

THIS STATEMENT/CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad did not peruse this Statement/Circular prior to issuance as they are exempted documents pursuant to Paragraph 2.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Statement/Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement/Circular.

Shareholders should rely on their own evaluation to assess the merits and risks of the Proposals as set out herein.



GUH HOLDINGS BERHAD

Registration No. 196101000062 (4104-W)
(Incorporated in Malaysia)

- PART A - STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**
- PART B - CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The above Proposals will be tabled as Special Business at the 60th 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 Monday, 27 May 2024 at 10:30 a.m.

Shareholders are advised to refer to the Notice of AGM, together with the Proxy Form and the Administrative Guide for further details and instructions for participating in the AGM.

The Proxy Form with the proxy's email address and mobile phone number should be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd. situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or submitted via email to AGM-support.GUH@megacorp.com.my, not less than 48 hours before the appointed time set for holding the meeting or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form..... : Saturday, 25 May 2024 at 10:30 a.m.
Date and time of the AGM..... : Monday, 27 May 2024 at 10:30 a.m.

This Statement/Circular is dated 26 April 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions (in alphabetical order) shall apply throughout this Statement/Circular:

- “Act” : The Companies Act 2016, as amended from time to time and any re-enactment thereof
- “AGM” : Annual General Meeting
- “Board” : Board of Directors of GUH
- “Bursa Securities” : Bursa Malaysia Securities Berhad (200301033577(635998-W))
- “Code” : Malaysian Code on Take-Overs and Mergers, 2016, as amended from time to time including any re-enactment thereto
- “Director(s)” : Shall have the same meaning given under Section 2 of the Act and includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a director of the Company, its subsidiary or holding company or a chief executive officer of GUH, its subsidiary or holding company; and including the meaning given under Section 2(1) of the Capital Markets and Services Act 2007
- “EPS” : Earnings per share
- “GUH” or the “Company” : GUH Holdings Berhad (196101000062(4104-W))
- “GUH Electronic” : GUH Electronic Holdings Sdn. Bhd. (198701007148(165866-A))
- “GUH Group” or the “Group” : GUH, its subsidiaries and associated company
- “GUH PG” : GUH Circuit Industry (PG) Sdn. Bhd. (199201000239(231743-T))
- “GUH Shares” or “Shares” : Ordinary share(s) in GUH
- “Kiyamas” : Kiyamas Holdings Sdn. Bhd. (200901006597(849560-A))
- “KCSB” : Kiyamas Chemical Sdn. Bhd. (200801030604(831935-M))
- “Kyosha” : Kyosha Precision Engineering Sdn. Bhd. (201001010494(895144-V))
- “Latest Practicable Date” or “LPD” : 29 March 2024, being the latest practicable date prior to printing of this Statement/Circular
- “Listing Requirements” : Main Market Listing Requirements of Bursa Securities and any amendments made thereto from time to time and Practice Notes issued in relation thereto
- “Major Shareholder(s)” : A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is
- (a) 10% or more of the total number of voting shares in the corporation; or
 - (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.
- For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act
- “Person Connected” : Such person, in relation to any person (referred to as “said Person”) means such person who falls under any one of the following categories:
- (a) A family member of the said Person;
 - (b) A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;

DEFINITIONS... cont'd

- (c) A partner of the said Person;
 - (d) A person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
 - (e) A person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
 - (f) A body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
 - (g) A body corporate which is a related corporation of the said Person.
- “Proposals” : Collectively, the Proposed Renewal of Share Buy-Back Authority and Proposed RRPTs Renewal
- “Proposed RRPTs Renewal” : Proposed Renewal of Shareholders’ Mandate in respect of the RRPTs as set out in Part B
- “Proposed Share Buy-Back” : Proposed renewal of authority for GUH to buy back and hold up to 10% of the total number of issued shares of the Company at the point of purchase as set out in Part A
- “Purchased Shares” : GUH Shares purchased pursuant to the Proposed Share Buy-Back
- “Recurrent Related Party Transaction(s)” or “RRPT(s)” : Related party transactions involving recurrent transactions, of a revenue or trading nature which are necessary for day-to-day operations and in the ordinary course of business of GUH Group
- “Related Party(ies)” : Director, major shareholder or person connected with such Director or major shareholder
- “Related Party Transaction(s)” or “RPT(s)” : A transaction entered into by the Company and/or its subsidiaries which involves the interest, direct or indirect, of a related party
- “RM” and “sen” : Ringgit Malaysia and sen respectively
- “Subsidiary(ies)” : A subsidiary company of GUH as defined in Section 4 of the Act
- “Substantial Shareholder(s)” : Shall have the meaning given in Section 136 of the Act
- “Treasury Shares” : The Purchased Shares which are retained by the Company and shall have the meaning given under Section 127 of the Act
- “Warrants” : 140,676,879 Warrants in GUH issued on 26 June 2023 and expiring on 25 June 2028 with an exercise ratio of every one Warrant for one GUH Share

Words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to person shall include corporations and vice versa.

Any reference in this Statement/Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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GUH HOLDINGS BERHAD

Registration No. 196101000062 (4104-W)
(Incorporated in Malaysia)

Registered office

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

26 April 2024

Board of Directors

Tan Sri Dato' Seri H'ng Bok San	<i>(Non-Independent Non-Executive Chairman)</i>
Datuk Seri Kenneth H'ng Bak Tee	<i>(Chief Executive Officer/Group Managing Director)</i>
Dato' Harry H'ng Bak Seah	<i>(Non-Independent Non-Executive Director)</i>
Datin Seri Jessica H'ng Hsieh Ling	<i>(Non-Independent Non-Executive Director)</i>
Dato' Dr. Gan Kong Meng	<i>(Independent Non-Executive Director)</i>
Teng Chang Yeow	<i>(Independent Non-Executive Director)</i>
Phoon Yee Min	<i>(Independent Non-Executive Director)</i>

To: The Shareholders of GUH HOLDINGS BERHAD

Dear Sir/Madam,

PART A – STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

PART B – CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

On 26 February 2024, the Board of Directors of the Company announced to Bursa Securities that it proposes to seek the shareholders' approval on the following at the forthcoming 60th AGM of the Company:

- i) Renewal of Share Buy-Back authority; and
- ii) Renewal of RRPTs shareholders' mandate pursuant to Paragraph 10.09 of the Listing Requirements, of which is subject to annual renewal.

The purpose of this Statement/Circular is to provide you with details of the Proposals together with the recommendation of the Board as well as to seek your approval for the resolutions thereto which will be tabled at the forthcoming 60th AGM of the Company.

SHAREHOLDERS OF GUH ARE ADVISED TO READ AND CONSIDER CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE ABOVE PROPOSALS
--

2. PART A - STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

2.1 BACKGROUND

At the Company's 59th AGM held on 31 May 2023, the Board of Directors of GUH obtained a renewal authority from the Company's shareholders for the Company to purchase its own shares up to 10% of the total number of issued shares of GUH through Bursa Securities. The aforesaid approval shall, in accordance with the Listing Requirements, continue to in force until the conclusion of the forthcoming 60th AGM, unless a renewal of authority for the Company to purchase its own shares is obtained from the shareholders.

2.2 DETAILS OF THE PROPOSED SHARE BUY-BACK

2.2.1 GENERAL

The Proposed Share Buy-Back is subject to compliance with Section 127 of the Act and any prevailing laws, rules and regulations issued by the relevant authorities.

The Board proposes to seek the shareholders' approval for the renewal of authority for GUH to purchase and/or hold from time to time and at any time up to 10% of the total number of issued shares of the Company through Bursa Securities. The shares will be purchased from the open market on Bursa Securities through a stockbroker appointed. No GUH shares were purchased to date since the approval was obtained at the 59th AGM.

As at LPD, the total number of issued shares of the Company is 281,360,240 and a total of 140,676,879 Warrants. Hence, the maximum number of shares which may be purchased and/or held by the Company is as follows:

	Minimum Scenario ⁱ	Maximum Scenario ⁱⁱ
	No. of Shares	No. of Shares
Number of issued shares as at LPD	281,360,240	281,360,240
Number of Warrants exercised	-	140,676,879
Total number of issued shares	281,360,240	422,037,119
Maximum number of shares that may be purchased (10%)	28,136,024	42,203,711

Notes:

ⁱ Assuming none of the outstanding Warrants is exercised.

ⁱⁱ Assuming full exercise of 140,676,879 Warrants.

The authority from shareholders, if renewed, shall be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the forthcoming AGM until the conclusion of the next AGM of the Company or until the expiry of the period within which the next AGM is required by law to be held, unless revoked or varied by an ordinary resolution passed by the shareholders of the Company in general meeting, whichever occur first.

The Proposed Share Buy-Back does not impose an obligation on the Company to purchase its own shares but rather, it will allow the Board to exercise the power of the Company to purchase its own shares at anytime within the above mentioned period.

2.2.2 MAXIMUM AMOUNT OF FUNDS TO BE ALLOCATED AND THE SOURCE OF FUND

In accordance with the Listing Requirements, the Proposed Share Buy-Back must be made wholly out of retained profits of the Company. Therefore, the Board proposes that the maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the retained profits of the Company. The retained profits of the Company were RM169.8 million, based on the audited financial statements as at 31 December 2023.

In the event that the Proposed Share Buy-Back is to be financed by borrowings, the Company will ensure its capability of repaying such borrowings and that such repayment will not have a material effect on its cash flow.

The Proposed Renewal of Share Buy-Back Authority will allow the Board to exercise the power of the Company to purchase and hold its own shares at any time within the abovementioned time period using internally generated funds and/or borrowings. The amount of fund to be utilised will depend on the actual number of shares to be purchased, the price of the shares and the availability of funds involved for each purchase will depend on the market conditions, sentiments of the stock market as well as the retained profits and financial resources available to the Group.

2.2.3 STATUS AND TREATMENT OF THE PURCHASED SHARES

As at 31 December 2023, the Company has not purchased any of its own Shares and does not hold any Treasury Shares subsequent to the resold of all the 115,264 Treasury Shares on 19 June 2023 from the open market.

The Directors may deal with the Purchased Shares (if any) in the following manner:-

- (i) to cancel the shares; and/or
- (ii) to retain the shares as treasury shares which may be distributed as share dividends, resold on Bursa Securities in accordance with the relevant rules of Bursa Securities, transferred for the purposes of or under an employees' share scheme, transferred as purchase consideration, cancelled and/or sold, transferred or otherwise used for such other purposes as the Minister may by order prescribe; and/or
- (iii) to retain part of the shares as treasury shares and cancel the remainder; and/or
- (iv) any combination of the above; and/or
- (v) in any other manner as prescribed by the Act, Listing Requirements and any other relevant authority for the time being in force.

To date, the Company has yet to determine the manner of which the Purchased Shares (if any) are to be treated. However, the Board will deal with the Purchased Shares in accordance with Section 127 of the Act.

If such Purchased Shares are held as Treasury Shares, the rights attaching to them in relation to voting, dividends and participation in any other distribution or otherwise would be suspended. The Treasury Shares would not be taken into account in calculating the number or percentage of shares or class of shares in the Company for any purposes including the determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on resolution(s) at meetings.

Appropriate announcement(s) and notice(s) will be made to Bursa Securities and the relevant authorities in respect of the Board's decision on the treatment of the Purchased Shares in compliance with the Listing Requirements and the Act. The Board may decide to cancel the Purchased Shares if the cancellation of the said shares is expected to enhance the EPS of the Group and thereby in the long term, have a positive impact on the market price of the shares.

2.2.4 PRICING

Pursuant to the Listing Requirements, the Company may only purchase its own shares on Bursa Securities at a price which is not more than 15% above the weighted average market price for GUH Shares for the 5 market days immediately before the date of the purchase(s).

The Company may only resell or transfer the Treasury Shares on Bursa Securities at:

- (a) a price which is not less than the weighted average market price for GUH Shares for the 5 market days immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price for GUH Shares for the 5 market days immediately before the resale or transfer provided that:
 - (i) the resale or transfer takes place not earlier than 30 days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of GUH Shares being resold or transferred.

2.3 RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if implemented, will enable GUH to utilise its financial resources not immediately required for use, to purchase its own shares at the Board's flexibility. GUH may be able to reduce any unwarranted volatility of the shares and assist to stabilise the supply and demand of its shares traded on Bursa Securities and thereby support the fundamental values of GUH Shares. The Proposed Share Buy-Back may also signal the focus of the Board of GUH to enhance the value for its shareholders from the result of reduction in the number of GUH Shares traded on Bursa Securities.

2.4 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if implemented, will enable the Company to purchase GUH Shares listed on Bursa Securities to keep as Treasury Shares and give the Board an opportunity to sell the Purchased Shares at a higher price, therefore making an exceptional gain for the Company. Alternatively, the Purchased Shares can be distributed as share dividends, it will serve to reward the shareholders of GUH. If GUH Shares bought back are subsequently cancelled, the EPS of GUH would generally be envisaged to improve, and thereby long term and genuine investors are expected to enjoy a corresponding increase in the value of their investment in the Company. The actual treatment of the Purchased Shares would depend on, inter-alia, the prevailing equity market conditions and the financial position of GUH.

The Proposed Share Buy-Back, if exercised, would however reduce the financial resources of the Company and may result in the Company having to forgo other investment opportunities that may emerge in the future. The Proposed Share Buy-Back may also result in reduction of financial resources for distribution in the form of cash dividend to shareholders. The working capital of the Group may also be affected, as any purchase of GUH Shares will reduce the Group's available funds depending on the actual number of shares purchased and their purchase price. However, the working capital of GUH Group may be restored upon the resale of the Purchased Shares held as Treasury Shares.

Nevertheless, the Board will be mindful of the interest of the Company and the shareholders when exercising the Proposed Share Buy-Back.

2.5 FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

Assuming that the Proposed Share Buy-Back is carried out in full, the financial effects are summarised below:-

(a) Share Capital

The effect of the Proposed Share Buy-Back on the number of issued shares of the Company will depend on the treatment of the Purchased Shares. In the event that all the Purchased Shares are cancelled and on the assumption that the Proposed Share Buy-Back is exercised in full, the effect on the issued shares of GUH as at LPD are as follows:-

	Minimum Scenario ⁱ	Maximum Scenario ⁱⁱ
	No. of Shares	No. of Shares
Total number of issued shares as at LPD	281,360,240	281,360,240
Number of Warrants exercised	-	140,676,879
Total number of issued shares	281,360,240	422,037,119
Cancellation of Purchased Shares	(28,136,024)	(42,203,711)
Upon completion of the Proposed Share Buy-Back	<u>253,224,216</u>	<u>379,833,408</u>

Notes:

ⁱ Assuming none of the outstanding Warrants is exercised.

ⁱⁱ Assuming full exercise of 140,676,879 Warrants.

However, there will be no effect on the number of issued shares of the Company if the Purchased Shares are retained as Treasury Shares.

(b) Net Assets

The effect of the Proposed Share Buy-Back on the net assets of GUH Group is dependent on the number of GUH Shares which the Company will buy-back, the purchase price of GUH Shares at the time of buy-back and the treatment of the Purchased Shares.

(c) Working Capital

The Proposed Share Buy-Back, if exercised, will result in an outflow of cash and thereby reduce the working capital of GUH Group, the quantum of which is dependent on the purchase price of GUH Shares and the number of GUH Shares to be purchased.

However, the working capital and cash flow of the Company will increase upon reselling the Purchased Shares which are retained as Treasury Shares. Again, the quantum of the increase in the working capital and cash flow will depend on the actual selling price of the Treasury Shares and the number of Treasury Shares resold.

(d) Earnings Per Share

The effect of the Proposed Share Buy-Back on the EPS of GUH Group is dependent on the actual number of GUH Shares bought back and the purchase price of GUH Shares. If GUH Shares purchased by the Company are cancelled, the net EPS of GUH may increase as a result of the reduction in the number of issued shares of the Company.

(e) Dividends

The Proposed Share Buy-Back is not expected to have any material effect on the dividend payments of the Company as any dividend to be declared by the Company in the future would be determined by the Board after taking into consideration the performance of the Group and the prevailing economic conditions.

(f) Gearing

The effect of the Proposed Share Buy-Back on the gearing of GUH Group will depend on the proportion of borrowings utilised to fund any purchase of GUH Shares. The utilisation of any borrowings to fund the purchase of any shares will serve to increase the gearing of GUH Group.

2.6 INTERESTS OF DIRECTORS AND SUBSTANTIAL/MAJOR SHAREHOLDERS

Save for the inadvertent proportionate increase in the percentage shareholding and/or voting rights of the shareholders of the Company as a consequence of the Proposed Share Buy-Back, none of the Directors, Substantial/Major Shareholders and/or person connected with them has any direct or indirect interest in the Proposed Share Buy-Back and the resale of Treasury Shares, if any.

The following table illustrates the effects of the direct and indirect shareholdings of the Directors and Substantial Shareholders of GUH as at LPD before and after the Proposed Share Buy-Back, assuming that the Company implements the Proposed Share Buy-Back in full to purchase GUH Shares from parties other than the Directors and the Substantial Shareholders.

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Effects of the Proposed Share Buy-Back on Directors' and Substantial Shareholders' Shareholdings

	Shareholdings before Proposed Share Buy-Back as at LPD				Shareholdings after Proposed Share Buy-Back							
	Proforma (i)				Proforma (ii)				Proforma (iii)			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
DIRECTORS												
Tan Sri Dato' Seri H'ng Bok San	750,031	0.27	53,435,695 ^a	18.99	750,031	0.30	53,435,695 ^a	21.10	1,125,046	0.30	80,153,541 ^a	21.10
Datuk Seri Kenneth H'ng Bak Tee	4,999,931	1.78	1,760,219 ^b	0.63	4,999,931	1.97	1,760,219 ^b	0.70	4,999,931	1.32	1,760,219 ^b	0.46
Dato' Harry H'ng Bak Seah	2,497,710	0.89	-	-	2,497,710	0.99	-	-	3,746,564	0.99	-	-
Datin Seri Jessica H'ng Hsieh Ling	3,598,465	1.28	32,435,375 ^c	11.53	3,598,465	1.42	32,435,375 ^c	12.81	5,397,697	1.42	48,653,062 ^c	12.81
Dato' Dr. Gan Kong Meng	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Teng Chang Yeow	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Phoon Yee Min	-	-	-	-	-	-	-	-	-	-	-	-
SUBSTANTIAL SHAREHOLDERS												
HSBC Nominees (Asing) Sdn. Bhd.	47,740,072	16.97	-	-	47,740,072	18.85	-	-	71,610,108	18.85	-	-
HBAP for Gold Connection Assets Limited												
Zun Holdings Sdn. Bhd.	32,435,375	11.53	-	-	32,435,375	12.81	-	-	48,653,062	12.81	-	-
Puan Sri Datin Seri Ang Gaik Nga	12,103,708	4.30	32,435,375 ^c	11.53	12,103,708	4.78	32,435,375 ^c	12.81	18,155,562	4.78	48,653,062 ^c	12.81
Datin Seri Jessica H'ng Hsieh Ling	3,598,465	1.28	32,435,375 ^c	11.53	3,598,465	1.42	32,435,375 ^c	12.81	5,397,697	1.42	48,653,062 ^c	12.81
Dato' H'ng Chun Hsiang	2,438,748	0.87	32,435,375 ^c	11.53	2,438,748	0.96	32,435,375 ^c	12.81	3,658,122	0.96	48,653,062 ^c	12.81
H'ng Chun Ching	1,965,200 ^d	0.70	32,435,375 ^c	11.53	1,965,200 ^d	0.78	32,435,375 ^c	12.81	2,947,800 ^d	0.78	48,653,062 ^c	12.81
H'ng Hsieh Fern	894,199	0.32	32,435,375 ^c	11.53	894,199	0.35	32,435,375 ^c	12.81	1,341,298	0.35	48,653,062 ^c	12.81
Tan Sri Dato' Seri H'ng Bok San	750,031	0.27	53,435,695 ^a	18.99	750,031	0.30	53,435,695 ^a	21.10	1,125,046	0.30	80,153,541 ^a	21.10

Notes:

- i Based on the existing 281,360,240 GUH Shares as at the LPD
- ii Based on the existing 281,360,240 GUH Shares as at the LPD and assuming none of the outstanding Warrants is exercised and the 10% maximum GUH Shares being purchased and cancelled
- iii Based on the existing 281,360,240 GUH Shares as at the LPD and assuming full exercise of 140,676,879 Warrants into GUH Shares and the 10% maximum GUH Shares being purchased and cancelled
- a 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 Act
- b Deemed interested by virtue of his spouse's and son's shareholdings in the Company pursuant to Section 59(11)(c) of the Act. 1,404,649 shares are held through Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd.
- c Deemed interested by virtue of shareholdings held through Zun Holdings Sdn. Bhd. pursuant to Section 8 of the Act
- d Shares are held through UOBM Nominees (Tempatan) Sdn. Bhd.

2.7 PUBLIC SHAREHOLDING SPREAD

The public shareholding spread of the Company based on the LPD was approximately 60.46%.

The public shareholding spread is expected to reduce to approximately 56.06% based on the assumption that the Proposed Share Buy-Back is carried out in full and all GUH Shares purchased from public shareholders are fully cancelled and none of the outstanding Warrant is exercised.

The Board of the Company is mindful to ensure the public shareholding of at least 25% of its listed Shares (excluding Treasury Shares) is maintained, when exercising the Proposed Share Buy-Back in compliance with Paragraph 8.02(1) of the Listing Requirements.

2.8 IMPLICATIONS RELATING TO THE CODE

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the Code by any of its Substantial Shareholders and/or parties acting in concert with them, the Board of GUH will ensure that such number of shares are purchased, retained as Treasury Shares, cancelled or distributed such that the Code will not result in triggering any mandatory offer obligation on the part of the Substantial Shareholders and/or parties acting in concert with them. In this connection, the Board is mindful of the requirements when making any purchase of GUH Shares pursuant to the Proposed Share Buy-Back.

2.9 PURCHASE, RESALE OR TRANSFER AND CANCELLATION OF GUH SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

The Company has not made any purchase of its own shares in the previous twelve (12) months. There was also no transfer or cancellation of Treasury Shares during the same period.

The details of Treasury Shares resold by the Company in the previous 12 months up to the LPD are as below:

Date	No. of Shares Resale	Min. Price (RM)	Max Price (RM)	Average Price (RM)	Total Consideration (RM)
19 June 2023	115,264	0.540	0.540	0.540	61,755.92

There was no any Treasury Share held as at LPD.

2.10 HISTORICAL SHARE PRICES

The monthly highest and lowest prices of the shares of GUH as traded on Bursa Securities for the past twelve (12) months from April 2023 to March 2024 are as follows:-

Month	High RM	Low RM
2023		
April	0.555	0.485
May	0.515	0.470
June	0.550	0.430
July	0.510	0.420
August	0.435	0.390
September	0.425	0.385
October	0.400	0.365
November	0.465	0.360
December	0.420	0.385
2024		
January	0.420	0.390
February	0.410	0.370
March	0.380	0.360

The last transacted market price of GUH Shares as at 29 March 2024, being the LPD: RM0.365.

(Source: Bloomberg)

2.11 DIRECTORS' RECOMMENDATION

Having taken into consideration all aspects of the Proposed Share Buy-Back, the Board of GUH is of the opinion that the Proposed Share Buy-Back is fair, reasonable and in the best interest of the Company and its shareholders and therefore recommends that you vote in favour of the Ordinary Resolution to give effect to the Proposed Share Buy-Back at the forthcoming 60th AGM.

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3. PART B - CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

3.1 BACKGROUND

At the Company's 59th AGM held on 31 May 2023, the shareholders of the Company had approved, inter alia, the shareholder's mandate for the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature, which is necessary for day to day operations and in the ordinary course of business of GUH Group and on terms not more favourable to the related party than those generally available to the public.

The said mandate shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming 60th AGM, unless it is renewed at the said 60th AGM.

3.2 DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

3.2.1 GENERAL

Paragraph 10.08 of the Listing Requirements stipulates the obligations of a listed issuer to comply with in relation to Related Party transactions. However, pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from shareholders in respect of Recurrent Related Party Transactions, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09 (1) of the Listing Requirements;
- (c) the listed issuer to issue a Circular to shareholders for the shareholders' mandate which includes information as may be prescribed by Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the relevant related party must comply with the requirements set out in Paragraph 10.08(7) of the Listing Requirements; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholders' mandate in respect of Recurrent Related Party Transactions, the provisions under Paragraph 10.08 of the Listing Requirements will not apply to the Recurrent Related Party Transactions which are comprised in the said mandate.

The Board proposes to seek its shareholders' approval for the proposed Renewal of Shareholders' Mandate for GUH Group to enter into transactions with related parties which are of a revenue or trading nature and necessary for the day to day operations on terms not favourable to the related parties than those generally available to and/or from the public where applicable, and are not detrimental to the minority shareholders.

3.2.2 PRINCIPAL BUSINESS ACTIVITIES OF GUH AND ITS SUBSIDIARIES

The principal activities of GUH are investment holding and provision of management services to its subsidiaries whilst the principal activities of its subsidiaries are broadly involved in several key areas of business namely electronic, property development, oil palm plantation, water/wastewater treatment and renewable energy and related activities.

The principal activities of the subsidiaries of GUH under the electronic division which are involved in RRPT are set out below:-

Name of Subsidiary Companies	Country of Incorporation	Percentage of Equity Held	Principal Activities
Wholly-owned subsidiary of GUH			
GUH Electronic	Malaysia	100%	Investment Holding
Wholly-owned subsidiaries of GUH Electronic			
GUH Circuit Industry (PG) Sdn. Bhd.	Malaysia	100%	Manufacture and sale of printed circuit boards
GUH Circuit Industry (Suzhou) Co. Ltd.	People's Republic of China	100%	Manufacture and sale of printed circuit boards
Grand United (BVI) Co. Ltd.	British Virgin Island	100%	Dormant
Grand Circuit Industry (Philippines) Inc.	Philippines	100%	Dormant
GUH HiTech Circuits Sdn. Bhd. (formerly known as Sunshine GUH PCB Sdn. Bhd.) (202301011720 (1505642-A))	Malaysia	100%	Dormant

It is anticipated that GUH Electronic and its subsidiaries would in the ordinary course of business, enter into RRPTs with various Related Parties on terms not more favourable to the Related Parties than those generally available to the public and which are not detrimental to the interests of the minority shareholders of GUH. The details are disclosed in the following Sections.

3.2.3 CLASSES OF RELATED PARTIES

The Proposed RRPTs Renewal will apply to the following Related Parties that are involved in the RRPT with GUH Group are set out below:-

Mandated Related Parties	Principal Activity	Nature of Relationship
Kiyamas Holdings Sdn. Bhd. ("Kiyamas")	Investment Holdings	<ol style="list-style-type: none"> Lizheng Holdings Sdn. Bhd. (199001005600 (197168-M)) ("Lizheng") has a direct shareholding of approximately 30.0% in Kiyamas H'ng Chun Li is a Director and shareholder of Lizheng. He is also a director of Kiyamas, KCSB and Kyosha.
Wholly-owned subsidiaries of Kiyamas		
Kiyamas Chemical Sdn. Bhd. ("KCSB")	Manufacturing and trading in chemical products	<ol style="list-style-type: none"> Gan Chern Nee has a direct shareholding of approximately 8.3% in Kiyamas
Kyosha Precision Engineering Sdn. Bhd. ("Kyosha")	Engage in the business of supporting services for milling and turning	

Datuk Seri Kenneth H'ng Bak Tee, the CEO/Group Managing Director of GUH, is also a Director and shareholder of Lizheng and the father of H'ng Chun Li.

Dato' Harry H'ng Bak Seah, the Non-Executive Director and a shareholder of GUH, is the spouse of Gan Chern Nee.

Tan Sri Dato' Seri H'ng Bok San, the Non-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.

The details of direct and indirect interest of the interested Directors and interested Major Shareholders and persons connected to them are indicated in Section 3.6.

3.2.4 NATURE OF RECURRENT RELATED PARTY TRANSACTIONS

The details of the nature and estimated annual value of the RRPT in respect of which the Company is seeking renewal of mandate from its shareholders as contemplated under the Proposed RRPTs Renewal mandate which enable GUH Group to undertake transactions between the period from 27 May 2024 (date of 60th AGM) to 27 May 2025 (Expected date of next 61st AGM) as follows:-

RRPT	Transacting Party of the Group	Transacting Party	Nature of Transaction	Estimated value as disclosed in the Circular to Shareholders dated 28 April 2023 (approved at the last AGM) (RM)	Actual Value transacted from 31 May 2023 to LPD (RM)	Estimated Transaction Value during validity of the Proposed RRPTs Renewal (RM)
1	GUH PG (Recipient & Provider)	KCSB (Recipient & Provider)	Transaction of raw materials, goods and services	30,000,000.00	9,713,339.18	30,000,000.00
2	GUH PG (Recipient)	Kyosha (Provider)	Provision of precision engineering and fabrication of parts	5,000,000.00	1,789,701.04	5,000,000.00

Notes:

1. The estimated transaction value of the RRPTs from the date of the forthcoming AGM to the next AGM is subject to change and based on historical records and/or management estimates.
2. None of the actual value of the existing RRPTs has exceeded the estimated transaction value.

3.2.5 AMOUNT DUE AND OWING BY RELATED PARTIES

As at 31 December 2023, there were no outstanding amount due and owing by KCSB to GUH PG under the RRPT which exceeded the credit term.

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3.2.6 VALIDITY PERIOD OF THE PROPOSED RRPTS RENEWAL

The Proposed RRPTs Renewal is subject to annual renewal and if approved by the shareholders of GUH at the forthcoming 60th AGM, will take effect from the date of the said AGM until:-

- (a) the conclusion of the next AGM of the Company following the general meeting at which such Proposed RRPTs Renewal was passed; at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

Thereafter, approval from the shareholders for a renewal of the Proposed RRPTs Renewal will be sought at each subsequent AGM of the Company.

3.2.7 REVIEW METHODS OR PROCEDURES FOR RRPTS

To ensure that such RRPTs are undertaken on an arm's length basis and on normal commercial terms that are consistent with the Group's usual business practices and policies, which are not on prices and terms that are more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of GUH, the Company has implemented and will continue to implement the following procedures:

- (a) A list of Related Parties has been and will be circulated to the Company's subsidiaries to notify them that all RRPTs are required to be undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public.
- (b) It is the Company's policy to transact all materials, goods and services when the prices are competitive with prices obtained from third parties. Quotations will be taken to gather information to compare the prices quoted by third parties with the Related Parties for the purpose of determining the competitive market price of materials, goods and services. Other factors such as reliability of supply, collection, delivery, services and quality of materials, goods and services will also be taken into consideration for evaluation purposes.

Wherever possible, at least two other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered by the Related parties are fair and reasonable and comparable to those offered by other unrelated parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained as the products or services are proprietary in nature or where the end customer has specified the requirements for GUH Electronic and its subsidiaries to source from the Related Parties, then GUH Electronic and its subsidiaries will rely on the most recent available quotations or purchase for comparison or rely on market knowledge of prevailing industry norm and taking into consideration the urgency and efficiency of the delivery of products/services to be provided to ensure that the RRPTs are not detrimental to the Group.

- (c) The Company has discretionary authority limit in place for approving all RRPTs are in accordance with the proper authorization. Details are set out in the following table:

Description	Staff Designation	Value of Transactions
Purchase Requisition	Manager	≤ RM10,000
	Senior Manager	≤ RM20,000
	Senior General Manager	≤ RM1,500,000
	Division Managing Director	> RM1,500,000
Purchase Order	Manager	≤ RM10,000
	Senior Manager	≤ RM20,000
	Senior General Manager	≤ RM1,500,000
	Division Managing Director	> RM1,500,000

- (d) Proper records of RRPTs shall be maintained by the operating subsidiary involved in the RRPTs to capture all the RRPTs entered into pursuant to the Proposed Mandate, to ensure accurate disclosure thereof. The internal audit personnel shall review and verify the reports to ensure that the review procedures in respect of the RRPTs are adhered to. The internal audit personnel shall report their findings to the Audit Committee of the Company. All the records will then be maintained by the Group for the review of the Audit Committee. The Audit Committee will table the relevant RRPTs record to the Board to ascertain that the procedures and processes established to monitor RRPTs have been complied with and the review shall be done on quarterly basis and/or as and when required.
- (e) Interested Directors who are members of the Board and Audit Committee shall declare their interest in the transaction and abstain from taking part in decisions pertaining to the RRPTs of a revenue or trading nature; and will ensure that they and any person(s) connected to them will also abstain from voting on the resolution before them.
- (f) If the Board and Audit Committee are of the view that the review procedures are no longer sufficient to ensure that the RRPTs are made on arm's length basis, on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders, they shall then have the discretion to discharge, modify and/or implement any new and/or additional procedures and guidelines without the approval of the shareholders provided that such amended, modified, new or additional procedures are no less stringent than the existing procedures and guidelines.
- (g) Disclosure will be made in the annual report of the breakdown of the aggregate value of the RRPTs during the financial year among others, based on the following information:
 - (i) the type of the RRPTs made; and
 - (ii) the names of the Related Parties involved in each type of the RRPTs made and their relationship with the Group.

3.3 EXCLUDED TRANSACTIONS

Transactions with any related parties, which do not fall within the ambit of the Proposed RRPTs Renewal, will be subject to other applicable provisions of the Listing Requirements, the Act and/or any other applicable law.

3.4 RATIONALE FOR, AND THE BENEFIT TO, THE GROUP FOR TRANSACTING WITH THE RELATED PARTIES

The Group has a business relationship with the Related Parties which has existed before the transacting parties/companies become the related parties, i.e. before the Directors are deemed to be interested in the transactions. The RRPTs entered into and/or to be entered by the Group were/are all in the ordinary course of business and intended to meet the business needs of the Group at the best possible terms so as to achieve the synergistic benefits within the Group.

The Related Parties are reliable vendors of raw materials, goods and services and licensed collector of scheduled waste of GUH Electronic and its subsidiaries. The close co-operation between GUH Electronic and its subsidiaries with the Related Parties have reaped mutual benefits and it is expected to continue to be of benefit to the business of GUH Electronic and its subsidiaries. The raw materials, goods and services can be obtained from the Related Parties even when short notice is given to them in order to meet the tight deadlines of the Group's business. Furthermore, the Group can enjoy the lowest cost through bulk purchase agreement. In addition, the raw materials, goods and services provided by the Related Parties are priced competitively and all transactions between GUH Electronic and its subsidiaries with the Related Parties are carried out at an arm's length basis and on terms not more favourable to the Related Parties than those generally available to the public. It is also envisaged that these close working relationships between the related parties will allow the Group to be more competitive for the manufacturing operations of the electronic division in the Group.

The Proposed RRPTs Renewal will benefit the Company by facilitating the shareholders for GUH Group to enter into the RRPTs with the classes of Related Parties in the ordinary course of business, on normal commercial terms, in a timely fashion, and eliminate the need for the Company on each occasion, pursuant to the financial limits imposed by the Listing Requirements to seek the shareholders' approval as and when the potential transactions with the specified classes of Related Parties arise, and thereby reducing substantially administrative time, inconvenience and expenses associated with the convening of such meetings without compromising the corporate objectives and/or adversely affecting the business opportunities available to GUH Group.

3.5 AUDIT COMMITTEE'S STATEMENT

The overall responsibility of determining whether the procedures for reviewing all RRPTs are appropriate rests on the Audit Committee of the Company. The Audit Committee has the authority to delegate this responsibility to such individuals within the Company as it shall deem fit.

The Audit Committee will review the procedures mentioned in Section 3.2.7 above on a quarterly basis and/or as and when required, and to ascertain that the said procedures and processes established to monitor, track and identify the RRPTs are sufficient.

The Audit Committee has reviewed the terms of the Proposed RRPTs Renewal, and is satisfied that the review procedures for RRPTs, are sufficient to ensure that the RRPTs will be made with the relevant classes of Related Parties in accordance with the Company and its subsidiaries' normal commercial terms and are carried out on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Audit Committee of the Company comprises the following members:

- 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

3.6 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors, major shareholders and/or any persons connected to them (as defined in the Listing Requirements) has any interest, direct, or indirect in the Proposed RRPTs Renewal.

All the interested Directors, namely Datuk Seri Kenneth H'ng Bak Tee, Dato' Harry H'ng Bak Seah, Tan Sri Dato' Seri H'ng Bok San and Datin Seri Jessica H'ng Hsieh Ling (hereinafter referred to as "the interested Directors") have abstained, and will continue to abstain from all deliberation and voting at Board meetings of GUH on the relevant resolution pertaining to the Proposed RRPTs Renewal.

The interested Directors and interested Major Shareholders and/or persons connected with them who/which have any interest direct and/or indirect in GUH will abstain from voting on the ordinary resolution, deliberating or approving the Proposed RRPTs Renewal which will be tabled at the forthcoming AGM.

The interested Directors and interested Major Shareholders have undertaken that they will ensure the persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution pertaining to the Proposed RRPTs Renewal which will be tabled at the forthcoming AGM.

The direct and indirect interest of the interested Directors and interested Major Shareholders and persons connected to them as at LPD are set out below:

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Datuk Seri Kenneth H'ng Bak Tee	4,999,931	1.78	1,760,219 ^a	0.63
2.	Datin Seri Tham Hooi Loon	1,404,649 ^b	0.50	-	-
3.	H'ng Chun Li	355,570	0.13	-	-

Notes:

^a Deemed interested by virtue of his spouse's and son's shareholding in the Company, pursuant to Section 59(11)(c) of the Act.

^b 1,404,649 shares are held through Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd.

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Dato' Harry H'ng Bak Seah	2,497,710	0.89	-	-

Notes:

Dato' Harry H'ng Bak Seah is the brother of Tan Sri Dato' Seri H'ng Bok San and Datuk Seri Kenneth H'ng Bak Tee.

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Seri H'ng Bok San	750,031	0.27	53,435,695 ^c	18.99
2.	Datin Seri Jessica H'ng Hsieh Ling	3,598,465	1.28	32,435,375 ^d	11.53
3.	Zun Holdings Sdn. Bhd.	32,435,375	11.53	-	-
4.	Puan Sri Datin Seri Ang Gaik Nga	12,103,708	4.30	32,435,375 ^d	11.53
5.	Dato' H'ng Chun Hsiang	2,438,748	0.87	32,435,375 ^d	11.53
6.	H'ng Chung Ching	1,965,200 ^e	0.70	32,435,375 ^d	11.53
7.	H'ng Hsieh Fern	894,199	0.32	32,435,375 ^d	11.53

Notes:

^c 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 & 59(11)(c) of the Act.

^d Deemed interested by virtue of shareholdings held through Zun Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

^e Shares are held through UOBM Nominees (Tempatan) Sdn. Bhd.

3.7 FINANCIAL EFFECTS OF THE PROPOSED RRPTS RENEWAL

The Proposed RRPTs Renewal will not have any impact on the share capital, net assets, gearing, substantial shareholdings of the Company and EPS of GUH Group.

3.8 DIRECTORS' RECOMMENDATION

The Board, save and except for Datuk Seri Kenneth H'ng Bak Tee, Dato' Harry H'ng Bak Seah, Tan Sri Dato' Seri H'ng Bok San and Datin Seri Jessica H'ng Hsieh Ling and who are deemed interested in the Proposed RRPTs Renewal, having considered all aspects of the Proposed RRPTs Renewal are of the opinion that they are in the best interest of the Group. All the Directors of the Company excluding the interested Directors hereby recommend that you vote in favour of the Ordinary Resolution pertaining to the Proposed RRPTs Renewal to be tabled at the forthcoming 60th AGM.

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4 APPROVAL REQUIRED FOR THE PROPOSALS

The Proposed Renewal of Share Buy-Back Authority and Proposed RRPTs Renewal are conditional upon the approval from the shareholders of GUH at the forthcoming 60th AGM.

5 ANNUAL GENERAL MEETING

The ordinary resolutions on the Proposals have been highlighted in the Notice of 60th AGM. The AGM 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 Monday, 27 May 2024 at 10:30 a.m.. Shareholders are advised to refer to the Notice of AGM, together with the Proxy Form and the Administrative Guide for further details and instructions for participating in the AGM.

The Proxy Form with the proxy's email address and mobile phone number should be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd. situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.GUH@megacorp.com.my, not less than 48 hours before the appointed time set for holding the meeting or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

6 FURTHER INFORMATION

Shareholders of the Company are requested to refer Appendix I contained in this Statement/Circular for additional information.

Yours faithfully,
For and on behalf of the Board of
GUH HOLDINGS BERHAD

PHOON YEE MIN
Independent Non-Executive Director

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement/Circular has been reviewed and approved by the Directors of the Company, and they individually and collectively accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no other facts and omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group:-

(a) Adjudication between Teknoserv Engineering Sdn Bhd ("TESB") against JAKS Sdn Bhd and KACC Construction Sdn Bhd

The Company's wholly-owned subsidiary, TESB previously initiated adjudication proceedings against the unincorporated joint venture known as "JKJV" (whose members comprise JAKS Sdn Bhd and KACC Construction Sdn Bhd) under the Construction Industry Payment & Adjudication Act 2012 on 18 August 2022. The adjudication decision was delivered by the Learned Adjudicator on 23 December 2022 in favour of TESB wherein JKJV was ordered to pay TESB the following within 14 days from the award date (i.e.: 6 January 2023):-

- (i) adjudicated sum of RM11,491,322.00;
 - (ii) simple interest at the rate of 5% per annum on the amount of:-
 - a. RM2,221,694.23 from 10 August 2021;
 - b. RM8,994,785.07 from 23 November 2021; and
 - c. RM274,842.70 from the date of the adjudication decision;
 - (iii) a sum of RM54,995.69 incurred by TESB on respect of adjudicator's fee and the Asian International Arbitration Centre's fees; and
 - (iv) JKJV shall pay to TESB a sum of RM120,000.00 as party and party costs.
- (collectively referred to as the "Adjudication Decision")

As at 10 January 2023, JKJV has failed to make any payment to TESB pursuant to the Adjudication Decision despite the fact that the deadline to do so had lapsed. Consequently, TESB has filed an Originating Summons in the Kuala Lumpur High Court to enforce the Adjudication Decision on a joint and several basis against members of JKJV ("Enforcement of the Adjudication Decision").

On 17 February 2023, JKJV served the following documents to oppose the aforesaid Enforcement of Adjudication Decision filed by TESB.

- (i) Originating Summons in respect of the Setting Aside of Adjudication Decision;
- (ii) Affidavit in Support in respect of the Setting Aside of Adjudication Decision;
- (iii) Originating Summons in respect of the Stay of Adjudication Decision; and
- (iv) Affidavit in Support in respect of the Stay of Adjudication Decision.

Subsequently, pursuant to the directions of the court TESB has duly filed the Affidavit in Reply in the Kuala Lumpur High Court in respect of the Enforcement of Adjudication Decision.

(b) Application by JKJV to set aside and stay the Adjudication Decision

JKJV had filed on 16 February 2023 the following applications:-

- (i) Application to stay the execution of the Adjudication Decision; and
- (ii) Application to set aside the Adjudication Decision.

TESB will be contesting the said applications and has filed its Affidavit in Reply on 15 March 2023 in respect of the same.

The said applications by JKJV and the application to enforce the Adjudication Decision by TESB have been fixed for hearing on 25 August 2023.

(c) Arbitration between JKJV and TESB

On 27 December 2022, the Company announced that TESB has also received a notice of arbitration from JKJV on 23 December 2022 claiming:-

- (i) a declaration that TESB's self-determination of its employment is wrong and unlawful;
- (ii) general damages arising from the alleged wrongful termination and unlawful self-determination;
- (iii) loss and damage amounting to RM11,773,250.00;
- (iv) costs and disbursements;
- (v) pre-award and post-award interest; and
- (vi) other reliefs the learned arbitrator deems just and appropriate.

(collectively referred to as "Notice of Arbitration")

TESB has served its response to the Notice of Arbitration on 20 January 2023.

In essence, TESB's position is that it had performed all of its obligations in accordance with the Sub-Contract Agreement, and that its determination of the Sub-Contract Agreement is valid, justifiable and rightful. Consequently, JKJV is not entitled to the reliefs sought in the Notice of Arbitration. In addition, as TESB is not agreeable to the arbitrator proposed by JKJV, TESB proposes that JKJV makes an application to the Director of Asian International Arbitration Centre ("AIAC") for the appointment of a sole arbitrator in accordance with the rules of the AIAC Arbitration Rules 2021.

(d) Settlement out of court between JKJV and TESB

On 3 July 2023, JKJV and TESB have agreed to mutually settle amicably all claims and disputes whereby TESB shall withdraw and/or discontinue the Adjudication and the Enforcement Application whereas JKJV shall withdraw and/or discontinue the Stay Application, Setting Adise Application and the Arbitration Proceedings, subject to the following salient terms of the Settlement Agreement:

- (i) JKJV shall jointly and/or severally pay to TESB the sum of RM9,071,098.78 ("the Settlement Sum") by seven (7) instalment basis with the last and final instalment which shall be paid on or before 31 December 2023 as full and final settlement of all claims and disputes, whether past, present or contingent between the Parties, arising from or out of or that may arise from and/or in connection thereof.
- (ii) The entire Settlement Sum shall become immediately due and payable by JKJV to TESB should there be any default in the payment of any one of the instalment payments. JKJV shall pay late interest payment at the rate of 8% per annum from due date of payment to the date of full settlement thereof.
- (iii) The Parties have agreed to a mutual termination of the Contract effective from 5 July 2021 upon the execution of the Settlement Agreement and save for the payment of the Settlement Sum by JKJV to TESB, all and each of the Parties shall be fully and completely discharged and released from any further performance of the Sub-Contract and from all obligations and liabilities under and/or arising from the Sub-Contract and/or the Project. None of the Parties shall have any or further claim(s) or cause(s) of action of whatsoever kind, whether in law or in equity, whether known or unknown, whether jointly or separately, against the other or any Party hereto in connection therewith.
- (iv) JKJV shall upon the execution of the Settlement Agreement issue to TESB a Final Payment Certificate acceptable to TESB for the final balance payment sum of RM9,071,098.78.

On 4 January 2024, the Company announced that the settlement has been fully completed.

3. MATERIAL CONTRACTS

GUH and its subsidiaries have not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two years preceding the LPD.

4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the Registered Office of the Company at Part of Plot 1240 & 1241, Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas, Penang during normal office hours from Monday to Friday (except public holidays) from the date of this Statement/Circular up to and including the date of the forthcoming 60th AGM.

- (i) Constitution of GUH;
- (ii) Audited consolidated financial statements of GUH for the past 2 financial years up to financial year ended 31 December 2023;
- (iii) Material Contracts as referred to in Item 3 above.

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