

GUH HOLDINGS BERHAD (Company No. 4104-W)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2011 RM '000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2010 RM '000	CURRENT YEAR TO DATE 31/12/2011 RM '000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010 RM '000
Revenue	73,285	76,691	311,280	309,272
Operating expenses	(70,384)	(72,902)	(284,373)	(276,888)
Other operating income	5,856	7,814	9,294	11,115
Finance costs	(1)	(53)	(26)	(233)
Share of profit of associate	1,924	1,628	7,748	6,632
Profit before tax (Note 16)	10,680	13,178	43,923	49,898
Tax expense	(1,242)	(1,630)	(7,912)	(6,126)
Profit for the period/year	9,438	11,548	36,011	43,772
Profit attributable to :				
Owners of the parent	9,438	11,548	36,011	43,772
Non-controlling interests	-	-	-	-
	9,438	11,548	36,011	43,772
Earnings per share (sen) :				
(a) Basic	5.03	5.79	18.57	21.68
(b) Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010)

GUH HOLDINGS BERHAD (Company No. 4104-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2011 RM '000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2010 RM '000	CURRENT YEAR TO DATE 31/12/2011 RM '000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010 RM '000
Profit for the period/year	9,438	11,548	36,011	43,772
Other comprehensive income				
Gain on available-for-sale financial assets	7,406	73	2,643	2,635
Reclassification adjustments on :				
- Derecognition of available-for-sale financial assets	-	(82)	(579)	(1,356)
- Impairment of available-for-sale financial assets	2,516	-	2,516	-
Currency translation differences for foreign operations	2,892	517	9,364	(10,368)
Other comprehensive income for the period/year	12,814	508	13,944	(9,089)
Total comprehensive income for the period/year	22,252	12,056	49,955	34,683
Total comprehensive income attributable to :				
Owners of the parent	22,252	12,056	49,955	34,683
Non-controlling interests	-	-	-	-
	22,252	12,056	49,955	34,683

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010)

GUH HOLDINGS BERHAD (Company No. 4104-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	AS AT 31/12/2011 RM '000	AS AT 31/12/2010 RM '000 (Audited)
Non-Current Assets		
Property, Plant and Equipment	118,867	129,747
Investment Property	6,560	6,470
Investment in Associate	22,231	23,137
Available-for-sale Financial Assets	30,444	27,591
Investments in Club Memberships	276	259
Property Development Costs	41,679	41,578
Deferred Tax Assets	279	459
	<u>220,336</u>	<u>229,241</u>
Current Assets		
Property Development Costs	15,278	13,459
Accrued Billings	4,431	9,463
Assets Held for Sale	-	3,302
Inventories	36,660	38,107
Trade and Other Receivables	65,029	75,754
Prepayments	2,894	1,174
Current Tax Assets	952	2,015
Cash and Cash Equivalents	142,562	84,849
	<u>267,806</u>	<u>228,123</u>
Current Liabilities		
Trade and Other Payables	63,583	59,751
Loans and Borrowings - Secured	-	1,326
Financial Liabilities at Fair Value Through Profit or Loss	-	30
Current Tax Liabilities	1,861	1,738
	<u>65,444</u>	<u>62,845</u>
Net Current Assets	202,362	165,278
Non-Current Liabilities		
Deferred Tax Liabilities	4,744	4,627
Net Assets	<u>417,954</u>	<u>389,892</u>
Financed By:-		
Share Capital	203,070	203,070
Treasury Shares	(18,968)	(5,660)
Reserves	233,852	192,482
Shareholders' Equity	<u>417,954</u>	<u>389,892</u>
Net Assets per Share (sen)	<u>223</u>	<u>197</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010)

GUH HOLDINGS BERHAD (Company No. 4104-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Share capital RM '000	Treasury shares RM '000	Non-Distributable			Distributable		Total RM '000
			Capital redemption reserve RM '000	Revaluation surplus RM '000	Fair value reserve RM '000	Currency translation reserve RM '000	Retained profits RM '000	
At 01/01/2011								
- As previously reported	203,070	(5,660)	47,632	12,727	1,279	(5,508)	136,352	389,892
- Reclassification of reserves by associate upon adoption of new accounting standards	-	-	-	(176)	-	-	176	-
- As adjusted	203,070	(5,660)	47,632	12,551	1,279	(5,508)	136,528	389,892
Gain on available-for-sale financial assets	-	-	-	-	2,643	-	-	2,643
Reclassification adjustments on :								
- Derecognition of available-for-sale financial assets	-	-	-	-	(579)	-	-	(579)
- Impairment of available-for-sale financial assets	-	-	-	-	2,516	-	-	2,516
Currency translation differences for foreign operations	-	-	-	-	-	9,364	-	9,364
Other comprehensive income for the year	-	-	-	-	4,580	9,364	-	13,944
Profit for the year	-	-	-	-	-	-	36,011	36,011
Total comprehensive income for the year	-	-	-	-	4,580	9,364	36,011	49,955
Purchase of own shares	-	(13,308)	-	-	-	-	-	(13,308)
Interim dividend of 6.0 sen per share (less tax at 25%)	-	-	-	-	-	-	(8,585)	(8,585)
Total transactions with owners	-	(13,308)	-	-	-	-	(8,585)	(21,893)
Transfer of revaluation surplus	-	-	-	(374)	-	-	374	-
At 31/12/2011	203,070	(18,968)	47,632	12,177	5,859	3,856	164,328	417,954
At 01/01/2010	225,632	(20,425)	25,070	14,479	-	4,860	119,611	369,227
Gain on available-for-sale financial assets	-	-	-	-	2,635	-	-	2,635
Reclassification adjustments on derecognition of available-for-sale financial assets	-	-	-	-	(1,356)	-	-	(1,356)
Currency translation differences for foreign operations	-	-	-	-	-	(10,368)	-	(10,368)
Other comprehensive income for the year	-	-	-	-	1,279	(10,368)	-	(9,089)
Profit for the year	-	-	-	-	-	-	43,772	43,772
Total comprehensive income for the year	-	-	-	-	1,279	(10,368)	43,772	34,683
Purchase of own shares	-	(5,660)	-	-	-	-	-	(5,660)
Interim dividend of 5.5 sen per share (less tax at 25%)	-	-	-	-	-	-	(8,358)	(8,358)
Total transactions with owners	-	(5,660)	-	-	-	-	(8,358)	(14,018)
Cancellation of treasury shares	(22,562)	20,425	22,562	-	-	-	(20,425)	-
Transfer of revaluation surplus	-	-	-	(1,752)	-	-	1,752	-
At 31/12/2010	203,070	(5,660)	47,632	12,727	1,279	(5,508)	136,352	389,892

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	CURRENT YEAR TO DATE 31/12/2011 RM '000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010 RM '000
Cash flows from operating activities		
Profit Before Tax	43,923	49,898
Adjustments for :		
Allowance for slow moving inventories	187	208
Depreciation	12,282	11,906
Dividend income	(364)	(427)
Gain on derecognition of available-for-sale financial assets	(579)	(1,356)
Gain on disposal of assets held for sale	(4,685)	-
Gain on disposal of property, plant and equipment	(261)	(48)
Gain on disposal of subsidiary	-	(5)
Gain on fair value adjustment of investment property	(90)	(101)
Impairment loss on available-for-sale financial assets	2,516	-
Interest expense	26	233
Interest income	(2,693)	(1,866)
Property, plant and equipment written off	155	645
Reversal of allowance for slowing moving inventories	(1,529)	(1,528)
Reversal of impairment loss on loans and receivables	(1)	(7)
Share of profit of associate	(7,748)	(6,632)
Unrealised (gain)/loss on foreign exchange	(336)	277
Unrealised loss on financial instruments at fair value through profit or loss	-	30
	(3,120)	1,329
Operating profit before working capital changes	40,803	51,227
Changes in :		
Property development costs	(1,920)	(1,226)
Accrued billings	5,032	(6,498)
Inventories	2,789	(10,513)
Receivables and prepayments	9,087	(17,123)
Payables	3,825	5,520
Financial instruments at fair value through profit or loss	(30)	15
Cash generated from operations	59,586	21,402
Interest paid	(26)	(254)
Tax paid	(6,693)	(6,024)
Tax refunded	264	22
	(6,455)	(6,256)
Net cash from operating activities	53,131	15,146
Cash flows from investing activities		
Dividends received	9,307	6,713
Interest received	2,693	1,879
Proceeds from disposal of assets held for sale	22,456	-
Proceeds from disposal of available-for-sale financial assets	12,818	16,163
Proceeds from disposal of property, plant and equipment	288	92
Proceeds from disposal of subsidiary	-	4,456
Purchase of available-for-sale financial assets	(13,028)	(24,307)
Purchase of investment property	-	(701)
Purchase of property, plant and equipment	(12,189)	(18,789)
Net cash from/(used in) investing activities	22,345	(14,494)
Cash flows from financing activities		
Dividend paid	(8,585)	(8,358)
Proceeds from loans and borrowings	7,021	3,071
Purchase of own shares	(13,308)	(5,660)
Repayment of loans and borrowings	(8,347)	(21,839)
Net cash used in financing activities	(23,219)	(32,786)
Currency translation differences	5,456	(2,992)
Net increase/(decrease) in cash and cash equivalents	57,713	(35,126)
Cash and cash equivalents at beginning of the year	84,849	119,975
Cash and cash equivalents at end of the year	142,562	84,849

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. Basis of Preparation

The interim financial report has been prepared in accordance with requirements of FRS 134 : "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010.

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the year ended 31 December 2010 except for the adoption of the following Financial Reporting Standards ("FRS"), amendments to FRSs and IC Interpretations:

<u>FRS/IC Interpretations</u>	<u>Effective for financial periods beginning on or after</u>
FRS 1 <i>First-time Adoption of Financial Reporting Standards</i> (revised in 2010)	1 July 2010
FRS 3 <i>Business Combinations</i> (revised in 2010)	1 July 2010
FRS 127 <i>Consolidated and Separate Financial Statements</i> (revised in 2010)	1 July 2010
Amendments to FRS 1 <i>Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters</i>	1 January 2011
Amendments to FRS 1 <i>Additional Exemptions for First-time Adopters</i>	1 January 2011
Amendments to FRS 2 <i>Share-based Payment</i>	1 July 2010
Amendments to FRS 2 <i>Group Cash-settled Share-based Payment Transactions</i>	1 January 2011
Amendments to FRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
Amendments to FRS 7 <i>Improving Disclosures about Financial Instruments</i>	1 January 2011
Amendments to FRS 132 <i>Financial Instruments: Presentation</i>	1 March 2010
Amendments to FRS 138 <i>Intangible Assets</i>	1 July 2010
Amendments to IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1 July 2010
Amendments to FRSs contained in the document entitled " <i>Improvements to FRSs (2010)</i> "	1 January 2011
IC Interpretation 4 <i>Determining whether an Arrangement contains a Lease</i>	1 January 2011
IC Interpretation 12 <i>Service Concession Arrangements</i>	1 July 2010
IC Interpretation 16 <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
IC Interpretation 17 <i>Distributions of Non-cash Assets to Owners</i>	1 July 2010
IC Interpretation 18 <i>Transfers of Assets from Customers</i>	1 January 2011

The above FRSs, amendments to FRSs and IC Interpretations did not have any significant impacts on the financial statements of the Group except as follows:

(a) FRS 3 *Business Combinations* (revised in 2010)

FRS 3 (revised in 2010), which supersedes FRS 3 *Business Combinations* (issued in 2005), introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all acquisition-related costs, other than the costs to issue debt or equity securities, shall be recognised in profit or loss as incurred. In accordance with the transitional provisions of FRS 3 (revised in 2010), the Group will apply the standard prospectively to business combinations for which the acquisition date is on or after the effective date.

(b) FRS 127 *Consolidated and Separate Financial Statements* (revised in 2010)

FRS 127 (revised in 2010), which supersedes FRS 127 *Consolidated and Separate Financial Statements* (revised in 2005), requires the total comprehensive income of a subsidiary to be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The revised standard also requires the changes in a parent's ownership interest in a subsidiary that do not result in a loss of control to be accounted for as equity transactions. In accordance with the transitional provisions of FRS 127 (revised in 2010), the aforementioned amendments will be applied prospectively.

2. Audit Report

The preceding annual financial statements of the Group were reported on without any qualification.

3. Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

4. Unusual Items

Other than that disclosed in Note 16, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current year quarter and financial year ended 31 December 2011.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

5. Changes in Estimates

There were no changes in the estimates of amounts reported in prior financial years that have a material effect in the current year quarter and financial year ended 31 December 2011.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities except for the following :

During the current year quarter, the Company purchased 2,737,500 ordinary shares of its issued share capital from the open market for a total consideration of approximately RM 3.2 million at an average cost of RM 1.18 per share. During the financial year ended 31 December 2011, a total of 11,115,300 ordinary shares were purchased from the open market for a total consideration of RM 13.3 million. The shares purchased were financed by internally generated funds and are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.

7. Dividend

On 15 August 2011, the Board of Directors proposed for an interim dividend of 6.0 sen per share (less tax at 25%) for the financial year ended 31 December 2011. The dividend was paid on 13 September 2011 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 5 September 2011.

8. Segmental Reporting

Analysis by activity	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Sales of Electrical Appliances RM '000	Cultivation of Oil Palm RM '000	Unallocated Non-Operating Segments RM '000	Group RM '000
Revenue						
Total revenue	267,635	32,598	7,688	2,143	15,872	325,936
Intersegment revenue	-	-	(13)	-	(14,643)	(14,656)
External revenue	267,635	32,598	7,675	2,143	1,229	311,280
Results						
Segment results	22,913	10,299	4,077	1,179	(4,960)	33,508
Interest income	1,358	577	155	-	603	2,693
Finance costs	(26)	-	-	-	-	(26)
Share of profit of associate	-	-	-	-	7,748	7,748
Profit before tax	24,245	10,876	4,232	1,179	3,391	43,923
Tax expense	(4,201)	(3,121)	(14)	(75)	(501)	(7,912)
Profit for the year	20,044	7,755	4,218	1,104	2,890	36,011
Assets						
Segment assets	272,694	97,915	24,160	837	69,074	464,680
Associate	-	-	-	-	22,231	22,231
Income tax assets	153	556	73	12	437	1,231
Total assets	272,847	98,471	24,233	849	91,742	488,142

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

9. **Subsequent Material Events**

There were no material events subsequent to the end of the reporting date that have not been reflected in the financial statements other than:

i) On 16 January 2012, the Company announced the incorporation of a wholly-owned sub-subsidiary known as GUH Water (Gaochun) Company Limited ("GUH Gaochun") in the People's Republic of China on 13 January 2012 to facilitate the direct negotiation of a build-operate-transfer agreement between GUH Water (Jiangsu) Private Limited ("GUH JS") and the Development General Company of Jiangsu Gaochun Economic Development Zone. GUH Gaochun will be principally involved in the water operations and treatment.

As at the date of incorporation, there is no paid-up capital. Upon GUH Gaochun signing the Proposed Water Treatment Project contract with the Development General Company of Jiangsu Gaochun Economic Development Zone, GUH JS will then proceed to subscribe up to USD20.0 million in GUH Gaochun (being the new issued and paid-up capital of GUH Gaochun). However, GUH JS may subscribe less than USD20.0 million in the issued and paid-up capital of GUH Gaochun in the event that; (i) the actual project cost is less than the projected cost; and/or (ii) GUH Gaochun is able to secure bank borrowings to partly finance the construction of the water treatment plant under the Proposed Water Treatment Project. GUH JS is a wholly-owned subsidiary of GUH Water Holdings Sdn. Bhd., which in turn is, a wholly-owned subsidiary of GUH. The incorporation of GUH Gaochun will not have a material effect on the earnings or net assets of the Group for the financial year ending 31 December 2012.

ii) On 17 January 2012, the Company informed that further to the announcement made on 1 July 2011, the acquisition by GUH Water Holdings Sdn Bhd, a wholly-owned subsidiary, of 700,000 ordinary shares of RM1.00 each, representing 70% of the issued and paid-up capital of Teknoserv Engineering Sdn Bhd for a total purchase consideration of RM8,972,473 has yet to be completed due to the delay in obtaining relevant approvals and non-fulfillment of certain conditions precedent as stipulated in the Share Sale Agreement.

10. **Changes in the Composition of the Group**

There were no changes in the composition of the Group during the year ended 31 December 2011 other than:

i) On 19 May 2011, the Company announced the incorporation of a wholly-owned subsidiary known as GUH Water Holdings Sdn. Bhd. ("GUH Water"). GUH Water is an investment holding company incorporated under the Companies Act, 1965 with an authorized share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, and its issued and paid-up share capital is RM2 divided into 2 ordinary shares of RM1.00 each. The incorporation of GUH Water did not have a material effect on the earnings or net assets of the Group for the year ended 31 December 2011.

ii) On 30 June 2011, the Company announced the incorporation of a wholly-owned sub-subsidiary known as GUH Water (Jiangsu) Private Limited ("GUH JS") in Hong Kong. GUH JS is an investment holding company with an authorized share capital of HK\$ 10,000 comprising 10,000 ordinary shares of HK\$ 1.00 each, and its paid-up share capital is 100 shares (HK\$ 100). The holding company of GUH JS is GUH Water Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company. The incorporation of GUH JS did not have a material effect on the earnings or net assets of the Group for the year ended 31 December 2011.

11. **Contingent Liabilities or Contingent Assets**

The Group has no contingent liabilities and contingent assets as at the end of the current year quarter or last annual reporting date.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

12. **Review of the Performance**

Operating Segment	Current Year Quarter 31/12/2011	Preceding Year Corresponding Quarter 31/12/2010	Current Year To Date 31/12/2011	Preceding Year Corresponding Period 31/12/2010
	RM '000	RM '000	RM '000	RM '000
Revenue				
Manufacture of printed circuit boards	65,237	62,792	267,635	278,936
Property development	5,496	11,549	32,598	19,987
Sales of electrical appliances	1,989	1,932	7,675	7,765
Cultivation of oil palm	291	130	2,143	920
Unallocated non-operating segments	272	288	1,229	1,664
Total	73,285	76,691	311,280	309,272
Profit before tax				
Manufacture of printed circuit boards	6,270	7,004	24,245	37,376
Property development	1,310	4,725	10,876	5,804
Sales of electrical appliances	4,410	(56)	4,232	94
Cultivation of oil palm	47	(34)	1,179	158
Unallocated non-operating segments	(1,357)	1,539	3,391	6,466
Total	10,680	13,178	43,923	49,898

a) Current Year Quarter vs Previous Year Corresponding Quarter

The Group's profit before tax of RM10.7 million for the current year quarter ended 31 December 2011 was RM2.5 million lower than the profit before tax of RM13.2 million for the previous year corresponding quarter mainly due to impairment loss on available-for-sale financial assets of RM2.5 million and lower earnings from the Property and Electronic Divisions. However, these were partially mitigated by the improved performance from the Electrical Division.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 31 December 2011 compared to the previous year corresponding quarter is as follows:

i) **Manufacture of printed circuit boards**

Profit before tax reduced by RM0.7 million to RM7.0 million despite a 3.9% hike in revenue mainly due to higher operating costs relating to consumables for new production process and also higher utilities due to increase in tariffs for electricity and water.

ii) **Property development**

Profit before tax decreased by RM3.4 million to RM1.3 million in line with a 52.4% drop in revenue stemming from lower sales of commercial property units.

iii) **Sales of electrical appliances**

Profit before tax of RM4.4 million was mainly due to gain on disposal of assets held for sale and property, plant and equipment of RM4.2 million and RM0.1 million respectively.

iv) **Cultivation of oil palm**

Profit before tax of RM0.05 million was mainly due to higher revenue following the surge in fresh fruit bunch production.

b) Current Year-to-date vs Previous Year-to-date

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

Detailed analysis of the performance of the Group's operating segments for the financial year ended 31 December 2011 compared to the previous year is as follows:

i) **Manufacture of printed circuit boards**

Profit before tax reduced by RM13.1 million to RM24.2 million in tandem with the substantial decrease in revenue affected by the earthquake and tsunami that hit Japan in March 2011 and the subsequent global economic uncertainties. The Electronic Division also suffered a pinch in its results on escalating materials, wages and utilities costs.

ii) **Property development**

Profit before tax improved by RM5.1 million to RM10.9 million in line with a 63.1% jump in revenue on higher property units sold.

iii) **Sales of electrical appliances**

Profit before tax increased by RM4.1 million to RM4.2 million mainly due to gain on disposal of assets held for sale and property, plant and equipment of RM4.2 million and RM0.1 million respectively.

iv) **Cultivation of oil palm**

Profit before tax increased by RM1.0 million to RM1.2 million mainly due to higher revenue following the surge in fresh fruit bunch production and average selling prices.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

13. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

As compared to the preceding quarter, the the Group's profit before tax reduced 6.1% to RM 10.7 million (Q3'11: RM 11.4 million) on a lower revenue of RM 73.3 million (Q3'11: RM 83.6 million) and impairment loss on available-for-sale financial assets of RM2.5 million.

14. Prospects for 2012

The rising major materials prices, pricing pressures from customers, global economic uncertainties and currency risks caused by the weakening USD will continue to weigh heavily on the performance of Electronic Division. In spite of the increasingly competitive market outlook, Electronic Division will try to sustain selling prices at a reasonable level on prudent cost management and at the same time balance it with sales volume in order to utilize the increased capacity for printed circuit boards. The Thailand floods in 2011 had also presented opportunities for Electronic Division to further expand its market share there.

Property Division expects a steady growth of real estate market albeit slow pace in Seremban. Notwithstanding the intensifying market competition, Property Division will continue to launch more residential and commercial property units that appeal to a wider segment of the market. The changes to Real Properties Gain Tax effective from 1 January 2012 are expected to have minimal impact on the demand for property projects in Seremban and Property Division anticipates higher property prices in line with the rising building material prices.

Electrical Division does not anticipate significant growth in sales and cautions that the rising materials costs will pose a threat to its business operation in 2012. In this regards, Electrical Division will continue to maintain strict credit control and minimise inventory level to lessen credit and inventory risks.

Plantation Division foresees the market for crude palm oil to remain bearish as Indonesia's move to lower export taxes for processed oils last year has made refined vegetable oils more attractive and cheaper, thus affecting the Malaysian palm oil exports. Nevertheless, Plantation Division will continue to improve fresh fruit bunch yield via good harvesting practices to cushion the impact of high fertilizer and manuring costs.

Overall, the Group expects to deliver positive results with minimal growth despite the tough and challenging business operating environment in 2012.

15. Variance from Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document.

16. Profit Before Tax

	Current Year Quarter 31/12/2011 RM'000	Current Year To Date 31/12/2011 RM'000
Profit before tax is arrived at after charging :		
- Interest expense	1	26
- Depreciation	2,973	12,282
- Impairment loss on loans and receivables	-	-
- Allowance for slow moving inventories	86	187
- Loss on foreign exchange - realised	377	455
- Impairment loss on available-for-sale financial assets	2,516	2,516
- Property, plant and equipment written off	144	155
- Exceptional items	-	-
and crediting :		
- Interest income	1,018	2,693
- Dividend income	108	364
- Gain on disposal of property, plant and equipment	143	261
- Gain on derecognition of available-for-sale financial assets	-	579
- Gain on disposal of assets held for sale	4,143	4,685
- Gain on foreign exchange - unrealised	469	336
- Gain on financial instruments at fair value through profit or loss	5	27

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17. **Taxation**

Taxation comprises :

	Current Year Quarter 31/12/2011 RM '000	Current Year To Date 31/12/2011 RM '000
Income tax	(1,027)	(7,615)
Deferred tax	(215)	(297)
	<u>(1,242)</u>	<u>(7,912)</u>

The Group's effective tax rates differ from the statutory tax rate mainly because :

- (i) certain income and expenses which are not taxable and allowable;
- (ii) the utilisation of reinvestment allowances, unabsorbed tax losses and unabsorbed capital allowances by certain subsidiaries; and
- (iii) different tax rates in other countries.

18. **Status of Corporate Proposals**

There were no corporate proposals as at the date of this announcement.

19. **Group Borrowings and Debt Securities**

There were no borrowings and debt securities as at 31 December 2011.

20. **Financial Instruments**

a) Derivatives

There were no outstanding derivatives as at 31 December 2011.

b) Gains/(Losses) Arising from Fair Value Changes of Financial Liabilities

There were no gains/(losses) arising from fair value changes of financial liabilities for the current year quarter and financial year ended 31 December 2011.

21. **Breakdown of Realised and Unrealised Profits or Losses of the Group**

The breakdown of the retained profits of the Group as at 31 December 2011, into realised and unrealised profits, pursuant to the directive of Bursa Malaysia Securities Berhad, is as follows :

	As at 31/12/2011 RM'000	As at 31/12/2010 RM'000
Total retained profits of the Group		
- Realised	213,992	173,654
- Unrealised	(190)	(636)
	<u>213,802</u>	<u>173,018</u>
Total share of retained profits from associate		
- Realised	17,449	18,468
- Unrealised	-	-
	<u>17,449</u>	<u>18,468</u>
	<u>231,251</u>	<u>191,486</u>
Less: Consolidation adjustments	(66,923)	(55,134)
Total retained profits of the Group as per consolidated accounts	<u>164,328</u>	<u>136,352</u>

The segregation of realised and unrealised profits or losses is based on Guidance on Special Matter No.1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements", issued by the Malaysian Institute of Accountants on 20 December 2010.

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22. **Material Litigation**

The Group is not engaged in any material litigation as at to date.

23. **Earnings Per Share**

	Current Year Quarter 31/12/2011	Current Year To Date 31/12/2011
Profit attributable to owners of the parent (RM '000)	9,438	36,011
Number of ordinary shares in issue at the beginning of the period ('000)	189,943	198,321
Effect of shares purchased ('000)	(2,154)	(4,363)
Weighted average number of ordinary shares in issue ('000)	187,789	193,958
Basic earnings per share (sen)	5.03	18.57

Diluted earnings per share are not presented as there are no dilutive potential ordinary shares in the current year quarter and financial year ended 31 December 2011.

24. **Authorisation for Issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 29 February 2012.