

## GUH HOLDINGS BERHAD (Company No. 4104-W)

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2014 RM '000	PRECEDING YEAR QUARTER 31/12/2013 RM '000	CURRENT YEAR TO DATE 31/12/2014 RM '000	PRECEDING YEAR TO DATE 31/12/2013 RM '000
Revenue	80,392	70,163	299,379	286,569
Operating expenses	(73,772)	(66,284)	(281,160)	(263,107)
Other operating income	2,351	4,122	8,468	8,203
Finance costs	(1)	(2)	(5)	(7)
Share of profit of associate	1,875	1,916	6,955	6,948
Profit before tax (Note 16)	10,845	9,915	33,637	38,606
Tax expense (Note 17)	(2,877)	(1,620)	(13,124)	(8,023)
Profit for the period/financial year	7,968	8,295	20,513	30,583
Profit for the period/financial year attributable to:-				
Owners of the Company	7,968	8,150	20,513	29,987
Non-controlling interests	-	145	-	596
	7,968	8,295	20,513	30,583
Earnings per share (sen):-				
(a) Basic	3.02	3.08	7.75	11.34
(b) Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Profit or Loss 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 YEAR ENDED 31 DECEMBER 2014

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31/12/2014 RM '000	PRECEDING YEAR QUARTER 31/12/2013 RM '000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31/12/2014 RM '000	PRECEDING YEAR TO DATE 31/12/2013 RM '000
Profit for the period/financial year	7,968	8,295	20,513	30,583
Other comprehensive income:-				
Items that will not be reclassified to profit or loss:-				
Gross revaluation increase of properties	-	34,004	-	34,004
Deferred tax relating to revalued properties	-	(7,304)	-	(7,304)
Items that may be reclassified subsequently to profit or loss:-				
(Loss)/Gain on available-for-sale financial assets	(64)	(150)	263	1,317
Currency translation differences for foreign operations	7,105	5,054	4,140	16,058
Reclassification adjustments on:-				
- Derecognition of available-for-sale financial assets	-	-	(1,970)	(720)
- Impairment of available-for-sale financial assets	99	-	99	-
- Capital repayment from foreign operation	-	(851)	-	(851)
Other comprehensive income for the period/financial year	7,140	30,753	2,532	42,504
Total comprehensive income for the period/financial year	15,108	39,048	23,045	73,087
Total comprehensive income for the period/financial year attributable to:-				
Owners of the Company	15,108	38,903	23,045	72,491
Non-controlling interests	-	145	-	596
	15,108	39,048	23,045	73,087

(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 31 DECEMBER 2014**

	AS AT 31/12/2014 RM '000	AS AT 31/12/2013 RM '000
<b>Non-Current Assets</b>		
Property, Plant and Equipment	156,029	157,127
Investment Properties	7,800	7,035
Goodwill	3,348	3,348
Investment in Associate	5,083	11,791
Available-for-sale Financial Assets	305	17,094
Investments in Club Memberships	-	151
Land Held for Property Development	122,006	49,157
	<u>294,571</u>	<u>245,703</u>
<b>Current Assets</b>		
Property Development Costs	11,989	18,398
Accrued Billings	5,997	9,390
Assets Held for Sale	-	470
Amounts Due from Customers for Contract Work	4,876	5,330
Inventories	41,831	34,536
Trade and Other Receivables	73,381	63,813
Prepayments	2,205	1,973
Current Tax Assets	1,835	823
Cash and Cash Equivalents	132,474	183,262
	<u>274,588</u>	<u>317,995</u>
<b>Current Liabilities</b>		
Trade and Other Payables	59,251	57,817
Amounts Due to Customers for Contract Work	659	59
Hire Purchase Payables	-	66
Current Tax Liabilities	2,890	2,895
	<u>62,800</u>	<u>60,837</u>
<b>Net Current Assets</b>	<b>211,788</b>	<b>257,158</b>
<b>Non-Current Liabilities</b>		
Hire Purchase Payables	-	70
Deferred Tax Liabilities	12,073	12,712
	<u>12,073</u>	<u>12,782</u>
<b>Net Assets</b>	<b>494,286</b>	<b>490,079</b>
<b>Equity</b>		
Share Capital	277,905	277,905
Treasury Shares	(17,778)	(12,131)
Reserves	234,145	224,305
	<u>494,272</u>	<u>490,079</u>
<b>Equity Attributable to Owners of the Company</b>	<b>494,272</b>	<b>490,079</b>
Non-controlling Interests	14	-
<b>Total Equity</b>	<b>494,286</b>	<b>490,079</b>
<b>Net Assets per Share (RM)</b>	<b>1.87</b>	<b>1.82</b>

**(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 YEAR ENDED 31 DECEMBER 2014**

	← Non-Distributable →					Distributable *					
	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	Equity attributable to owners of the Company RM '000	Non-controlling interests RM '000	Total equity RM '000
At 01/01/2014	277,905	(12,131)	87	-	38,852	1,609	14,898	168,859	490,079	-	490,079
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	14	14
Gain on available-for-sale financial assets	-	-	-	-	-	263	-	-	263	-	263
Currency translation differences for foreign operations	-	-	-	-	-	-	4,140	-	4,140	-	4,140
Reclassification adjustments on:-											
- Derecognition of available-for-sale financial assets	-	-	-	-	-	(1,970)	-	-	(1,970)	-	(1,970)
- Impairment of available-for-sale financial assets	-	-	-	-	-	99	-	-	99	-	99
Other comprehensive income for the financial year	-	-	-	-	-	(1,608)	4,140	-	2,532	-	2,532
Profit for the financial year	-	-	-	-	-	-	-	20,513	20,513	-	20,513
Total comprehensive income for the financial year	-	-	-	-	-	(1,608)	4,140	20,513	23,045	-	23,045
Purchase of own shares	-	(5,647)	-	-	-	-	-	-	(5,647)	-	(5,647)
Interim single tier dividend of 5.0 sen per share	-	-	-	-	-	-	-	(13,205)	(13,205)	-	(13,205)
Total transactions with owners	-	(5,647)	-	-	-	-	-	(13,205)	(18,852)	-	(18,852)
At 31/12/2014	277,905	(17,778)	87	-	38,852	1	19,038	176,167	494,272	14	494,286

\* Retained profits as at 31 December 2014 amounting to RM17,691,000, 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 CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2014 (cont'd)**

	← 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 01/01/2013	185,414	(12,058)	-	65,288	12,152	1,012	(309)	171,209	422,708	2,510	425,218
Gross revaluation increase of properties	-	-	-	-	34,004	-	-	-	34,004	-	34,004
Deferred tax relating to revalued properties	-	-	-	-	(7,304)	-	-	-	(7,304)	-	(7,304)
Gain on available-for-sale financial assets	-	-	-	-	-	1,317	-	-	1,317	-	1,317
Currency translation differences for foreign operations	-	-	-	-	-	-	16,058	-	16,058	-	16,058
Reclassification adjustments on:-											
- Derecognition of available-for-sale financial assets	-	-	-	-	-	(720)	-	-	(720)	-	(720)
- Capital repayment from foreign operation	-	-	-	-	-	-	(851)	-	(851)	-	(851)
Other comprehensive income for the financial year	-	-	-	-	26,700	597	15,207	-	42,504	-	42,504
Profit for the financial year	-	-	-	-	-	-	-	29,987	29,987	596	30,583
Total comprehensive income for the financial year	-	-	-	-	26,700	597	15,207	29,987	72,491	596	73,087
Purchase of own shares	-	(73)	-	-	-	-	-	-	(73)	-	(73)
Interim dividend of 6.0 sen per share (less tax at 25%)	-	-	-	-	-	-	-	(7,931)	(7,931)	-	(7,931)
Bonus issue	88,116	-	-	(65,288)	-	-	-	(22,828)	-	-	-
Issue of shares to acquire non-controlling interests	4,375	-	87	-	-	-	-	(1,356)	3,106	(3,106)	-
Share issue transaction costs	-	-	-	-	-	-	-	(222)	(222)	-	(222)
Total transactions with owners	92,491	(73)	87	(65,288)	-	-	-	(32,337)	(5,120)	(3,106)	(8,226)
At 31/12/2013	277,905	(12,131)	87	-	38,852	1,609	14,898	168,859	490,079	-	490,079

\* Retained profits as at 31 December 2013 amounting to RM12,044,000, being the excess of treasury shares over share premium, were considered as non-distributable.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	CURRENT YEAR TO DATE 31/12/2014 RM '000	PRECEDING YEAR TO DATE 31/12/2013 RM '000
Cash flows from operating activities		
Profit before tax	33,637	38,606
Adjustments for:-		
Depreciation	16,045	13,453
Dividend income	(251)	(385)
Gain on derecognition of available-for-sale financial assets	(1,970)	(720)
Gain on disposal of investment properties	(380)	(297)
Gain on fair value adjustment of investment properties	(765)	(1,636)
Gain on foreign exchange	(722)	(1,171)
Impairment loss on available-for-sale financial assets	99	-
Impairment loss on loans and receivables	184	8
Interest expense	5	7
Interest income	(4,505)	(4,849)
Inventories written down	108	259
Investments in club memberships written off	28	-
Loss/(Gain) on disposal of property, plant and equipment	48	(181)
Loss on disposal of investments in club memberships	9	-
Property, plant and equipment written off	7	15
Revaluation increase of properties	-	(478)
Reversal of inventories written down	(235)	(75)
Share of profit of associate	(6,955)	(6,948)
	<hr/>	<hr/>
Operating profit before working capital changes	34,387	35,608
Changes in:-		
Property development costs	4,181	4,340
Accrued billings	3,393	(7,481)
Amounts due from/to customers for contract work	1,054	(4,568)
Inventories	(7,168)	(2,118)
Receivables and prepayments	(7,936)	(12,763)
Payables	936	878
Cash generated from operations	<hr/> 28,847	<hr/> 13,896
Interest paid	(5)	(7)
Tax paid	(15,737)	(8,164)
Tax refunded	698	967
	<hr/> (15,044)	<hr/> (7,204)
	<hr/>	<hr/>
Net cash from operating activities	13,803	6,692

**(The Condensed Consolidated Statement of Cash Flows 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 YEAR ENDED 31 DECEMBER 2014 (cont'd)**

	CURRENT YEAR TO DATE 31/12/2014 RM '000	PRECEDING YEAR TO DATE 31/12/2013 RM '000
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	(70,631)	(1,000)
Capital repayment from associate	-	3,874
Dividends received	13,153	12,742
Interest received	4,505	4,849
Proceeds from disposal of available-for-sale financial assets	21,073	6,824
Proceeds from disposal of investment properties	850	827
Proceeds from disposal of investments in club memberships	114	-
Proceeds from disposal of property, plant and equipment	302	382
Purchase of available-for-sale financial assets	(4,021)	(9,090)
Purchase of property, plant and equipment	(12,805)	(5,500)
Net cash (used in)/from investing activities	(47,460)	13,908
Cash flows from financing activities		
Dividend paid	(13,205)	(7,931)
Purchase of own shares	(5,647)	(73)
Repayment of hire purchase obligations	(136)	(68)
Share issue transaction costs paid	-	(222)
Withdrawal of term deposits pledged as security	190	3,184
Net cash used in financing activities	(18,798)	(5,110)
Currency translation differences	1,857	10,670
Net (decrease)/increase in cash and cash equivalents	(50,598)	26,160
Cash and cash equivalents brought forward	180,113	153,953
Cash and cash equivalents carried forward	129,515	180,113
Note:-		
Cash and cash equivalents	132,474	183,262
Term deposits pledged as security	(2,959)	(3,149)
	129,515	180,113

**(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 YEAR ENDED 31 DECEMBER 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 amendments to Financial Reporting Standards ("FRSs") and IC Interpretation:-

	<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 amendments to FRSs and IC Interpretation 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.

On 2 September 2014, MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

Being a Transitioning Entity as defined above, the Group has elected to continue preparing its financial statements in accordance with the FRS Framework for the financial years ending 31 December 2014 to 2016 and will present its first MFRS financial statements for the financial year ending 31 December 2017.

**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 year ended 31 December 2014.

**5. Changes in Estimates**

There were no changes in the estimates that have a material effect in the current year quarter and year ended 31 December 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 year ended 31 December 2014, the Company purchased 4,613,600 ordinary shares of its issued share capital from the open market for a total consideration of 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 YEAR ENDED 31 DECEMBER 2014

7. **Dividend Paid**

On 18 August 2014, the Board of Directors proposed for an interim single tier dividend of 5.0 sen per share for the financial year ended 31 December 2014. The dividend was 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.

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
<b>Revenue</b>							
Total revenue	232,558	24,888	6,528	1,566	32,297	43,998	341,835
Intersegment revenue	-	-	(22)	-	-	(42,434)	(42,456)
External revenue	232,558	24,888	6,506	1,566	32,297	1,564	299,379
<b>Results</b>							
Segment results	12,637	4,615	(56)	581	4,035	370	22,182
Interest income	2,545	503	18	-	147	1,292	4,505
Interest expense	-	-	-	-	(5)	-	(5)
Share of profit of associate	-	-	-	-	-	6,955	6,955
Profit before tax	15,182	5,118	(38)	581	4,177	8,617	33,637
Tax expense	(10,372)	(1,407)	-	(151)	(1,112)	(82)	(13,124)
Profit/(Loss) for the financial year	4,810	3,711	(38)	430	3,065	8,535	20,513
<b>Assets</b>							
Segment assets	288,182	177,761	5,213	21,775	29,437	39,873	562,241
Associate	-	-	-	-	-	5,083	5,083
Income tax assets	323	1,315	27	20	142	8	1,835
Total assets	288,505	179,076	5,240	21,795	29,579	44,964	569,159
<b>Liabilities</b>							
Segment liabilities	40,783	7,405	1,461	15	5,733	4,513	59,910
Income tax liabilities	12,843	1,090	1	115	43	871	14,963
Total liabilities	53,626	8,495	1,462	130	5,776	5,384	74,873

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 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 year ended 31 December 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.

On 10 October 2014, the Company announced that its wholly-owned subsidiary, GUH Land has completed the acquisition of 99.46% of the equity interest in GUH Development Sdn Bhd (formerly known as Million Crest (M) Sdn Bhd) ("GUH Development") from Leader Universal Properties Sdn Bhd ("LUPSB"), consisting of 5,967,691 ordinary shares of RM1.00 each in GUH Development ("GUH Development share(s)") held by LUPSB to be sold by LUPSB to GUH Land and one (1) GUH Development share held by Datin Jessica H'ng Hsieh Ling procured to be sold by LUPSB to GUH Land, for a cash consideration of approximately RM57.53 million ("Acquisition") and the settlement of shareholder's loan of RM12,155,000. As a result of the Acquisition, GUH Development is now a subsidiary of GUH Land and an indirect subsidiary of the Company.

**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 31/12/2014	Preceding Year Quarter 31/12/2013	Current Year To Date 31/12/2014	Preceding Year To Date 31/12/2013
	RM '000	RM '000	RM '000	RM '000
<b><u>Revenue</u></b>				
Manufacture of printed circuit boards	56,951	53,556	232,558	208,747
Property development	9,659	7,279	24,888	44,167
Sale of electrical appliances	1,785	1,671	6,506	7,027
Cultivation of oil palm	187	397	1,566	1,634
Water and wastewater treatment	11,486	6,891	32,297	23,262
Unallocated non-operating segments	324	369	1,564	1,732
<b>Total</b>	<b>80,392</b>	<b>70,163</b>	<b>299,379</b>	<b>286,569</b>
<b><u>Profit before tax</u></b>				
Manufacture of printed circuit boards	5,089	3,056	15,182	12,925
Property development	2,331	2,068	5,118	12,485
Sale of electrical appliances	(21)	104	(38)	318
Cultivation of oil palm	(61)	119	581	682
Water and wastewater treatment	1,739	670	4,177	2,641
Unallocated non-operating segments	1,768	3,898	8,617	9,555
<b>Total</b>	<b>10,845</b>	<b>9,915</b>	<b>33,637</b>	<b>38,606</b>

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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

**a) Current Year Quarter vs Preceding Year Quarter**

The Group's profit before tax of RM 10.8 million for the current year quarter ended 31 December 2014 was RM 0.9 million higher than the profit before tax of RM 9.9 million for the preceding year quarter mainly due to higher contribution from Electronic Division and Water and Wastewater Treatment Division offset by the reduction in gain on fair value adjustment of investment properties of RM 1.0 million and gain on foreign exchange on capital repayment from associate of RM 0.8 million.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 31 December 2014 compared to the preceding year quarter is as follows:-

i) **Manufacture of printed circuit boards**

Profit before tax increased to RM 5.1 million from RM 3.1 million mainly driven by favourable foreign exchange on the strengthening of USD and RMB coupled with lower administrative expenses.

ii) **Property development**

Profit before tax increased to RM 2.3 million from RM 2.1 million in tandem with more residential properties sold.

iii) **Sale of electrical appliances**

Negative variance of RM 0.1 million mainly due to reversal of provision for employee compensation in preceding year quarter.

iv) **Cultivation of oil palm**

Negative variance of RM 0.2 million on lower FFB production and CPO price.

v) **Water and wastewater treatment**

Profit before tax increased to RM 1.7 million from RM 0.7 million in line with the higher percentage of completion for water projects.

vi) **Unallocated non-operating segments**

Profit before tax decreased to RM 1.8 million from RM 3.9 million mainly due to lower gain on fair value adjustment of investment properties of RM 1.0 million and recognition of gain on foreign exchange of RM 0.8 million on capital repayment from associate in preceding year quarter.

**b) Current Year To Date vs Preceding Year To Date**

For the year ended 31 December 2014, the Group recorded a lower profit before tax of RM 33.6 million compared to RM 38.6 million for the preceding year to date mainly due to the substantial drop in contribution from Property Division.

Detailed analysis of the performance of the Group's operating segments for the year ended 31 December 2014 compared to the preceding year is as follows:-

i) **Manufacture of printed circuit boards**

Profit before tax increased to RM 15.2 million from RM 12.9 million in line with the hike in PCB sales and favourable foreign exchange on stronger USD and RMB.

ii) **Property development**

Profit before tax decreased to RM 5.1 million from RM 12.5 million mainly due to the plunge in revenue from residential properties on stringent loan conditions and late launches in 2014.

iii) **Sale of electrical appliances**

Negative variance of RM 0.3 million was mainly attributed to lower purchase incentive and unfavourable sales-mix for electrical products.

iv) **Cultivation of oil palm**

Profit before tax decreased to RM 0.6 million from RM 0.7 million due to lower CPO price.

v) **Water and wastewater treatment**

Profit before tax increased to RM 4.2 million from RM 2.6 million mainly buoyed by the higher percentage of completion for water projects.

vi) **Unallocated non-operating segments**

Profit before tax decreased to RM 8.6 million from RM 9.6 million mainly due to lower gain on fair value adjustment of investment properties.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 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 improved to RM 10.8 million (Q3'14: RM 8.4 million) mainly due to improved contribution from Water and Wastewater Treatment Division and Property Division.

**14. Prospects for 2015**

Electronic Division expects a slower growth in the sales of PCBs and deterioration in margins on the intensified price competition.

Property Division foresees a challenging property market environment with the implementation of Goods and Services Tax on 1 April 2015 and the continuous curb in lending by the financial institutions.

Electrical Division envisages sale of electrical products to remain flat in 2015.

Plantation Division expects better of FFB production and CPO prices in 2015.

Water and Wastewater Treatment Division anticipates larger order books in 2015.

Overall, the Group expects a challenging year for 2015 in view of the weakening Ringgit Malaysia, slump in oil prices and implementation of Goods and Services Tax.

**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 31/12/2014 RM'000	Current Year To Date 31/12/2014 RM'000
Profit before tax is arrived at after charging:		
- Interest expense	1	5
- Depreciation	4,979	16,045
- Impairment loss on loans and receivables	184	184
- Inventories written down	16	108
- Inventories written off	-	-
- Impairment loss on available-for-sale financial assets	99	99
- Loss on disposal of investments in club memberships	-	9
- Loss on disposal of property, plant and equipment	-	48
- Property, plant and equipment written off	4	7
- Investments in club memberships written off	-	28
- Loss on foreign exchange - realised	-	-
- Loss on foreign exchange - unrealised	-	-
- Loss on derivatives	-	-
- Exceptional items	-	-
and crediting:		
- Interest income	1,121	4,505
- Dividend income	-	251
- Gain on disposal of property, plant and equipment	34	-
- Gain on disposal of investment properties	-	380
- Gain on DE recognition of available-for-sale financial assets	-	1,970
- Gain on fair value adjustment of investment properties	765	765
- Gain on derivatives	-	-
- Gain on foreign exchange - unrealised	303	722
- Gain on foreign exchange - realised	1,511	738
- Reversal of inventories written down	274	235

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17. **Tax Expense**

Tax expense comprises:

	Current Year Quarter 31/12/2014 RM '000	Current Year To Date 31/12/2014 RM '000
Current income tax	(3,225)	(8,746)
Withholding tax on dividend income from foreign subsidiary	-	(5,261)
Deferred tax	348	915
Real Property Gains Tax	-	(32)
	<u>(2,877)</u>	<u>(13,124)</u>

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

- (i) certain income and expenses which are not taxable and allowable;
- (ii) utilisation of unabsorbed capital allowances by certain subsidiaries; and
- (iii) withholding tax on dividend income from foreign subsidiary.

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 2014.

20. **Financial Instruments**

**a) Derivatives**

There were no outstanding derivatives as at 31 December 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 year ended 31 December 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.

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20. **Financial Instruments (cont'd)**

The fair value measurement of financial instruments at the end of the financial year are as follows:-

i) Available-for-sale financial assets

	31/12/2014 RM '000
Shares quoted in Malaysia - at fair value	255
Unquoted shares - at cost less impairment losses	50
	<u>305</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 year ended 31 December 2014.

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 2014, into realised and unrealised profits, pursuant to the directive of Bursa Malaysia Securities Berthed, is as follows:-

	As at 31/12/2014 RM'000	As at 31/12/2013 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	264,141	243,668
- Unrealised	4,255	3,889
	<u>268,396</u>	<u>247,557</u>
Total share of retained profits of associate:		
- Realised	3,881	10,960
- Unrealised	-	-
	<u>272,277</u>	<u>258,517</u>
Consolidation adjustments and eliminations	(96,110)	(89,658)
Total retained profits as per statement of financial position	<u>176,167</u>	<u>168,859</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 Berthed Listing Requirements", issued by the Malaysian Institute of Accountants on 20 December 2010.

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22. **Material Litigation**

There was no material litigation against the Group as at 31 December 2014.

23. **Earnings Per Share**

	Current Year Quarter 31/12/2014	Current Year To Date 31/12/2014
Profit attributable to owners of the Company (RM '000)	<u>7,968</u>	<u>20,513</u>
Number of ordinary shares in issue at the beginning of the period ('000)	264,111	268,724
Effect of shares purchased ('000)	-	(3,898)
Weighted average number of ordinary shares in issue ('000)	<u>264,111</u>	<u>264,826</u>
Basic earnings per share (seen)	<u>3.02</u>	<u>7.75</u>

Diluted earnings per share are not presented as there are no dilutive potential ordinary shares in the current year quarter and year ended 31 December 2014.

24. **Authorisation for Issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 24 February 2015.