

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this 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 Circular. Shareholders of GUH Holdings Berhad ("**GUH**" or the "**Company**") should rely on their own evaluation to assess the merits and risks of the Proposed Disposal (as defined herein) as set out in the Circular.



GUH HOLDINGS BERHAD

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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED DISPOSAL
ENTAILING THE REPOSSESSION OF GUH CIRCUIT INDUSTRY (SUZHOU) CO., LTD'S
STATE-OWNED LAND USE RIGHTS IN THE SUZHOU HIGH-TECH ZONE, THE
PEOPLE'S REPUBLIC OF CHINA, BY THE SUZHOU GOVERNMENT FOR
APPROXIMATELY CNY195.00 MILLION OR RM119.01 MILLION**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

UOBKayHian

UOB Kay Hian Securities (M) Sdn Bhd

(Registration No. 199001003423 (194990-K))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of GUH to be held on a hybrid mode, physically at the Auditorium of the Company at 2nd Floor, Plot 1240 & 1241, Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas, Penang and virtually by way of live streaming via remote participation and electronic voting facilities on Monday, 26 May 2025 at 11.00 a.m. or immediately following the conclusion or adjournment of the 61st Annual General Meeting ("**AGM**") of the Company which will be held at the same venue and on the same day at 10.30 a.m., whichever is later, together with the accompanying Proxy Form are enclosed herein.

A member is advised to refer to the Notice of EGM, together with the Proxy Form and the Administrative Guide for further details and instruction for participating in the EGM.

A member who is entitled to attend, speak and vote at the EGM may appoint a proxy or proxies to attend, speak and vote on his behalf. In such event, the Proxy Form must be deposited at the office of the Share Registrar, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia or alternatively, email to mega-sharereg@megacorp.com.my not less than forty-eight (48) hours before the time appointed for holding the EGM as indicated below. The lodging of the Proxy Form will not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

Last day, date and time for lodging the : Saturday, 24 May 2025 at 11.00 a.m.
Proxy Form

Day, date and time of the forthcoming : Monday, 26 May 2025 at 11.00 a.m., or immediately following the conclusion
EGM or adjournment of the 61st AGM of the Company which will be held at the same venue and on the same day at 10.30 a.m.

This Circular is dated 25 April 2025

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	:	Companies Act 2016
“Agreements”	:	The Compensation Agreement and the Reservation Agreement, both dated 13 February 2025
“Board”	:	The board of Directors of GUH
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
“Circular”	:	This circular to the shareholders of the Company dated 25 April 2025 in relation to the Proposed Disposal
“Compensation Agreement”	:	Compensation agreement for the repossession of state-owned land use rights of the Land entered into between GUH Suzhou and SHZ Management Office, dated 13 February 2025
“Compensation Amount”	:	CNY195,006,129, or approximately RM119,012,241, being the total cash compensation for the Proposed Disposal
“Director(s)”	:	Director(s) of GUH and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007, Section 2(1) of the Act and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of GUH or any other company which is a subsidiary or holding company of GUH
“EGM”	:	Extraordinary general meeting
“EPS”	:	Earnings per Share
“FYE”	:	Financial year ended/ending, as the case may be
“GUH” or our “Company”	:	GUH Holdings Berhad (Registration No.: 196101000062 (4104-W))
“GUH Group” or our “Group”	:	Collectively, GUH and its subsidiaries
“GUH Share(s) or “Share(s)”	:	Ordinary share(s) in GUH
“GUH Suzhou” or the “Seller”	:	GUH Circuit Industry (Suzhou) Co., Ltd (Unified Social Credit Code No.: 913205056082072539), a wholly-owned subsidiary of GUH, held by GUH Electronic Holdings Sdn Bhd (Registration No.: 198701007148 (165866-A))
“Land”	:	Land located at 588 Changjiang Road, Suzhou High-tech Zone, the PRC
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	28 March 2025, being the latest practicable date prior to the date of this Circular
“NA”	:	Net assets
“NBV”	:	Net book value

DEFINITIONS (CONT'D)

“PCB”	: Printed circuit board
“PRC”	: People’s Republic of China
“Proposed Disposal”	: Proposed disposal entails the repossession of GUH Suzhou’s state-owned land use rights pertaining to the Land by SHZ Management Office for the Compensation Amount
“Reservation Agreement”	: State-owned Land Use Rights Reservation Agreement between GUH Suzhou, the SHZ Management Office, and the SHZ Land Reserve Center, dated 13 February 2025
“SHZ Land Reserve Center”	: Suzhou High-tech Zone (Huqiu District) Land Reserve Center
“SHZ Management Office” or the “Acquirer”	: Suzhou High-tech Zone Shishan Business Innovation District Management Office
“Suzhou Government”	: The governing body of Suzhou, the PRC
“sq m”	: Square metres
“UOBKH” or the “Principal Adviser”	: UOB Kay Hian Securities (M) Sdn Bhd (Registration No.: 199001003423 (194990-K))

Currencies

“CNY”	: Chinese Yuan, the lawful currency of the PRC
“RM” and “sen”	: Ringgit Malaysia and sen, respectively

All references to “we”, “us”, “our” and “ourselves” are to GUH. All references to “you” in this Circular are to the shareholders of GUH.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

The Agreements and all related information concerning GUH Suzhou and the Land are available solely in Chinese. Any information extracted from the Agreements and all related information concerning GUH Suzhou and the Land are based on the English translation of the original Chinese texts. In the event of any discrepancies or inconsistencies between the original Chinese version or the English translated version, the original Chinese version shall prevail. Any discrepancies or differences created in the English translation are not binding and have no legal effect for compliance or enforcement purposes.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Unless otherwise stated, the exchange rate of CNY1.00 : RM0.6103 as extracted from Bank Negara Malaysia as at 28 March 2025, being the foreign exchange rate used throughout this Circular.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Disposal. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Disposal before voting at the forthcoming EGM.

Key Information	Description	Reference to Circular
Summary of the Proposed Disposal	<p>The Proposed Disposal entails the repossession of GUH Suzhou's state-owned land use rights pertaining to the Land by SHZ Management Office for a total cash compensation of CNY195,006,129 or approximately RM119,012,241, subject to the terms and conditions of the Agreements.</p> <p>The Land will be disposed of free from all encumbrances and subject to an approved soil and groundwater environmental inspection and assessment report approved by the Environmental Protection Department which must meet the requirements for Class II land use, in accordance with the terms and conditions of the Compensation Agreement.</p>	Section 2
Basis and justification of arriving at the Compensation Amount	<p>The Proposed Disposal serves to facilitate the repossession of GUH Suzhou's state-owned land use rights pertaining to the Land by SHZ Management Office, with an associated compensation in accordance to administrative law of the PRC. This was primarily determined by the Suzhou Government after protracted discussions based on standard directives and procedures customary to such transactions in the Suzhou High-tech Zone. Additionally, our Board took the following factors into consideration:-</p> <ul style="list-style-type: none"> (i) the state-owned land use rights occupied by GUH Suzhou has a remaining tenure of approximately 22 years (expiring on 17 August 2047); (ii) the facilities housing the production are no longer in operation; and (iii) the commercial value of the Land will diminish further should the parties not come to an agreement over the Compensation Amount. 	Section 2.5
Mode of settlement	<p>Pursuant to the terms of the Compensation Agreement, the Compensation Amount for the Land is to be satisfied by cash in four (4) tranches.</p> <p>For further details on the mode of settlement, please refer to Section 2.4 of Appendix I of this Circular.</p>	Section 2.6
Utilisation of proceeds	<p>Our Group will raise total proceeds of approximately RM119.01 million from the Proposed Disposal. The proceeds are envisaged to be utilised progressively for ongoing property development activities, capital expenditure for our PCB plant in Penang, new investment, working capital, repayment of bank borrowings and estimated expenses and tax for the Proposed Disposal.</p> <p>For further details on the utilisation of proceeds, please refer to Section 4 of this Circular.</p>	Section 4

EXECUTIVE SUMMARY (CONT'D)

Key Information	Description	Reference to Circular
Rationale and justification	<p>The Proposed Disposal arose as a result of the Suzhou Government announcing their plans to urbanise the Suzhou New District. In July 2024, the Suzhou Government sought to take possession of the Land under the “Law of Land Administration of the People's Republic of China” and the “Law of the People's Republic of China on the Administration of the Urban Real Estate”, and since then, GUH Suzhou has been in protracted negotiations with the Suzhou Government to finalise the terms of the compensation.</p> <p>The Proposed Disposal will allow our Group to recoup our investment (for which the state-owned land use tenure has a remaining lease term of 22 years) and completely exit our PCB venture in Suzhou.</p>	Section 3
Risk factors	<p>The potential risk factors of the Proposed Disposal are as follows:-</p> <p>(i) non-completion risk; and</p> <p>(ii) contractual risk.</p>	Section 6
Approvals required	<p>The Proposed Disposal is subject to the approvals being obtained from the following:-</p> <p>(i) our shareholders' approval for the Proposed Disposal at the EGM to be convened; and</p> <p>(ii) any other relevant authorities and/or parties, if required.</p>	Section 9
Conditionality of the Proposed Disposal	The Proposed Disposal is not conditional upon any other corporate exercises undertaken or to be undertaken by our Company.	Section 10
Interest of Directors, major shareholders and/or persons connected with them	None of our Directors, major shareholders of GUH and persons connected with them have any interest, direct or indirect, in the Proposed Disposal.	Section 11
Directors' statement	<p>Our Board, having considered all aspects of the Proposed Disposal, including but not limited to the terms of the Compensation Agreement, the Reservation Agreement, rationale and justification for the Proposed Disposal, and the financial effects of the Proposed Disposal, is of the opinion that the Proposed Disposal is reasonable and in the best interest of our Group.</p> <p>Accordingly, our Board recommends that you vote in favour of the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.</p>	Section 12



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, Malaysia

25 April 2025

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>
Ms Phoon Yee Min	<i>(Independent Non-Executive Director)</i>
Mr Teng Chang Yeow	<i>(Independent Non-Executive Director)</i>

To: Our shareholders

Dear Sir/Madam,

PROPOSED DISPOSAL

1. INTRODUCTION

We refer to the previous announcements made regarding the Land on Bursa Securities, as set out below:-

- (i) on 30 June 2020, an announcement was made on the urbanisation of the Suzhou New District, including the re-zoning of industrial areas to commercial and/or residential areas. The Land had already been re-zoned for future commercial and/or residential development and GUH Suzhou had appointed professional consultants to engage with the local authority to ascertain the long-term viability of its business and operations;
- (ii) on 28 September 2020, an announcement was made on the urbanisation plan having affected the morale of GUH Suzhou's employees, culminating in a workers' strike beginning on 14 September 2020. As a result of the said strike, the manufacturing operations of GUH Suzhou had to cease temporarily;
- (iii) on 6 October 2020, an announcement was made that the GUH Suzhou workers had ceased their strike subsequent to the successful negotiations between the management and the workers' representatives and that manufacturing operations would be resumed;
- (iv) on 22 October 2020, an announcement was made that GUH Suzhou resumed operations in a limited capacity and that the aforementioned strike and uncertainty surrounding the future of the Land had affected the business and operations of GUH Suzhou;

- (v) on 31 May 2021, an announcement was made that GUH Suzhou had taken necessary actions by appointing a team of consultants and a negotiator to work with the relevant government agencies for the restoration of land and compensation;
- (vi) on 1 June 2021, an announcement was made that GUH Suzhou was continuing operations at minimal capacity; and
- (vii) on 13 February 2025, an announcement was made that GUH Suzhou entered into a Compensation Agreement with SHZ Management Office, for the repossession of the state-owned land use rights for the Land.

As at the LPD, GUH Suzhou has since ceased production operations.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED DISPOSAL AND TO SEEK YOUR APPROVAL ON THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Information on the Land

Details of the Land are as follows:-

State-owned land use rights certificate no.	:	Su Xin Guo Yong (2003) No. 0086
Property ownership certificate no.	:	Su Fang Quan Zheng Xin Qu No. 00013820 and No. 00032314
Location	:	588 Changjiang Road, Suzhou High-tech Zone
Tenure	:	Leasehold 50 years expiring on 17 August 2047
Age of the Land	:	27 years
Land area	:	53,324.56 sq m (building area of 35,232.46 sq m)
Original investment cost (RM'000)	:	48,166
Audited NBV as at FYE 31 December 2023 (RM'000)	:	20,943
Unaudited carrying value as at FYE 31 December 2024 (RM'000)	:	17,270
Restriction in interest	:	Any transfer of state-owned land use rights is subject to the consent of the Suzhou Government
Encumbrance	:	Free from encumbrance

GUH was granted the state-owned land use rights to the Land in 1997 by the Suzhou Government, following which they commenced operations on the Land in December 1998. The Land was designated for industrial use and contains three (3) industrial factory buildings and five (5) auxiliary buildings. GUH Suzhou operates an office/factory on the Land housing GUH Suzhou's PCB plant.

In 2020, the Suzhou Government announced their plans to urbanise the Suzhou New District, including the re-zoning of industrial areas to commercial and/or residential areas. The announcement of the rezoning of the Land affected the morale of GUH Suzhou's employees, culminating in a workers' strike beginning on 14 September 2020 which caused GUH Suzhou to temporarily cease its operations and ultimately operate in a limited capacity from 22 October 2020 onwards. The business and operations of GUH Suzhou were affected with employees and customers losing confidence in the business, some of whom cancelled orders and ceased to continue their business relationships with GUH Suzhou. As the result, GUH Suzhou's PCB plant had to eventually cease operations in December 2021.

2.2 Information on SHZ Management Office

The Acquirer is SHZ Management Office, a unit of the PRC government, which has been appointed as the party to handle the repossession matters in relation to the Land. The SHZ Management Office is a district-level administrative body under the Suzhou Government, the highest local authority in Suzhou, which executes government policies within the Suzhou High Tech Zone. Under the SHZ Management Office is the SHZ Land Reserve Centre, a subordinate management body, responsible for the execution of land reserve projects to support the urban development and economic planning within the Suzhou High-Tech Zone under the purview of the SHZ Management Office.

The registered office of SHZ Management Office is situated at No.10, Jinshang Road, Huqiu District, Suzhou City, Jiangsu Province, the PRC.

2.3 Information on GUH Suzhou

GUH Suzhou, is a wholly-owned subsidiary of our Group, held under GUH Electronic Holdings Sdn Bhd. GUH Suzhou was incorporated on 27 December 1995, in the PRC. GUH Suzhou was principally engaged in design, research, development and production of single-sided and multi-layer PCBs, silver through-hole boards used for high-precision digital CD players, multi-layer flexible circuit boards, sales of self-produced products, provision of related after-sales services, and general road freight transportation. As at the LPD, GUH Suzhou has since ceased operations.

The registered office of GUH Suzhou is situated at 588, Changjiang Road, Suzhou New District, Fengqiao Town, Suzhou City, Jiangsu Province, the PRC.

2.4 Financial Information of GUH Suzhou

A summary of the audited financial information of GUH Suzhou for the past three (3) years, being FYE 2021, FYE 2022 and FYE 2023 are as follows:-

	Audited as at		
	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)
Revenue	636	22	-
Gross profit/(loss)	(5,535)	(3,446)	(1,524)
Profit/(Loss) before tax	(7,735)	(5,709)	(13,815)
Net profit/(loss)	(7,725)	(5,711)	(13,815)

In FYE 2021 and FYE 2022, the revenue earned was a result of selling off the remaining inventory of GUH Suzhou, including any outstanding raw materials. The losses sustained during those financial years are primarily attributable to the cost of sales and administrative expenses, such as wages, asset depreciation and employee termination benefits.

In FYE 2023, there was no revenue to report and the losses sustained were primarily due to one-off administrative expenses such as professional fees related to the winding down of GUH Suzhou.

2.5 Basis and justification of arriving at the Compensation Amount

The Proposed Disposal serves to facilitate the repossession of GUH Suzhou's state-owned land use rights pertaining to the Land by SHZ Management Office, with an associated compensation in accordance to the administrative law of the PRC. In this regard, our Company will receive the Compensation Amount of CNY195,006,129 or approximately RM119,012,241 which is primarily determined by the Suzhou Government after protracted discussions based on standard directives and procedures customary to such land transactions in the Suzhou High-tech Zone. In the event of a dispute over the Compensation Amount, GUH Suzhou is able to trigger legal proceedings against the Suzhou Government and ultimately the relevant court shall decide the final compensation amount. Such legal proceedings risk reducing the compensation amount payable and would result in additional costs being incurred by our Group such as legal fees and other costs ancillary to the legal proceedings. As the state-owned land use rights occupied by GUH Suzhou has a remaining tenure of approximately 22 years (expiring on 17 August 2047) and the facilities housing the production are no longer in operation, the commercial value of the Land will diminish further should the parties not come to an agreement over the Compensation Amount. Over the last three (3) financial years, there has been a substantial depreciation in the value of the Land, as illustrated below:-

Year	Depreciation of the Land (RM'000)
2022	4,171
2023	2,391
2024	3,673

On this basis, our Board believes that the Compensation Amount is reasonable and is therefore keen to complete this disposal expeditiously.

The Compensation Amount includes the compensation for the state-owned land use rights for the Land, buildings, fixtures, non-relocated assets, and landscaping plants ("**Suzhou Assets**"). The unaudited carrying value of the Suzhou Assets is RM17.27 million as at FYE 31 December 2024 and the Proposed Disposal would result in an estimated proforma gain on disposal (net of taxes) of approximately RM85.03 million or RM50.75 million, depending on the applicable Chinese tax as set out in **Section 7.4** of this Circular.

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2.6 Mode of settlement

The Compensation Amount is expected to be settled in four (4) tranches upon the completion of the payment conditions as set out in **Section 2.4 of Appendix I** of this Circular. The expected timeframe for the payments are as below:-

Key payment milestones	%	Compensation Amount		Expected timeframe
		CNY	RM	
(1) Within 15 working days of the signing of the Compensation Agreement and the provision of the original state-owned land use right certificate and property ownership certificates, the land return application, the approved soil and groundwater environmental inspection and assessment report approved by the environmental protection department, which must meet the requirements for Class II land use, by GUH Suzhou to SHZ Management Office.	30.00	58,501,838	35,703,672	2 months from the signing of the Compensation Agreement (1 st milestone)
(2) Within 15 working days of GUH Suzhou obtaining the notification of the repossession of the state-owned land use rights and the certificate of cancellation of the (issued by the government department) and delivering the same to SHZ Management Office.	30.00	58,501,839	35,703,673	3 months from the 1 st milestone (2 nd milestone)
(3) Within 15 working days of SHZ Management Office receiving notification and relevant evidences of GUH Suzhou completing the settlement of utility bills and cancellation of utilities metering devices and the delivery of all assets to SHZ Management Office.	20.00	39,001,226	23,802,448	2 months from the 2 nd milestone (3 rd milestone)
(4) Within 15 working days of the demolition of the buildings on the Land conducted by a third party entrusted by the SHZ Management Office and the issuance of the updated environmental testing results conducted GUH Suzhou after the demolition of the buildings, which must meet the requirements of Class II land use.	20.00	39,001,226	23,802,448	8 to 9 months from the 3 rd milestone (final milestone)
Total	100.00	195,006,129	119,012,241	

2.7 Liabilities to be assumed and guarantees given by GUH

Save for the obligations, warranties and representations outlined in the Agreements, there are no liabilities, including contingent liabilities to be assumed by GUH Group and no guarantees have been given to the Acquirer in relation to the Proposed Disposal.

2.8 Cash company or Practice Note 17 (“PN 17”) listed issuer

The Proposed Disposal is not expected to result in GUH becoming a Cash Company or a PN 17 Company as defined under the Listing Requirements.

3. RATIONALE AND JUSTIFICATION

The Proposed Disposal arose as a result of the Suzhou Government announcing their plans to urbanise the Suzhou New District, including the re-zoning of industrial areas to commercial and/or residential areas. Subsequent to the announcements in 2020, GUH Suzhou faced workers’ strikes on 14 September 2020 and had to cease operations until 6 October 2020 when manufacturing operations were resumed. Thereafter, GUH Suzhou continued its manufacturing operations at a minimal capacity until operations were ceased completely in December 2021.

In July 2024, the Suzhou Government sought to take possession of the land under the “Law of Land Administration of the People’s Republic of China” and the “Law of the People’s Republic of China on the Administration of the Urban Real Estate”, and since then, GUH Suzhou has been in protracted negotiations with the local authorities to finalise the terms of the compensation. The Proposed Disposal will allow our Group to recoup our investment (for which the state-owned land use tenure has a remaining lease term of 22 years) and completely exit the PCB venture in Suzhou. The Compensation Amount received from the Proposed Disposal is expected to be channelled towards other viable ventures as set out in **Section 4** of this Circular.

4. UTILISATION OF PROCEEDS

The Land is not currently charged to any financial institutions and the Compensation Amount is to be used progressively for ongoing property development activities, capital expenditure for our PCB plant in Penang, new investment, working capital, repayment of bank borrowings and estimated expenses and tax for the Proposed Disposal. The eventual proceeds from the Proposed Disposal will be received in tranches as set out in **Section 2.6** of this Circular. As such, the exact timeframe for the utilisation of the proceeds is not determinable at this juncture. For illustrative purposes, GUH have set out below the proposed timeframe for the use of proceeds as and when the compensation is received:-

Description	Note	Estimated timeframe for use of proceeds	⁽⁶⁾ Tax scenario A (RM’000)	⁽⁶⁾ Tax scenario B (RM’000)
Ongoing property development activities	(1)	Within 24 months from receipt of proceeds	40,000	40,000
Capital expenditure for our PCB plant in Penang	(2)	Within 24 months from receipt of proceeds	15,000	-
New investment	(3)	Within 24 months from receipt of proceeds	15,000	15,000
Working capital	(4)	Within 12 months from receipt of proceeds	12,298	13,022
Repayment of bank borrowings	(5)	Within 12 months from receipt of proceeds	20,000	-
Estimated expenses and tax for the Proposed Disposal	(6)	Immediately	16,714	50,990
Total			119,012	119,012

Notes:-

- (1) GUH intends to allocate up to RM40 million for future land acquisitions with the view of increasing our Group's landbank for our ongoing property development activities, highlighted below. In determining any land to be acquired, our Board will take into consideration, amongst others, future development opportunities, potential value creation and return on investment. The proceeds may be channelled towards payment for the acquisition of land, pre-development feasibility expenses and cost, and/or payment to the relevant authorities.

In particular, we plan to utilise the allocated funds for the acquisition of a freehold land via our wholly-owned subsidiary, GUH eBattery Sdn Bhd, in Semenyih, Daerah Ulu Langat, Selangor, measuring approximately 272,252 sq m as announced on Bursa Securities on 28 March 2025. The acquisition presents our Group with an opportunity to grow our landbank and expand our coverage in the Klang Valley region.

Our Group's property development segment currently accounts for approximately 12% of our revenue as at FYE 31 December 2023. The Board intends to further nurture this business segment as they see considerable potential in the property development industry, particularly in the Central and Northern region. Our property development projects thus far have been mainly focused in the Central and Northern region (particularly in mainland Penang). Our Group currently has two (2) ongoing projects as outlined below:-

- (i) SA Central, Simpang Ampat, Penang, a township development comprising of commercial shop lots and residential components. Expected to be completed in 2032; and
- (ii) Taman Bukit Kepayang, Seremban, a township development of which we have developed over 380 acres out of 500 acres. The development comprises of commercial shop lots, residential homes and high-rise development. Expected to be completed by 2035.

The allocated disposal proceeds will allow us to increase our footprint and landbank in the Central region while alleviating the proportion of external financing that would otherwise be required. In relation to the property development activities any balance/shortfall shall be financed through internally generated funds and/or bank borrowings.

Our Group shall make the necessary announcement(s), at the appropriate time when required, in compliance with the Listing Requirements. Any variation of the allocated funds for the aforementioned land acquisition shall be utilised for our Group's future business expansion to increase the production capacity of our PCB business in Penang, Malaysia, as outlined in **Note 2** below.

- (2) GUH intends to allocate up to RM15 million from the proceeds of the Proposed Disposal for general capital expenditure specifically for our PCB plant in Bayan Lepas to address reliability, utilisation and productivity improvements in the PCB manufacturing, without requiring any further borrowings and hence savings on financing cost.

Up to RM15 million will be allocated for capital expenditure, which may include the purchase of new equipment for the automation of our multi-layer PCB production line, new machinery to increase our process plating capability and/or renovations to our Bayan Lepas facility to improve the production layout in order to ease our process flow, all of which will result in increased production efficiency. This allocation is subject to the identification of suitable measures and/or equipment by GUH, and the determination that such capital expenditure is in the best interest of our shareholders.

Any variation of the allocated funds for the aforementioned expansion shall be utilised for our Group's ongoing property development activities as set out in **Note 1** above.

- (3) GUH intends to allocate up to RM15 million for the acquisition of new business(es) or asset(s) within Penang, Malaysia, to be identified, in an effort to expand and diversify the revenue stream and improve the profitability of our Group. At this juncture, our Board are identifying the type or nature of the business(es) or asset(s) to be acquired by our Group, which may be business(es) or asset(s) within the electronics sector and/or complementary to our Group's existing businesses. Notwithstanding the foregoing, our Group endeavours to undertake the acquisition of new business(es) or asset(s) within 24 months from the receipt of proceeds.

Our Group shall make the necessary announcement(s) and seek for approval(s) from its shareholders, if required, upon such business(es) or asset(s) being identified by our Board and relevant agreements are entered into, where applicable, in compliance with the Listing Requirements of Bursa Securities.

- (4) GUH intends to allocate up to RM13.02 million to meet its day-to-day working capital requirements which include, among others, payments to suppliers, contractors, and creditors (i.e., in relation to our Group and all segments/divisions), materials and utilities costs (e.g., inventories, raw materials for our PCB operations, etc.), other operating and administrative expenses (e.g., staff costs, maintenance expenses, administrative expenses, etc.). Our Group intends to utilize such proceeds in the following manner:-

Description	%
Payments to suppliers, contractors, and creditors	30.00
Materials and utilities costs	40.00
Other operating and administrative expenses	30.00
Total	100.00

The allocation of proceeds to be utilised for each component of working capital is subject to our Group's operational requirements at the time of utilisation. As such, the detailed allocation can only be determined at a later date.

- (5) As at the LPD, the total borrowings of our Group (comprising of term loans, revolving loans, trade loans, etc.) stands at approximately RM79 million, out of which approximately RM57 million are long term borrowings and RM22 million are short term borrowings. GUH intends to allocate up to RM20 million for the partial repayment of existing bank borrowings. The average interest rate charged is 5.4% per annum, which shall translate to approximately RM1.08 million in finance cost savings per annum. However, the actual interest savings may vary depending on the applicable interest rates. Furthermore, the repayment of bank borrowings is also expected to improve GUH's gearing levels, as set out in **Section 7.2** of this Circular.

The Board shall take into consideration the outstanding bank borrowings of our Group amongst and prioritise repayment to the relevant financial institutions in a manner which serves the best interest of the Company. Any variation to the amount payable at completion of the Proposed Disposal will be adjusted to or from the amount allocated for working capital, of which the allocation will be adjusted accordingly among each category as the management of GUH deems appropriate.

- (6) GUH intends to allocate up to RM50.99 million for the estimated expenses in relation to the Proposed Disposal, to be utilised in the following manner:-

Description	Tax scenario A⁽¹⁾ (RM'000)	Tax scenario B⁽¹⁾ (RM'000)
Professional fees ⁽²⁾	427	427
Estimated Chinese tax for the Proposed Disposal ⁽¹⁾	16,195	50,471
Other incidental expenses in relation to the Proposed Disposal ⁽³⁾	92	92
Total	16,714	50,990

Notes:-

- (1) As at the LPD, we are unable to determine the taxation impact in regard to the Proposed Disposal. Prior to the passing of the Provisional Regulations on Land Value Added Tax of the People's Republic of China on 22 January 2025, all land acquisitions initiated by the Chinese government were exempted from capital gains tax via a formal application to the Chinese tax authorities. The new legislation has introduced additional requirements to the aforesaid formal application.

Nonetheless, we, along with our appointed Chinese tax consultants, are working diligently to secure a tax exemption from the payment of capital gains tax for the Proposed Disposal pursuant to the provisions of this new legislation. Unfortunately, this is expected to be a prolonged process due to the uncertainties surrounding the practical implementation of this new legislation. We expect to finalise the tax assessment by the FYE 31 December 2025.

In light of the foregoing, we have illustrated two (2) possible tax scenarios. Tax scenario A illustrating a situation in which we are granted a tax exemption and tax scenario B illustrating a situation under which no tax exemption is granted. Please refer below:-

Description	Tax scenario A (RM'000)	Tax scenario B (RM'000)
Land value-added/Capital gains tax	-	48,681
Corporate tax at 25%	10,596	-
Withholding tax	5,599	1,790
Total	16,195	50,471

- (2) Comprising professional fees payable to the adviser, solicitors, share registrar, tax consultants and company secretary.
- (3) Comprising expenses to convene the forthcoming EGM, printing, advertising, and other ancillary expenses in relation to the Proposed Disposal.

Any variation to the estimated expenses relating to the Proposed Disposal will be adjusted to or from the amount allocated for working capital, of which the allocation will be adjusted accordingly among each category as the management of GUH deems appropriate.

Pending the full utilisation of proceeds, GUH will place the proceeds as deposits or short-term money instruments with licensed financial institutions or in money-market funds.

5. FUTURE PLANS

In light of the cessation of GUH Suzhou's operations, in 2021 we began to redirect resources towards expanding the production capacity of our existing PCB manufacturing facility in Bayan Lepas, Penang, Malaysia. We invested in factory buildings, machinery and processes to improve capacity, quality, automation and technology for our Malaysian PCB facilities. In 2023 we purchased high-end automated and robotic arm machines key to the processes of plating, photo imaging, automatic inspection, electrical test and inner layer machines. In 2024 we acquired an automated spray coating machine for further quality and efficiency improvement.

We hope to expand our Malaysian facilities by drawing on our proximity logistic advantage to provide an alternative solution to Chinese PCB manufacturers which are a low-cost, high-volume solution to Thailand, Indonesia and Vietnam. Additionally, we aim to benefit from the opportunities presented from the "spill over" due to the China - US tensions with our Malaysian facility receiving a number of enquiries from American and European companies over the last few years.

6. RISK FACTORS

The risk factors relating to the Proposed Disposal, which may not be exhaustive, are set out below:-

6.1 Non-completion risk

The Compensation Agreement and the Reservation Agreement is dependent upon fulfilment of the terms set forth in the respective agreements, as detailed in **Appendix I** and **II** of this Circular, respectively. There is no assurance that all the conditions can be fulfilled and that the Proposed Disposal can be completed by the expected completion date, first half of 2026. In the event that any of the conditions is/are not fulfilled and/or waived within the stipulated time period set out in the respective agreements, the Proposed Disposal may be delayed or terminated.

In this regard, our Board shall take reasonable steps to ensure that the conditions are met in a timely manner in order to complete the Proposed Disposal.

6.2 Contractual risk

Our Company has given representations, warranties and undertakings as set out in the Compensation Agreement and Reservation Agreement in favour of the Acquirer and the SHZ Land Reserve Center. In this regard, our Company may be subject to claims in accordance with the terms and conditions of the Agreements for the breach of representations, warranties and/or undertakings given by our Company.

Nevertheless, our Board and the management of our Company will endeavour to ensure compliance with its obligations under the Agreements in order to minimise the risk of any breach of representations, warranties and/or undertakings committed by our Company.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

7.1 Share capital and substantial shareholders' shareholdings

The Proposed Disposal will not have any effects on the issued share capital and substantial shareholders' shareholdings of our Group.

7.2 NA, NA per share and gearing

For illustrative purposes only, based on the latest unaudited consolidated financial statements of our Group as at the FYE 31 December 2024, the proforma effects of the Proposed Disposal on the consolidated NA per Share and gearing of our Group are as follows:-

	Unaudited as at FYE 31 December 2024 (RM'000)	Proforma I After the Proposed Disposal	
		Tax scenario A (RM'000)	Tax scenario B (RM'000)
Share capital	279,914	279,914	279,914
Statutory reserve	13,960	13,960	13,960
Share grant reserve	933	933	933
Currency translation reserve	37,478	37,478	37,478
Retained profits	112,895	⁽¹⁾ 197,923	⁽¹⁾ 163,647
Shareholders' equity/NA	445,180	530,208	495,932
Non-controlling interest	164	164	164
Total equity	445,344	530,372	496,096
No. of Shares ('000)	282,068	282,068	282,068
NA per Share (RM)	1.58	1.88	1.76
Cash and cash equivalents (RM'000)	69,429	⁽²⁾⁽³⁾⁽⁴⁾ 151,727	⁽²⁾⁽³⁾ 137,451
Total borrowings (RM'000)	78,912	⁽⁴⁾ 58,912	78,912
Gearing (times)	0.18	0.11	0.16

Notes:-

- (1) After adjusting for the pro forma gain of approximately RM85.03 million under tax scenario A and RM50.75 million under tax scenario B, arising from the Proposed Disposal. Further details are set out in **Section 7.4** of this Circular.
- (2) After deducting the estimated expenses of approximately RM16.71 million under tax scenario A and RM50.99 million under tax scenario B, in relation to the Proposed Disposal, consisting of professional fees and taxes. Further details are set out in **Note 6 of Section 4** of this Circular
- (3) After accounting for the Compensation Amount of approximately RM119.01 million.
- (4) After adjusting for the utilisation of proceeds pursuant to the Proposed Disposal, of which RM20 million is earmarked for the repayment of bank borrowings under tax scenario A.

7.3 Earnings and EPS

For illustrative purposes only, based on the unaudited consolidated financial statements of our Group as at the FYE 31 December 2024, the effects of the Proposed Disposal on the earnings of the GUH Group are as follows:-

	Unaudited as at FYE 31 December 2024 (RM'000)	Proforma I After the Proposed Disposal	
		Tax scenario A (RM'000)	Tax scenario B (RM'000)
Loss/Gain attributable to the owners of our Group	(21,747)	⁽¹⁾ 63,281	⁽¹⁾ 29,005
Weighted average number of GUH's ordinary shares in issue	281,891	281,891	281,891
Basic (loss)/earnings per Share (sen)⁽²⁾	(7.71)	22.45	10.29

Notes:-

- (1) After adjusting for the pro forma gain of approximately RM85.03 million under tax scenario A and RM50.75 million under tax scenario B, arising from the Proposed Disposal.
- (2) Computed based on the profit/(loss) after tax attributable to the owners of our Group over the total weighted average number of Shares of approximately 281.89 million Shares.

7.4 Expected gains from the Proposed Disposal

The Proposed Disposal is expected to result in a pro forma gain to GUH, details of which are set out as below:-

	Proforma I After the Proposed Disposal	
	Tax scenario A (RM'000)	Tax scenario B (RM'000)
Compensation Amount	119,012	119,012
(Less): Carrying value of the Land as at 31 December 2024	(17,270)	(17,270)
Estimated expenses of the Proposed Disposal ⁽¹⁾	(519)	(519)
Estimated Chinese tax ⁽²⁾	(16,195)	(50,471)
Estimated net pro forma gain from the Proposed Disposal	85,028	50,752

Notes:-

- (1) The estimated expenses of the Proposed Disposal are based on approximately RM0.43 million for professional fees and approximately RM0.09 million for other incidental expenses.
- (2) Details of the applicable Chinese tax are set out in **Note 6 of Section 4** of this Circular.

8. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable for the Proposed Disposal pursuant to paragraph 10.02(g) of the Listing Requirements is approximately 25.39% based on our latest audited consolidated financial statement for the FYE 2023.

9. APPROVALS REQUIRED

The Proposed Disposal is subject to the approvals being obtained from the following:-

- (i) our shareholders' approval for the Proposed Disposal at the EGM to be convened; and
- (ii) any other relevant authorities and/or parties, if required.

10. CONDITIONALITY OF THE PROPOSED DISPOSAL AND OUTSTANDING CORPORATE PROPOSALS

There are no other outstanding corporate proposals that have been announced by our Group which are yet to be completed.

The Proposed Disposal is not conditional upon any other corporate exercises undertaken or to be undertaken by our Company.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of our Directors, major shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Disposal.

12. DIRECTORS' STATEMENT

Our Board, having considered all aspects of the Proposed Disposal, including but not limited to the terms of the Compensation Agreement, the Reservation Agreement, rationale and justification for the Proposed Disposal, and the financial effects of the Proposed Disposal, is of the opinion that the Proposed Disposal is reasonable and in the best interest of our Group.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, our Board expects the Proposed Disposal to be completed in the first half of 2026.

The tentative timetable for the implementation of the Proposed Disposal is set out below:-

Date	Event(s)
26 May 2025	EGM
First half of 2026	Fulfilment of the terms and conditions in respect of the Agreements and completion of the Proposed Disposal

14. EGM

The EGM will be held on a hybrid mode, physically at the Auditorium of the Company at 2nd Floor, Plot 1240 & 1241, Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas, Penang and virtually by way of live streaming via remote participation and electronic voting facilities on Monday, 26 May 2025 at 11.00 a.m. or immediately following the conclusion or adjournment of the 61st AGM of the Company which will be held at the same venue and on the same day at 10.30 a.m., whichever is later, for the purpose of considering and, if thought fit, passing with or without any modifications to the resolutions to give effect to the Proposed Disposal. The Notice of EGM together with the accompanying Proxy Form are enclosed herein.

If you are unable to attend, speak and vote in person at the EGM, please complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein, which Proxy Form shall be deposited at the office of the Share Registrar, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia or alternatively, email to mega-sharereg@megacorp.com.my not less than forty-eight (48) hours before the time and date appointed for the holding of the EGM or at any adjournment thereof. The Proxy Form should be completed strictly in accordance with the instructions contained therein. The lodging of the Proxy Form will not prevent you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

15. FURTHER INFORMATION

Shareholders are advised to refer to the appendices set out in this Circular for further information.

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

DATUK SERI KENNETH H'NG BAK TEE
Chief Executive Officer and Group Managing Director

SALIENT TERMS OF THE COMPENSATION AGREEMENT

The salient terms of the Compensation Agreement are as follows:-

1. REPOSESSION OF STATE-OWNED LAND USE RIGHTS

Due to the needs of urban construction and development in Suzhou High-tech Zone, in accordance with the "Law of Land Administration of the People's Republic of China", the "Law of the People's Republic of China on the Administration of the Urban Real Estate", and relevant regulations, it is proposed that the state-owned land use rights under GUH Suzhou, located at 588 Changjiang Road, Suzhou High-tech Zone (State-owned Land Use Rights Certificate: Su Xin Guo Yong (2003) No. 0086, Property Ownership Certificates: Su Fang Quan Zheng Xin Qu No. 00013820 and No. 00032314) shall be repossessed. SHZ Management Office, GUH Suzhou and the SHZ Land Reserve Center have signed the Reservation Agreement".

2. COMPENSATION

2.1 Total Compensation Amount for the Land is CNY 195,006,129 (One Hundred Ninety-five Million Six Thousand One Hundred Twenty-nine Chinese Yuan Only).

2.2 If any specified assets or other documents to be transferred are lost or damaged before or during the asset transfer (except for the dismantled equipment and structures as separately notified by GUH Suzhou), the corresponding value of those assets will be deducted from the compensation payable, based on the asset evaluation price.

2.3 Once the Compensation Agreement has been signed and deemed effective, the SHZ Management Office shall be responsible for all matters related to the payment of compensation, relocation, transfer, asset disposal, and other issues concerning the Land. However, GUH Suzhou will remain responsible for the management and maintenance of the Land from the effective date of the Compensation Agreement until the Land is delivered.

2.4 Once the Compensation Agreement is signed and deemed to be effective, the SHZ Management Office shall pay the Compensation Amount in four (4) instalments as set out below:-

(i) First instalment: CNY 58,501,838.70 (approximately 30% of the Compensation Amount).

To be paid within 15 working days of the signing of the Compensation Agreement and GUH Suzhou providing to SHZ Management Office original copies of the state-owned land use right certificate and property ownership certificate (or real estate ownership certificate) free from all mortgages or encumbrances, the land return application, and the approved soil and groundwater environmental inspection and assessment report approved by the environmental protection department, which must meet the requirements for Class II land use. If the requirements have not been met, GUH Suzhou must begin immediate remediation at their own cost.

(ii) Second instalment: CNY 58,501,838.70 (approximately 30% of the Compensation Amount).

To be paid within 15 working days of the GUH Suzhou obtaining the notification of the repossession of the state-owned land use rights and the certificate of cancellation (issued by the government department) and delivering the same to SHZ Management Office. The SHZ Management Office shall guide and assist GUH Suzhou in handling the aforementioned matters. Processing time will generally not exceed two (2) months from GUH Suzhou meeting the conditions for the first instalment and the submission of the application.

SALIENT TERMS OF THE COMPENSATION AGREEMENT (CONT'D)

- (iii) Third instalment: CNY 39,001,225.80 (approximately 20% of the Compensation Amount).

To be paid within 15 working days of the SHZ Management Office receiving notification and relevant evidences of GUH Suzhou having completed the settlement of water, electricity, gas, and telephone fees, as well as the cancellation procedures for the metering devices prior to the delivery of the Land, and the delivery of all assets by GUH Suzhou to the SHZ Management Office.

- (iv) Fourth instalment: CNY 39,001,225.80 (approximately 20% of the Compensation Amount).

After GUH Suzhou delivers the Land, the SHZ Management Office will entrust a third party to carry out the demolition of the buildings on the Land (estimated to be completed within a six (6) month period). Upon the completion of demolition, GUH Suzhou shall conduct soil and groundwater environmental testing within one (1) month from notification of the completion of the demolition, with the test results to be expected to be available within one (1) month. If the results meet the requirements for Class II land use, payment shall be made within 15 working days of the issuance of such results.

If the results do not meet the requirements, and the pollution is not caused by new contamination after the Land is received by SHZ Management Office, SHZ Management Office agrees not to terminate the Compensation Agreement. However, GUH Suzhou must immediately begin pollution remediation work, at their own cost, and complete it within one (1) year from inspection results being issued (unless the government department requires or requests for a longer remediation period or extended due to force majeure situations).

The remediation results must be accepted by the environmental protection department. If remediation is not completed within the above-mentioned timeframe, the SHZ Management Office has the right to terminate the Compensation Agreement and GUH Suzhou shall pay a penalty in accordance with the termination clauses.

SHZ Management Office shall make timely and full payments according to the above payment schedule. Before each payment, GUH Suzhou shall provide a legal receipt for the payment. Otherwise, SHZ Management Office has the right to postpone or refuse payment, and GUH Suzhou shall not be excused from performing its other obligations under the Compensation Agreement. SHZ Management Office has the right to deduct from the payable amounts any breach penalties, compensation for losses, or other payable fees that GUH Suzhou owes.

3. COMPLETION

- 3.1 GUH Suzhou shall remove all restrictions on the Land that affect this repossession and the SHZ Management Office's future normal use (including but not limited to guarantees, leases, mortgages, pledges). GUH Suzhou commits to completing the settlement of utilities, as well as the cancellation procedures, from the effective date of the Compensation Agreement and before 30 June 2025, and deliver the Land. After which, the SHZ Management Office shall be responsible for the demolition of the buildings within the Land (unless extended due to force majeure situations). If GUH Suzhou is required to relocate its registered address, the SHZ Management Office shall provide a free address suitable for industrial and commercial registration to relocate to.

- 3.2 Prior to the delivery of the Land, GUH Suzhou shall:-

- (i) provide the SHZ Management Office with the original property certificate, land certificate, and land return application, and complete the procedures for applying for surveying, boundary setting, land repossession, and certificate cancellation.

SALIENT TERMS OF THE COMPENSATION AGREEMENT (CONT'D)

- (ii) in accordance with relevant environmental protection policies, complete soil and groundwater environmental inspection and assessment, and have it approved and filed by the environmental protection department. Such report shall be provided to SHHZ Management Office prior to the first instalment. If pollution is found, GUH Suzhou bears responsibility for the remediation, and costs, to the satisfaction of the relevant authorities.
- (iii) complete the settlement of fees, account cancellations, relocation, and deregistration for municipal infrastructure such as water, electricity, steam, gas, coal gas, underground civil defence facilities, and power grid facilities, and submit the relevant, bearing all costs.
- (iv) timely handling of toxic, harmful, flammable, and explosive chemicals, and bearing all related costs; properly deal with pollutants, hazardous substances, toxic and harmful materials, dangerous waste, and general industrial solid waste generated during the closure or relocation process, preventing secondary pollution and environmental accidents. In case of damage to the SHZ Management Office, GUH Suzhou or a third party, GUH Suzhou shall bear the liability for compensation.
- (v) GUH Suzhou shall not receive any compensation for additional equipment, facilities, etc., added by GUH Suzhou beyond the specified scope. GUH Suzhou shall remove, vacate, or relocate any added equipment, facilities, etc., before the specified deadline. Failure of which shall be considered as relinquishing ownership of such equipment and facilities, and the SHZ Management Office may handle them as it sees fit. Any costs incurred during the handling shall be borne by GUH Suzhou.

If GUH Suzhou is unable to deliver the Land as agreed, they shall submit a written application. Upon mutual agreement, the Compensation Agreement will continue to be performed. The SHZ Management Office has the right to urge GUH Suzhou in writing to rectify the situation. However, GUH Suzhou shall not be held liable for breach of contract if the delay in delivery is due to force majeure, other factors beyond their control, or reasons attributable to the SHZ Management Office.

If GUH Suzhou delays the delivery of the land parcel for more than one (1) year and both parties have not reached an agreement to continue performing the Compensation Agreement, and the SHZ Management Office intends to terminate the Compensation Agreement, the SHZ Management Office has the right to require GUH Suzhou to bear breach of contract liability.

- 3.3 After SHZ Management Office reclaims the state-owned land use rights from GUH Suzhou, GUH Suzhou shall be responsible for the resettlement of its on-record employees and retirees, as well as their debts and other economic and legal liabilities, which are unrelated to the SHZ Management Office. If GUH Suzhou fails to promptly vacate and deliver the Land, its buildings, and attachments, a penalty at a rate of 0.03% per day of the Compensation Amount already received (save for reasons due to force majeure, a mutually agreed delivery extension period and for soil pollution remediation), shall apply. If compensation payments are delayed, the SHZ Management Office shall pay a penalty of 0.03% per day on the outstanding Compensation Amount.

4. TERMINATION

- 4.1 Except for force majeure, if either party does not perform according to the Compensation Agreement and refuses to rectify, the non-breaching party has the right to terminate the Compensation Agreement. If either party fails to perform the Compensation Agreement, it will be considered as a breach of contract. If a severe breach by the breaching party leads to the non-breaching party's termination of the Compensation Agreement, the breaching party shall pay liquidated damages equal to 5% of the Compensation Amount already received by Party B (with the exception of situations set out in paragraph 3.3 above). The "severe breach of contract" refers to a breach by the breaching party that causes the non-breaching party to be unable to achieve the fundamental purpose of the Compensation Agreement, and both parties fail to reach an agreement on continuing to perform the Compensation Agreement.

SALIENT TERMS OF THE COMPENSATION AGREEMENT (CONT'D)

- 4.2 After a breach by either party, if the other party continues to perform the Compensation Agreement, it will not be considered as the non-breaching party waiving its right to claim compensation for the breach. The non-breaching party still has the right to pursue the breaching party's liability for the breach.
- 4.3 If the SHZ Management Office terminates the Compensation Agreement due to a serious breach by GUH Suzhou, GUH Suzhou shall return all compensation already received and pay interest losses (calculated from the date payment was made to GUH Suzhou until the date the amount is returned, with the interest loss based on the amount the SHZ Management Office has paid and calculated at the Loan Prime Rate published by the National Interbank Funding Center for the same period. However, if the period is affected by force majeure, a mutually agreed delivery extension period or soil pollution remediation, it shall not be included in the calculation of interest loss). Additionally, GUH Suzhou shall also bear any litigation costs, lawyer fees and other expenses that the SHZ Management Office may incur due to the lawsuit.
- 4.4 If GUH Suzhou terminates the Compensation Agreement due to the breach of the SHZ Management Office, GUH Suzhou shall refund the compensation paid by the SHZ Management Office within 20 working days from the date of termination. The SHZ Management Office shall also compensate GUH Suzhou for actual losses incurred due to the SHZ Management Office's breach.

Note:-

The Compensation Agreement provides the right of termination only in the event that there is a breach by either party. However, termination of the Compensation Agreement due to breach does not affect the validity and enforceability of the Reservation Agreement, which shall remain binding. Agreements pertaining to state-owned land use rights were prepared based on standard templates of the authorities and were not subject to negotiation or amendment.

SALIENT TERMS OF THE RESERVATION AGREEMENT

The salient terms of the Reservation Agreement are as follows:-

1. RESERVATION OF STATE-OWNED LAND USE RIGHTS

SHZ Land Reserve Center, SHZ Management Office and GUH Suzhou have agreed that the Land shall be reserved in accordance with the needs of urban construction and development in Suzhou High-tech Zone and based on the relevant laws and regulations in China.

2. RESPONSIBILITIES OF EACH PARTY

SHZ Land Reserve Center, SHZ Management Office and GUH Suzhou have agreed on the responsibilities of each party in relation to the reservation of Land:

- (i) SHZ Management Office will be responsible for the execution of the Compensation Agreement with GUH Suzhou, payment of compensation for the repossession of Land, handling the receipts of assets, the repossession and cancellation of land use right certificates, management of related matters and the management and maintenance of the Land after the execution of the Reservation Agreement. SHZ Land Reserve Center will assist SHZ Management Office in the repossession and cancellation of the land use right certificate.
- (ii) GUH Suzhou shall implement soil and groundwater environmental testing and assessment for the Land and shall pass the review of the expert, undergo review and filing with the environmental protection department. GUH Suzhou shall also properly handle pollutants, toxic and hazardous substances, hazardous waste, and general industrial solid waste remaining or generated during the shutdown or relocation process, preventing secondary pollution and environmental accidents.

Note:-

The Reservation Agreement does not include a termination clause, indicating its binding effect and compulsory nature. Agreements pertaining to state-owned land use rights were prepared based on standard templates of the authorities and were not subject to negotiation or amendment.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board, who collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT

UOBKH, being the Principal Adviser for the Proposed Disposal, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTERESTS

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to GUH for the Proposed Disposal.

4. MATERIAL LITIGATION

As at the LPD, the Seller confirmed that there are no material litigations, claims and/or arbitration involving the Land, and the Seller confirmed that there is no proceeding, pending or threatened, involving the Land.

5. MATERIAL COMMITMENTS

As at the LPD, there are no material commitments incurred or known to be incurred by our Group for which, upon becoming enforceable, may have a material impact on the financial results or position of our Group, save for the following:-

	RM'000
<u>Contracted for:-</u>	
Acquisitions of land	71,757

6. CONTINGENT LIABILITIES

As at the LPD, there are no contingent liabilities incurred or known to be incurred which upon becoming enforceable, may have a material impact on the profits or NA position of our Group.

FURTHER INFORMATION (CONT'D)

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at Part of Plot 1240 and 1241, Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas, Penang, Malaysia during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) the constitution of our Company;
- (ii) the Compensation Agreement;
- (iii) the Reservation Agreement;
- (iv) the letters of consent and declaration of conflict of interest referred to in **Sections 2 and 3** of this **Appendix III**;
- (v) the audited consolidated financial statements of our Group for the FYE 31 December 2023; and
- (vi) the unaudited financial results of our Group for the financial period ended 31 December 2024

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GUH HOLDINGS BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting (“**EGM**”) of GUH Holdings Berhad (“**GUH**” or the “**Company**”) will be held on a hybrid mode, physically at the Auditorium of the Company at 2nd Floor, Plot 1240 & 1241, Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas, Penang and virtually by way of live streaming via remote participation and electronic voting facilities on Monday, 26 May 2025 at 11.00 a.m. or immediately following the conclusion or adjournment of the 61st Annual General Meeting (“**AGM**”) of the Company which will be held at the same venue and on the same day at 10.30 a.m., whichever is later, for the purpose of considering and if thought fit, passing with or without modifications, the following resolution:-

ORDINARY RESOLUTION

PROPOSED DISPOSAL ENTAILING THE REPOSSESSION OF GUH CIRCUIT INDUSTRY (SUZHOU) CO., LTD’S STATE-OWNED LAND USE RIGHTS IN THE SUZHOU HIGH-TECH ZONE, THE PEOPLE’S REPUBLIC OF CHINA, BY THE SUZHOU GOVERNMENT FOR APPROXIMATELY CNY195.00 MILLION OR RM119.01 MILLION (“PROPOSED DISPOSAL”)

“**THAT** subject to the relevant approvals being obtained, approval be and is hereby given to GUH Circuit Industry (Suzhou) Co., Ltd. (“**GUH Suzhou**”), a wholly-owned subsidiary of the Company, to undertake the disposal of GUH Suzhou’s state-owned land use rights of a land located at 588 Changjiang Road, Suzhou High-tech Zone, the People’s Republic of China for a total cash compensation of CNY195,006,129, or approximately RM119,012,241.

THAT the Proposed Disposal shall be conducted in accordance with the terms and conditions as stipulated in the compensation agreement for the repossession of state-owned land use rights entered into between GUH Suzhou and the Suzhou High-tech Zone Shishan Business Innovation District Management Office (“**SHZ Management Office**”) dated 13 February 2025 (salient terms of which are set out in **Appendix I** of the Circular) (“**Compensation Agreement**”), the state-owned land use rights reservation agreement entered into between GUH Suzhou, SHZ Management Office and Suzhou High-tech Zone (Huqiu District) Land Reserve Center (“**SHZ Land Reserve Center**”) dated 13 February 2025 (salient terms of which are set out in **Appendix II** of the Circular) (“**Reservation Agreement**”) and such other terms and conditions as the parties to the Compensation Agreement may mutually agree upon in writing or which are imposed by the relevant authorities.

AND THAT the Board of Directors of the Company (“**Board**”) be and is hereby authorised to act, for and on behalf of the Company, and to take all such steps and do all such acts, matters and things as the Board deems fit or may consider necessary, desirable, appropriate or expedient to implement, finalise and give full effect to the Proposed Disposal and all agreements entered into pursuant to the Proposed Disposal with full power to give all or any notices, directions, consents and authorisations in respect of any matter arising under or in connection with the Proposed Disposal, and to assent to any condition, modification, variation and/or amendment relating to the Proposed Disposal as may be approved/required by the relevant regulatory authorities and/or as the Board deems fit.”

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

25 April 2025

Notes:-

- (1) Only a member whose name is registered in the Record of Depositors as at 19 May 2025 shall be regarded as member to attend, speak and vote at this meeting. A member shall be entitled to appoint any person as his proxy. A proxy need not also be a member. A member who appoints more than one (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 two (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 Share Registrar, 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 mega-sharereg@megacorp.com.my. Kindly refer to the Administrative Guide published on the Company's website at <http://www.guh.com.my> for procedures on registration and attendance at the meeting for further information.
- (5) Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolution(s) will be put to vote by way of poll.

**GUH HOLDINGS BERHAD**

196101000062 (4104-W)

PROXY FORM

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 Extraordinary General Meeting (“**EGM**”) of the Company to be held on a hybrid mode, physically at the Auditorium of the Company at 2nd Floor, Plot 1240 & 1241, Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas, Penang and virtually by way of live streaming via remote participation and electronic voting facilities on Monday, 26 May 2025 at 11.00 a.m. or immediately following the conclusion or adjournment of the 61st Annual General Meeting (“**AGM**”) of the Company which will be held at the same venue and on the same day at 10.30 a.m., whichever is later.

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.

Resolution	For	Against
Proposed Disposal		

Dated this _____ day of _____, 20_____

Signature of Member / Common Seal

Please fold this flap for sealing

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STAMP

MEGA CORPORATE SERVICES SDN BHD

Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

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