

GUH HOLDINGS BERHAD (Company No. 4104-W)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 JUNE 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2014 RM '000	PRECEDING YEAR QUARTER 30/06/2013 RM '000	CURRENT YEAR TO DATE 30/06/2014 RM '000	PRECEDING YEAR TO DATE 30/06/2013 RM '000
Revenue	71,301	78,592	148,061	140,496
Operating expenses	(68,411)	(70,151)	(140,390)	(127,069)
Other operating income	1,672	1,984	3,181	3,043
Finance costs	(2)	(2)	(3)	(3)
Share of profit of associate	1,767	1,809	3,510	3,548
Profit before tax (Note 16)	6,327	12,232	14,359	20,015
Tax expense	(1,729)	(2,526)	(3,098)	(4,115)
Profit for the period	4,598	9,706	11,261	15,900
Profit for the period attributable to:				
Owners of the Company	4,598	9,466	11,261	15,626
Non-controlling interests	-	240	-	274
	4,598	9,706	11,261	15,900
Earnings per share (sen):				
(a) Basic	1.74	3.58	4.24	5.91
(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 2013)

GUH HOLDINGS BERHAD (Company No. 4104-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2014 RM '000	PRECEDING YEAR QUARTER 30/06/2013 RM '000	CURRENT YEAR TO DATE 30/06/2014 RM '000	PRECEDING YEAR TO DATE 30/06/2013 RM '000
Profit for the period	4,598	9,706	11,261	15,900
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Gain on available-for-sale financial assets	1,094	841	368	1,139
Reclassification adjustment on derecognition of available-for-sale financial assets	(235)	(720)	(283)	(720)
Currency translation differences for foreign operations	(4,828)	5,643	(8,675)	8,382
Other comprehensive income for the period	(3,969)	5,764	(8,590)	8,801
Total comprehensive income for the period	629	15,470	2,671	24,701
Total comprehensive income for the period attributable to:				
Owners of the Company	629	15,230	2,671	24,427
Non-controlling interests	-	240	-	274
	629	15,470	2,671	24,701

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

GUH HOLDINGS BERHAD (Company No. 4104-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	AS AT 30/06/2014 RM '000	AS AT 31/12/2013 RM '000
Non-Current Assets		
Property, Plant and Equipment	147,711	157,127
Investment Properties	7,035	7,035
Goodwill	3,348	3,348
Investment in Associate	5,361	11,791
Available-for-sale Financial Assets	14,241	17,094
Investments in Club Memberships	28	151
Land Held for Property Development	54,443	49,157
	<u>232,167</u>	<u>245,703</u>
Current Assets		
Property Development Costs	16,726	18,398
Accrued Billings	9,042	9,390
Asset Held for Sale	-	470
Amounts Due from Customers for Contract Work	985	5,330
Inventories	35,720	34,536
Trade and Other Receivables	74,656	63,813
Prepayments	13,703	1,973
Current Tax Assets	1,707	823
Cash and Cash Equivalents	170,717	183,262
	<u>323,256</u>	<u>317,995</u>
Current Liabilities		
Trade and Other Payables	52,354	57,817
Progress Billings	165	-
Amounts Due to Customers for Contract Work	1,152	59
Hire Purchase Payables	53	66
Current Tax Liabilities	2,777	2,895
	<u>56,501</u>	<u>60,837</u>
Net Current Assets	266,755	257,158
Non-Current Liabilities		
Hire Purchase Payables	44	70
Deferred Tax Liabilities	11,759	12,712
	<u>11,803</u>	<u>12,782</u>
Net Assets	<u>487,119</u>	<u>490,079</u>
Equity		
Share Capital	277,905	277,905
Treasury Shares	(17,762)	(12,131)
Reserves	226,976	224,305
Total Equity	<u>487,119</u>	<u>490,079</u>
Net Assets per Share (RM)	<u>1.84</u>	<u>1.82</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2014**

	← Non-Distributable →						Distributable *		Equity attributable to owners of the Company RM '000	Non-controlling interests RM '000	Total equity RM '000
	Share capital RM '000	Treasury shares RM '000	Share premium 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 01/01/2014	277,905	(12,131)	87	-	38,852	1,609	14,898	168,859	490,079	-	490,079
Gain on available-for-sale financial assets	-	-	-	-	-	368	-	-	368	-	368
Reclassification adjustment on derecognition of available-for-sale financial assets	-	-	-	-	-	(283)	-	-	(283)	-	(283)
Currency translation differences for foreign operations	-	-	-	-	-	-	(8,675)	-	(8,675)	-	(8,675)
Other comprehensive income for the period	-	-	-	-	-	85	(8,675)	-	(8,590)	-	(8,590)
Profit for the period	-	-	-	-	-	-	-	11,261	11,261	-	11,261
Total comprehensive income for the period	-	-	-	-	-	85	(8,675)	11,261	2,671	-	2,671
Purchase of own shares	-	(5,631)	-	-	-	-	-	-	(5,631)	-	(5,631)
At 30/06/2014	277,905	(17,762)	87	-	38,852	1,694	6,223	180,120	487,119	-	487,119
At 01/01/2013	185,414	(12,058)	-	65,288	12,152	1,012	(309)	171,209	422,708	2,510	425,218
Gain on available-for-sale financial assets	-	-	-	-	-	1,139	-	-	1,139	-	1,139
Reclassification adjustment on derecognition of available-for-sale financial assets	-	-	-	-	-	(720)	-	-	(720)	-	(720)
Currency translation differences for foreign operations	-	-	-	-	-	-	8,382	-	8,382	-	8,382
Other comprehensive income for the period	-	-	-	-	-	419	8,382	-	8,801	-	8,801
Profit for the period	-	-	-	-	-	-	-	15,626	15,626	274	15,900
Total comprehensive income for the period	-	-	-	-	-	419	8,382	15,626	24,427	274	24,701
Purchase of own shares	-	(45)	-	-	-	-	-	-	(45)	-	(45)
At 30/06/2013	185,414	(12,103)	-	65,288	12,152	1,431	8,073	186,835	447,090	2,784	449,874

* Retained profits as at 30 June 2014 amounting to RM17,675,000 (30 June 2013: RM12,103,000), being the excess of treasury shares over share premium, were considered as non-distributable.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2014**

	CURRENT YEAR TO DATE 30/06/2014 RM '000	PRECEDING YEAR TO DATE 30/06/2013 RM '000
Cash flows from operating activities		
Profit before tax	14,359	20,015
Adjustments for:		
Allowance for slow moving inventories	71	58
Depreciation	7,515	6,628
Dividend income	(166)	(275)
Gain on derecognition of available-for-sale financial assets	(283)	(720)
Gain on disposal of asset held for sale	(380)	-
Loss on disposal of investments in club memberships	9	-
Loss/(Gain) on disposal of property, plant and equipment	135	(188)
Unrealised gain on foreign exchange	(378)	(22)
Impairment loss on loans and receivables	-	8
Interest expense	3	3
Interest income	(2,174)	(2,299)
Inventories written back	(1)	-
Property, plant and equipment written off	3	12
Reversal of allowance for slow moving inventories	(118)	(38)
Share of profit of associate	(3,510)	(3,548)
	<hr/>	<hr/>
Operating profit before working capital changes	15,085	19,634
Changes in:		
Property development costs	(3,614)	(1,350)
Accrued/Progress billings	513	(6,849)
Amounts due from/to customers for contract work	5,438	(1,851)
Inventories	(1,137)	(916)
Receivables and prepayments	(22,449)	(12,556)
Payables	(5,576)	(1,538)
Cash absorbed by operations	<hr/> (11,740)	<hr/> (5,426)
Interest paid	(3)	(3)
Tax paid	(5,053)	(4,049)
Tax refunded	-	171
	<hr/> (5,056)	<hr/> (3,881)
Net cash used in operating activities	(16,796)	(9,307)
Cash flows from investing activities		
Dividends received	10,026	11,319
Interest received	2,174	2,299
Proceeds from disposal of available-for-sale financial assets	5,125	6,824
Proceeds from disposal of property, plant and equipment	78	372
Proceeds from disposal of asset held for sale	850	-
Proceeds from disposal of investments in club memberships	111	-
Purchase of available-for-sale financial assets	(1,904)	(1,161)
Purchase of property, plant and equipment	(1,390)	(2,016)
Net cash from investing activities	15,070	17,637
Cash flows from financing activities		
Purchase of own shares	(5,631)	(45)
Repayment of hire purchase obligations	(39)	(29)
Net cash used in financing activities	(5,670)	(74)
Currency translation differences	(5,149)	5,383
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(12,545)	13,639
Cash and cash equivalents at beginning of the period	183,262	160,286
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	170,717	173,925
	<hr/>	<hr/>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2014**

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 2013.

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 2013 except for the adoption of the following Financial Reporting Standards ("FRSs"):

	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 10, FRS 12 and FRS 127 <i>Investment Entities</i>	1 January 2014
Amendments to FRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to FRS 139 <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
IC Interpretation 21 <i>Levies</i>	1 January 2014

The adoption of the above FRSs did not have any significant impacts on the financial statements of the Group.

In November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework. The issuance was made in conjunction with the MASB's plan to converge with International Financial Reporting Standards ("IFRS") in 2012. The MFRS Framework is a fully IFRS-compliant framework and equivalent to IFRSs.

The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for Construction of Real Estate, including their parents, significant investors and venturers ("Transitioning Entities"). Transitioning Entities are allowed to continue applying the FRS Framework for annual periods beginning on or after 1 January 2014.

Being a Transitioning Entity as defined above, the Group has elected to continue preparing its financial statements in accordance with the FRS Framework and will present its first MFRS financial statements when the MFRS Framework is mandated by the MASB.

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**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current year quarter and period ended 30 June 2014.

5. **Changes in Estimates**

There were no changes in the estimates that have a material effect in the current year quarter and period ended 30 June 2014.

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 803,400 ordinary shares of its issued share capital from the open market for a total consideration of approximately RM 1.1 million at an average cost of RM 1.35 per share. During the period ended 30 June 2014, the Company purchased 4,603,600 ordinary shares of its issued share capital from the open market for a total consideration of approximately RM 5.6 million at an average cost of RM 1.22 per share. The shares purchased were financed by internally generated funds and are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2014

7. **Dividend Paid**

No dividend was paid during the current year quarter and period ended 30 June 2014.

8. **Segmental Reporting**

Analysis by activity	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Sale of Electrical Appliances RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000	Unallocated Non-Operating Segments RM '000	Group RM '000
Revenue							
Total revenue	115,623	11,155	3,061	1,027	16,455	3,422	150,743
Intersegment revenue	-	-	(5)	-	-	(2,677)	(2,682)
External revenue	115,623	11,155	3,056	1,027	16,455	745	148,061
Results							
Segment results	4,407	1,716	14	510	2,282	(251)	8,678
Interest income	1,316	237	11	-	36	574	2,174
Interest expense	-	-	-	-	(3)	-	(3)
Share of profit of associate	-	-	-	-	-	3,510	3,510
Profit before tax	5,723	1,953	25	510	2,315	3,833	14,359
Tax expense	(1,702)	(624)	(13)	(135)	(585)	(39)	(3,098)
Profit for the period	4,021	1,329	12	375	1,730	3,794	11,261
Assets							
Segment assets	319,536	124,479	4,882	793	23,969	74,696	548,355
Associate	-	-	-	-	-	5,361	5,361
Income tax assets	336	925	1	-	-	445	1,707
Total assets	319,872	125,404	4,883	793	23,969	80,502	555,423
Liabilities							
Segment liabilities	40,154	5,345	1,074	77	3,521	3,500	53,671
Loans and borrowings	-	-	-	-	97	-	97
Income tax liabilities	11,685	1,673	14	164	152	848	14,536
Total liabilities	51,839	7,018	1,088	241	3,770	4,348	68,304

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2014**

9. Subsequent Material Events

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period ended 30 June 2014 other than:

On 9 May 2014, the Company announced the acquisition of 2 ordinary shares of RM1.00 each representing 100% of the issued and paid-up capital of GUH Land Sdn Bhd (formerly known as Notable Empire Sdn Bhd) ("GUH Land"), at par value of RM1.00 per share in cash. As a result of the acquisition, GUH Land becomes a wholly-owned subsidiary of the Company.

GUH Land is a private limited company incorporated in Malaysia under the Companies Act, 1965 on 5 May 2014, with an authorized share capital of RM400,000.00 comprising 400,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up. GUH Land is presently dormant. The intended nature of business of GUH Land is property development.

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.

12. Review of the Performance

Operating Segment	Current Year Quarter 30/06/2014	Preceding Year Quarter 30/06/2013	Current Year To Date 30/06/2014	Preceding Year To Date 30/06/2013
	RM '000	RM '000	RM '000	RM '000
<u>Revenue</u>				
Manufacture of printed circuit boards	60,642	53,794	115,623	98,189
Property development	4,210	15,497	11,155	27,446
Sale of electrical appliances	1,721	1,670	3,056	3,650
Cultivation of oil palm	612	418	1,027	651
Water and wastewater treatment	3,860	6,606	16,455	9,681
Unallocated non-operating segments	256	607	745	879
Total	71,301	78,592	148,061	140,496
<u>Profit before tax</u>				
Manufacture of printed circuit boards	2,853	3,382	5,723	5,383
Property development	637	4,703	1,953	8,346
Sale of electrical appliances	66	189	25	208
Cultivation of oil palm	300	157	510	247
Water and wastewater treatment	393	1,077	2,315	1,227
Unallocated non-operating segments	2,078	2,724	3,833	4,604
Total	6,327	12,232	14,359	20,015

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2014**

12. **Review of the Performance (cont'd)**

a) Current Year Quarter vs Preceding Year Quarter

The Group's profit before tax of RM 6.3 million for the current year quarter ended 30 June 2014 was RM 5.9 million lower than the profit before tax of RM 12.2 million for the preceding year quarter mainly due to lower contribution from Property Division.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 30 June 2014 compared to the preceding year quarter is as follows:

i) **Manufacture of printed circuit boards**

Profit before tax decreased to RM 2.9 million from RM 3.4 million despite the hike in revenue mainly driven by deteriorating average selling price of PCBs for Malaysia operation.

ii) **Property development**

Profit before tax decreased to RM 0.6 million from RM 4.7 million mainly due to the drop in property units sold.

iii) **Sale of electrical appliances**

Profit before tax decreased to RM 0.1 million from RM 0.2 million mainly due to lower purchase incentive.

iv) **Cultivation of oil palm**

Profit before tax increased to RM 0.3 million from RM 0.2 million mainly attributed to higher FFB production and average selling price.

v) **Water and wastewater treatment**

Profit before tax decreased to RM 0.4 million from RM 1.1 million mainly on the back of lower revenue.

vi) **Unallocated non-operating segments**

Profit before tax decreased to RM 2.1 million from RM 2.7 million mainly due to lower gain on derecognition of available-for-sale financial assets and dividend income.

b) Current Year To Date vs Preceding Year To Date

For the period ended 30 June 2014, the Group recorded a lower profit before tax of RM 14.4 million compared to RM 20.0 million for the preceding year to date mainly attributable to lower contribution from Property Division.

Detailed analysis of the performance of the Group's operating segments for the period ended 30 June 2014 compared to the preceding year to date is as follows:

i) **Manufacture of printed circuit boards**

Profit before tax increased to RM 5.7 million from RM 5.4 million in line with the improvement in revenue and contribution from Malaysia operation.

ii) **Property development**

Profit before tax decreased to RM 2.0 million from RM 8.3 million mainly due to less property units sold.

iii) **Sale of electrical appliances**

Profit before tax decreased to RM 0.03 million from RM 0.2 million mainly attributed to lower purchase incentive and unfavourable sales-mix.

iv) **Cultivation of oil palm**

Profit before tax increased to RM 0.5 million from RM 0.2 million mainly because of higher FFB production and average selling price.

v) **Water and wastewater treatment**

Profit before tax increased to RM 2.3 million from RM 1.2 million in tandem with the surge in revenue.

vi) **Unallocated non-operating segments**

Profit before tax decreased to RM 3.8 million from RM 4.6 million mainly due to lower gain on derecognition of available-for-sale financial assets and dividend income.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2014**

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

As compared to the preceding quarter, the Group's profit before tax reduced to RM 6.3 million (Q1'14: RM 8.0 million) mainly due to lower contribution from Property Division and Water Division.

14. Prospects for 2014

Electronic Division anticipates improvement in sales of double-sided and multi-layer PCBs but margins will be adversely affected by the intensified price competition.

Property Division foresees higher sales of residential properties with new launches in the third quarter of 2014.

Electrical Division expects the sale of electrical products to remain flat in 2014.

Plantation Division envisages better performance in view of higher FFB production and firm CPO prices.

Water and Wastewater Treatment Division anticipates to benefit from the increase in sizeable contracts secured in 2014.

Overall, the Group foresees a positive outlook for 2014 on increasing contribution from Water and Wastewater Treatment Division.

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 30/06/2014 RM'000	Current Year To Date 30/06/2014 RM'000
Profit before tax is arrived at after charging:		
- Interest expense	2	3
- Depreciation	3,769	7,515
- Impairment loss on loans and receivables	-	-
- Allowance for slow moving inventories	44	71
- Inventories written off	-	-
- Impairment loss on available-for-sale financial assets	-	-
- Loss on disposal of property, plant and equipment	36	135
- Property, plant and equipment written off	-	3
- Loss on foreign exchange - realised	144	181
- Loss on foreign exchange - unrealised	154	-
- Loss on derivatives	-	-
- Exceptional items	-	-
and crediting:		
- Interest income	1,132	2,174
- Inventories written back	1	1
- Dividend income	-	166
- Gain on disposal of property, plant and equipment	-	-
- Gain on disposal of asset held for sale	380	380
- Gain on derecognition of available-for-sale financial assets	235	283
- Gain on derivatives	-	-
- Gain on foreign exchange - unrealised	-	378

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2014

17. **Taxation**

Taxation comprises:

	Current Year Quarter 30/06/2014 RM '000	Current Year To Date 30/06/2014 RM '000
Income tax	(2,357)	(4,019)
Deferred tax	628	953
Real Property Gains Tax	-	(32)
	<u>(1,729)</u>	<u>(3,098)</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; and
- (ii) utilisation of unabsorbed capital allowances by certain subsidiaries.

18. **Status of Corporate Proposals**

On 19 May 2014, the Company ("GUH") announced that GUH Land Sdn Bhd (formerly known as Notable Empire Sdn Bhd) ("GUH Land"), a wholly-owned subsidiary of GUH, had on 19 May 2014 entered into a conditional Share Sale Agreement ("SSA") with Leader Universal Properties Sdn Bhd (the "Vendor") for the acquisition of 99.46% of equity interest in Million Crest (M) Sdn Bhd ("MCSB"), consisting of 5,967,691 ordinary shares of RM1.00 each held by the Vendor to be sold by the Vendor to GUH Land and one (1) ordinary share of RM1.00 held by Datin Jessica H'ng Hsieh Ling procured to be sold by the Vendor to GUH Land for a consideration of RM57,533,524 (the "Purchase Consideration") which is to be satisfied fully in cash from internally-generated funds and/or bank borrowings (the "Proposed Acquisition").

In conjunction with the Proposed Acquisition, GUH will undertake to settle the outstanding shareholder's loan advanced by the Vendor to MCSB which at the date of the SSA, is RM12,155,000 ("Shareholder's Loan").

Collectively, the Purchase Consideration and the settlement of the outstanding Shareholder's Loan totalling RM69,688,524 are referred to as the Total Consideration.

Subject to the relevant approvals being obtained and the fulfilment of the Conditions Precedent of the SSA, GUH Land will hold 99.46% equity interest in MCSB, thereby making MCSB a subsidiary of GUH Land and an indirect subsidiary of GUH.

Other than the abovementioned, there are no other corporate proposals announced but not completed as at the date of this announcement.

19. **Group Borrowings and Debt Securities**

Group borrowings and debt securities as at 30 June 2014

	RM '000
Secured	97
Unsecured	-
(a) Total	97
Short term	53
Long term	44
(b) Total	97
Ringgit Malaysia	97
Foreign currency	-
(c) Total	97

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2014**

20. **Financial Instruments**

a) Derivatives

There were no outstanding derivatives as at 30 June 2014.

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 period ended 30 June 2014.

c) Fair Value

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

The fair value measurement of financial instruments at the end of the reporting period are as follows:

i) Available-for-sale financial assets

	30/06/2014 RM '000
Shares quoted in Malaysia - at fair value	14,191
Unquoted shares - at cost less impairment	50
	<u>14,241</u>

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

The fair values of unquoted investments cannot be reliably measured due to the lack of quoted prices in active markets for identical instruments. In addition, the variability in the range of reasonable fair value measurements is expected to be significant and the probabilities of the various estimates within the range cannot be reasonably assessed.

ii) Other financial assets and financial liabilities

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

There were no transfers between Level 1 and Level 2 during the period ended 30 June 2014.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2014**

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

The breakdown of the retained profits of the Group as at 30 June 2014, into realised and unrealised profits, pursuant to the directive of Bursa Malaysia Securities Berhad, is as follows:

	As at 30/06/2014 RM'000	As at 31/12/2013 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	261,766	243,668
- Unrealised	4,233	3,889
	265,999	247,557
Total share of retained profits of associate:		
- Realised	4,610	10,960
- Unrealised	-	-
	270,609	258,517
Consolidation adjustments and eliminations	(90,489)	(89,658)
Total retained profits as per statement of financial position	180,120	168,859

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.

22. Material Litigation

There was no material litigation against the Group as at 30 June 2014.

23. Proposed Dividend

On 18 August 2014, the Board of Directors proposed for an interim dividend of 5.0 sen per share for the financial year ending 31 December 2014. The dividend will be paid on 18 September 2014 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 3 September 2014.

24. Earnings Per Share

	Current Year Quarter 30/06/2014	Current Year To Date 30/06/2014
Profit attributable to owners of the Company (RM '000)	4,598	11,261
Number of ordinary shares in issue at the beginning of the period ('000)	264,924	268,724
Effect of shares purchased ('000)	(803)	(3,184)
Weighted average number of ordinary shares in issue ('000)	264,121	265,540
Basic earnings per share (sen)	1.74	4.24

Diluted earnings per share are not presented as there are no dilutive potential ordinary shares in the current year quarter and period ended 30 June 2014.

25. Authorisation for Issue

The Board of Directors authorised the issue of this unaudited interim financial report on 18 August 2014.