agenda of the meeting, you may send them in via real time submission of typed texts during the Meeting in accordance with the procedures as set out in the Administrative Guide.

Explanatory Notes:

Audited Financial Statements for the financial year ended 31 December 2022

This Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. Shareholders' approval is not required. Hence, this Agenda item will not be put forward for voting.

Resolution 1 - Payment of Directors' fees and benefits

Pursuant to Section 230(1) of the Companies Act, 2016, fees and benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. In this respect, the Board agreed with the recommendation from the Remuneration Committee that shareholders' approval shall be sought at the Company's 59th AGM for the payment of Directors' fees and benefits from 59th AGM up to the 60th AGM of the Company to be held in 2024. The payment of fixed fees to the Directors is to compensate them for their time and effort on an on-going basis for their service to the Company. The total amount comprises fixed allowances, meeting allowances which vary from one Director to another depending on the number of committees they sit on and the number of meetings attended by them as well as other benefits in kind.

The full details of the Directors' fees and other benefits paid during the financial year ended 31 December 2022 are disclosed in Note 29 to the financial statements on page 136 of the Company's Annual Report 2022 and enumerated under the Corporate Governance Report.

Re-election of retiring Directors

Article 95 of the Company's Constitution – An election of Directors shall take place each year. All Directors shall retire from office once at least in each three (3) years. A retiring Director shall be eligible for re-election. The retiring Directors, Tan Sri Dato' Seri H'ng Bok San, Datuk Seri Kenneth H'ng Bak Tee and Dato' Harry H'ng Bak Seah being eligible, have offered themselves for re-election. The profile of the Directors standing for re-election are set out under the Profile of Directors in the Annual Report 2022.

Based on the annual assessment and recommendation from the Nomination Committee ("NC"), the Board is satisfied with the Directors' performance and contribution based on the following justifications supporting their re-election.

Resolution 2 – Re-election of Tan Sri Dato' Seri H'ng Bok San

Tan Sri Dato' Seri H'ng Bok San is the Executive Chairman of the Company. He has shown exemplary leadership in guiding the Board to develop Group's strategy to achieve its business objectives. He has also provided valuable input and strategic direction towards the Group business. Tan Sri Dato' Seri H'ng has demonstrated his objectivity through his proactive engagements during meetings of the Board by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. He has exercised due care and carried out his professional duties effectively throughout his tenure as Director of the Company.

Resolution 3 – Re-election of Datuk Seri Kenneth H'ng Bak Tee

Datuk Seri Kenneth H'ng Bak Tee is the Chief Executive Officer/Group Managing Director of the Company. He has demonstrated exemplary leadership in managing the businesses, operations and financial performance of the Group. He has also demonstrated his objectivity through his proactive engagements during meetings of the Board by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. He has exercised due care and carried out his professional duties effectively throughout his tenure as Director of the Company.

Resolution 4 – Re-election of Dato' Harry H'ng Bak Seah

Dato' Harry H'ng Bak Seah is the Non-Independent Non-Executive Director of the Company. He has also demonstrated his objectivity through his proactive engagements during meetings of the Board by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. He has exercised due care and carried out his professional duties effectively throughout his tenure as Director of the Company.

Resolution 5 & 6 – Re-election of retiring Directors

Article 92 of the Company's Constitution – The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board of Directors, but so that the total number of Director shall not at any time exceed the maximum number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the conclusion of the next Annual General Meeting and shall be eligible for re-election at such meeting but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. The retiring Directors, Mr. Teng Chang Yeow and Ms. Phoon Yee Min being eligible, have offered themselves for re-election. The profile of the Directors standing for re-election are set out under the Profile of Directors in the Annual Report 2022.

The NC had duly reviewed the qualifications, skills set and experience of the Directors and unanimously agreed that recommendation be made to the Board on their re-election. The Board concurred with NC that the retiring Directors be given opportunity to contribute to the Company and therefore support their re-election.

NOTICE OF ANNUAL GENERAL MEETING

Resolution 7 – Re-appointment of Auditors

Pursuant to Section 273(b) of the Companies Act 2016, the term of office of the present Auditors, Messrs. Crowe Malaysia PLT, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Crowe Malaysia PLT have indicated their willingness to be re-appointed as Auditors for the financial year ending 31 December 2023. The Proposed Resolution 7, if passed, will also give the Directors, authority to determine the remuneration of the Auditors.

Resolution 8 – Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Resolution 8 is a renewal of the general authority given to the Directors of the Company to allot and issue shares as approved by the shareholders at the 58th AGM held on 30 May 2022 (“previous mandate”). The proposed Resolution 8, if passed, will give authority to the Directors of the Company to issue and allot shares up to and not exceeding 10% of the total number of issued shares of the Company (excluding treasury shares) for the time being without convening a general meeting which will be both time and cost consuming. The authority given pursuant to Sections 75 and 76 of the Companies Act 2016 will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing up shares, for purpose of funding future investment, working capital and/or acquisition.

Resolution 9 – Proposed renewal of Share Buy-Back authority

The proposed Resolution 9, if passed, would empower the Directors of the Company to purchase its own shares through Bursa Malaysia Securities Berhad up to 10% of the total number of issued shares of the Company. Further information is set out in Part A of the Share Buy-Back Statement dated 28 April 2023.

Resolution 10 – Proposed renewal of shareholders’ mandate for recurrent related party transactions of a revenue or trading nature

The proposed Resolution 10, 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 an ordinary resolution passed by the shareholders of the Company in general meeting, whichever is earlier. Further information is set out in Part B of the Circular to Shareholders dated 28 April 2023.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

1. Details of individuals who are standing for election as Directors (excluding Directors standing for re-election).

No individual is seeking election as Director at the forthcoming 59th AGM of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The details of the proposed authority for Directors to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Notes of Resolution 8 of the Notice of AGM.

The Company did not utilise the mandate obtained at the last AGM and thus no proceeds were raised from the previous mandate.

This page has been intentionally left blank

No. of Shares Held	
CDS Account No.	

	Shareholder	Proxy 1	Proxy 2
Name			
NRIC No.			
Phone No.			
Email			
Address			
% of shareholding			

or failing him, the Chairman of the Meeting as my/our proxy(ies) to vote for me/us and on my/our behalf at the 59th Annual General Meeting ("AGM") of the Company to be held virtually by way of live streaming via remote participation and electronic voting facilities from the broadcast venue at the Auditorium of the Company at 2nd Floor, Plot 1240 & 1241 Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas, Penang on Wednesday, 31 May 2023 at 10:30 a.m. and at any adjournment thereof.

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

Ordinary Business		For	Against
To approve the payment of Directors' fees and benefits	Resolution 1		
To re-elect Tan Sri Dato' Seri H'ng Bok San who is retiring pursuant to Article 95 of the Company's Constitution	Resolution 2		
To re-elect Datuk Seri Kenneth H'ng Bak Tee who is retiring pursuant to Article 95 of the Company's Constitution	Resolution 3		
To re-elect Dato' Harry H'ng Bak Seah who is retiring pursuant to Article 95 of the Company's Constitution	Resolution 4		
To re-elect Mr. Teng Chang Yeow who is retiring pursuant to Article 92 of the Company's Constitution	Resolution 5		
To re-elect Ms. Phoon Yee Min who is retiring pursuant to Article 92 of the Company's Constitution	Resolution 6		
To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration	Resolution 7		
Special Business		For	Against
Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016	Resolution 8		
Proposed renewal of Share Buy-Back Authority	Resolution 9		
Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature	Resolution 10		

Dated this day of, 20

.....
 Signature of Member/Common Seal

Fold this flag sealing

Notes:

1. A member of the Company entitled to attend and vote at this meeting, shall be entitled to appoint any person as his proxy. A proxy need not also be a member. A member who appoints more than 1 proxy must specify the proportion of his holdings to be represented by each proxy.
2. A member shall not be entitled to appoint more than 2 proxies to attend and vote at this meeting. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of Poll Administrator, Mega Corporate Services Sdn. Bhd. situated at Level 15-2 Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or email to support.GUH@megacorp.com.my. For shareholders' online registrations, kindly refer to the annexure of the Administrative Guide published on the Company's website and announcement.
5. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions will be put to vote by way of poll. Only a Depositor whose name is registered in the Record of Depositors as at 22 May 2023 shall be regarded as member to attend, speak and vote at this meeting.
6. To attend and vote on any or all of the resolutions at this meeting, you may participate via remote participation and electronic voting facilities in accordance with the procedures as set out in the Administrative Guide, which is made available at the Company's website at <http://www.guh.com.my>, or send in your votes in advance by appointing the Chairman of the Meeting as your proxy. If you have any questions in relation to any item of the Agenda of the meeting, you may send them in via real time submission of typed texts during the Meeting in accordance with the procedures as set out in the Administrative Guide.

2nd fold here

Affix
stamp here

MEGA CORPORATE SERVICES SDN BHD

Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

1st fold here

website: www.guh.com.my