

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

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2016 RM '000	PRECEDING YEAR QUARTER 31/12/2015 RM '000	CURRENT YEAR TO DATE 31/12/2016 RM '000	PRECEDING YEAR TO DATE 31/12/2015 RM '000
Revenue	80,633	75,042	315,120	285,373
Operating expenses	(77,588)	(75,375)	(299,747)	(278,844)
Other operating income	4,446	2,606	7,657	9,921
Finance costs	408	-	(17)	-
Share of profit/(loss) of associates	403	(1,060)	203	2,224
Profit before tax (Note 17)	8,302	1,213	23,216	18,674
Tax expense	(1,326)	(3,359)	(4,342)	(8,746)
Profit/(Loss) for the period/financial year	6,976	(2,146)	18,874	9,928
Profit/(Loss) for the period/financial year attributable to:				
Owners of the Company	6,978	(2,145)	18,878	9,931
Non-controlling interests	(2)	(1)	(4)	(3)
	6,976	(2,146)	18,874	9,928
Earnings/(Loss) per share (sen):				
(a) Basic	2.65	(0.81)	7.16	3.76
(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 2015)

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2016 RM '000	PRECEDING YEAR QUARTER 31/12/2015 RM '000	CURRENT YEAR TO DATE 31/12/2016 RM '000	PRECEDING YEAR TO DATE 31/12/2015 RM '000
Profit/(Loss) for the period/financial year	6,976	(2,146)	18,874	9,928
Other comprehensive income:				
Item that will not be reclassified to profit or loss:				
Deferred tax income relating to change in tax rate	-	77	-	77
Items that may be reclassified subsequently to profit or loss:				
(Loss)/Gain on available-for-sale financial assets	(295)	453	(183)	(464)
Currency translation differences for foreign operations	6,937	(9,229)	(2,694)	27,138
Reclassification adjustments on:				
- Derecognition of available-for-sale financial assets	(30)	(27)	(200)	(405)
- Impairment of available-for-sale financial assets	1	-	345	847
- Dissolution of foreign operation	(4)	-	(4)	-
Other comprehensive income for the period/financial year	6,609	(8,726)	(2,736)	27,193
Total comprehensive income for the period/financial year	13,585	(10,872)	16,138	37,121
Total comprehensive income for the period/financial year attributable to:				
Owners of the Company	13,587	(10,871)	16,142	37,124
Non-controlling interests	(2)	(1)	(4)	(3)
	13,585	(10,872)	16,138	37,121

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	AS AT 31/12/2016 RM '000	AS AT 31/12/2015 RM '000
<b>Non-Current Assets</b>		
Property, Plant and Equipment	151,386	157,967
Investment Properties	9,432	8,900
Goodwill	3,348	3,348
Investment in Associates	18,282	7,367
Available-for-sale Financial Assets	4,458	7,880
Land Held for Property Development	153,942	121,857
Deferred Tax Assets	973	224
	<u>341,821</u>	<u>307,543</u>
<b>Current Assets</b>		
Property Development Costs	61,501	31,168
Accrued Billings	6,103	6,396
Asset Held for Sale	400	-
Amounts Due from Customers for Contract Work	1,843	2,517
Inventories	48,869	44,250
Trade and Other Receivables	83,097	78,375
Prepayments	5,450	3,991
Current Tax Assets	3,732	4,207
Cash and Cash Equivalents	110,640	135,992
	<u>321,635</u>	<u>306,896</u>
<b>Current Liabilities</b>		
Trade and Other Payables	100,674	76,643
Loans and Borrowings	1,144	-
Amounts Due to Customers for Contract Work	4,841	93
Current Tax Liabilities	3,115	5,655
	<u>109,774</u>	<u>82,391</u>
<b>Net Current Assets</b>	<b>211,861</b>	<b>224,505</b>
<b>Non-Current Liabilities</b>		
Loans and Borrowings	15,134	-
Deferred Tax Liabilities	13,746	14,097
	<u>28,880</u>	<u>14,097</u>
<b>Net Assets</b>	<b><u>524,802</u></b>	<b><u>517,951</u></b>
<b>Equity</b>		
Share Capital	277,905	277,905
Treasury Shares	(18,089)	(18,038)
Reserves	264,979	258,073
<b>Equity Attributable to Owners of the Company</b>	<b><u>524,795</u></b>	<b><u>517,940</u></b>
Non-controlling Interests	7	11
<b>Total Equity</b>	<b><u>524,802</u></b>	<b><u>517,951</u></b>
<b>Net Assets per Share Attributable to Owners of the Company (RM)</b>	<b><u>1.99</u></b>	<b><u>1.96</u></b>

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

	← Non-Distributable →						Distributable *				
	Share capital RM '000	Treasury shares RM '000	Share premium RM '000	Capital 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 01/01/2016	277,905	(18,038)	87	11,537	38,929	(21)	46,176	161,365	517,940	11	517,951
Loss on available-for-sale financial assets	-	-	-	-	-	(183)	-	-	(183)	-	(183)
Currency translation differences for foreign operations	-	-	-	-	-	-	(2,694)	-	(2,694)	-	(2,694)
Reclassification adjustments on:											
- Derecognition of available-for-sale financial assets	-	-	-	-	-	(200)	-	-	(200)	-	(200)
- Impairment of available-for-sale financial assets	-	-	-	-	-	345	-	-	345	-	345
- Dissolution of foreign operation	-	-	-	-	-	-	(4)	-	(4)	-	(4)
Other comprehensive income for the financial year	-	-	-	-	-	(38)	(2,698)	-	(2,736)	-	(2,736)
Profit/(Loss) for the financial year	-	-	-	-	-	-	-	18,878	18,878	(4)	18,874
Total comprehensive income for the financial year	-	-	-	-	-	(38)	(2,698)	18,878	16,142	(4)	16,138
Purchase of own shares	-	(51)	-	-	-	-	-	-	(51)	-	(51)
Interim single tier dividend of 3.5 sen per share	-	-	-	-	-	-	-	(9,236)	(9,236)	-	(9,236)
Total transactions with owners	-	(51)	-	-	-	-	-	(9,236)	(9,287)	-	(9,287)
Transfer to capital reserve **	-	-	-	1,204	-	-	-	(1,204)	-	-	-
At 31/12/2016	277,905	(18,089)	87	12,741	38,929	(59)	43,478	169,803	524,795	7	524,802
At 01/01/2015	277,905	(17,778)	87	-	38,852	1	19,038	176,167	494,272	14	494,286
Deferred tax income relating to change in tax rate	-	-	-	-	77	-	-	-	77	-	77
Loss on available-for-sale financial assets	-	-	-	-	-	(464)	-	-	(464)	-	(464)
Currency translation differences for foreign operations	-	-	-	-	-	-	27,138	-	27,138	-	27,138
Reclassification adjustments on:											
- Derecognition of available-for-sale financial assets	-	-	-	-	-	(405)	-	-	(405)	-	(405)
- Impairment of available-for-sale financial assets	-	-	-	-	-	847	-	-	847	-	847
Other comprehensive income for the financial year	-	-	-	-	77	(22)	27,138	-	27,193	-	27,193
Profit/(Loss) for the financial year	-	-	-	-	-	-	-	9,931	9,931	(3)	9,928
Total comprehensive income for the financial year	-	-	-	-	77	(22)	27,138	9,931	37,124	(3)	37,121
Purchase of own shares	-	(260)	-	-	-	-	-	-	(260)	-	(260)
Interim single tier dividend of 5.0 sen per share	-	-	-	-	-	-	-	(13,196)	(13,196)	-	(13,196)
Total transactions with owners	-	(260)	-	-	-	-	-	(13,196)	(13,456)	-	(13,456)
Transfer to capital reserve **	-	-	-	11,537	-	-	-	(11,537)	-	-	-
At 31/12/2015	277,905	(18,038)	87	11,537	38,929	(21)	46,176	161,365	517,940	11	517,951

\* Retained profits as at 31 December 2016 amounting to RM18,002,000 (31 December 2015: RM17,951,000), being the excess of treasury shares over share premium, were considered as non-distributable.

\*\* This represents the amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2016

	CURRENT YEAR TO DATE 31/12/2016 RM '000	PRECEDING YEAR TO DATE 31/12/2015 RM '000
Cash flows from operating activities		
Profit before tax	23,216	18,674
Adjustments for:		
Depreciation	14,146	14,208
Dividend income	(173)	(42)
Fair value loss on contingent consideration	442	-
Gain on derecognition of available-for-sale financial assets	(200)	(405)
Gain on disposal of investment properties	(131)	-
Gain on dissolution of subsidiary	(4)	-
Gain on fair value adjustment of investment properties	(1,732)	(1,100)
(Gain)/Loss on disposal of property, plant and equipment	(108)	79
Impairment loss on available-for-sale financial assets	345	847
Impairment loss on loans and receivables	2	2,736
Interest expense	17	-
Interest income	(3,100)	(4,674)
Inventories written down	757	360
Loss on disposal of land held for property development	351	-
Property, plant and equipment written off	7	198
Reversal of impairment loss on loans and receivables	(47)	(20)
Reversal of inventories written down	(583)	(130)
Share of profit of associates	(203)	(2,224)
Unrealised (gain)/loss on foreign exchange	(980)	286
Operating profit before working capital changes	32,022	28,793
Changes in:		
Property development costs	(59,936)	(19,030)
Accrued billings	293	(399)
Amounts due from/to customers for contract work	5,422	1,793
Inventories	(4,793)	(2,649)
Receivables and prepayments	(3,564)	(11,109)
Payables	17,654	16,564
Cash (absorbed by)/generated from operations	(12,902)	13,963
Tax paid	(8,173)	(8,091)
Tax refunded	818	282
	(7,355)	(7,809)
Net cash (used in)/from operating activities	(20,257)	6,154
Cash flows from investing activities		
Acquisition of associates	(5,229)	-
Acquisition of subsidiary, net of cash acquired	(3,504)	-
Dividends received	173	2,499
Interest received	3,100	4,674
Proceeds from disposal of available-for-sale financial assets	3,831	8,931
Proceeds from disposal of investment properties	931	-
Proceeds from disposal of land held for property development	48	-
Proceeds from disposal of property, plant and equipment	110	32
Purchase of available-for-sale financial assets	(592)	(16,970)
Purchase of property, plant and equipment	(8,825)	(5,355)
Net cash used in investing activities	(9,957)	(6,189)
Cash flows from financing activities		
Changes in term deposits pledged as security	(213)	217
Dividend paid	(9,236)	(13,196)
Drawdown of term loan	15,800	-
Interest paid	(619)	-
Purchase of own shares	(51)	(260)
Repayment of hire purchase obligation	(22)	-
Net cash from/(used in) financing activities	5,659	(13,239)
Currency translation differences	(1,010)	17,009
Net (decrease)/increase in cash and cash equivalents	(25,565)	3,735
Cash and cash equivalents brought forward	133,250	129,515
Cash and cash equivalents carried forward	107,685	133,250
Note:		
Cash and cash equivalents	110,640	135,992
Term deposits pledged as security	(2,955)	(2,742)
	107,685	133,250

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 2015.

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 2015 except for the adoption of the following Financial Reporting Standards ("FRSs"):

	Effective for annual periods beginning on or after
FRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to FRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to FRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 116 and FRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Annual Improvements to FRS Standards 2012 - 2014 Cycle	1 January 2016

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 the Construction of Real Estate, including their parents, significant investors and joint venturers ("Transitioning Entities"). As announced by the MASB on 28 October 2015, Transitioning Entities are allowed to defer the adoption of the MFRS Framework to annual periods beginning on or after 1 January 2018.

Being a Transitioning Entity as defined above, the Group and the Company have elected to continue preparing their financial statements in accordance with the FRS Framework and will first present the financial statements in accordance with the MFRS Framework for the financial year ending 31 December 2018.

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 2016.

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 2016.

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 2016, the Company purchased 60,000 ordinary shares of its issued share capital from the open market for a total consideration of approximately RM 0.05 million at an average cost of RM 0.86 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 2016**

7. **Dividend Paid**

On 22 August 2016, the Board of Directors proposed for an interim dividend of 3.5 sen per share for the financial year ended 31 December 2016. The dividend was paid on 28 September 2016 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 8 September 2016.

8. **Segmental Reporting**

Analysis by activity	Electronic	Property			Utility	Unallocated Non-Operating Segments RM '000	Group RM '000
	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Sale of Building Materials RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000		
Revenue							
Total revenue	264,699	14,920	8,009	1,426	25,740	19,847	334,641
Intersegment revenue	-	(110)	(16)	-	-	(19,395)	(19,521)
External revenue	264,699	14,810	7,993	1,426	25,740	452	315,120
Results							
Segment results	25,940	1,442	208	482	(3,489)	(4,653)	19,930
Interest income	2,457	141	8	-	215	279	3,100
Interest expense	-	(8)	(9)	-	-	-	(17)
Share of profit of associates	-	-	-	-	-	203	203
Profit/(Loss) before tax	28,397	1,575	207	482	(3,274)	(4,171)	23,216
Tax (expense)/income	(4,324)	(494)	(4)	(103)	749	(166)	(4,342)
Profit/(Loss) for the financial year	24,073	1,081	203	379	(2,525)	(4,337)	18,874
Assets							
Segment assets	321,418	253,068	5,967	22,193	24,263	13,560	640,469
Associates	-	-	-	-	-	18,282	18,282
Income tax assets	4	2,819	19	62	1,800	1	4,705
Total assets	321,422	255,887	5,986	22,255	26,063	31,843	663,456
Liabilities							
Segment liabilities	48,317	27,222	1,574	88	9,072	19,242	105,515
Loans and borrowings	-	16,278	-	-	-	-	16,278
Income tax liabilities	14,184	1,354	2	102	-	1,219	16,861
Total liabilities	62,501	44,854	1,576	190	9,072	20,461	138,654

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.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

There were no changes in the composition of the Group during the year ended 31 December 2016 other than:

On 21 March 2016, GUH Capital Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a subscription agreement to subscribe for 1,166,667 new ordinary shares of RM1.00 each in Straits International Education Group Sdn. Bhd. ("SIEG"), representing 25% equity interest in SIEG, for a total cash consideration of RM11.0 million. SIEG is a company incorporated in Malaysia and its principal activities are investment holding and the provision of management services for the operation of a private international school.

Upon completion of the above subscription on 30 March 2016, SIEG is now a direct and indirect associate of GUH Capital and the Company respectively.

On 21 March 2016, GUH Asset Holdings Sdn. Bhd. (formerly known as GUH Electrical Holdings Sdn. Bhd.) ("GUH Asset"), a wholly-owned subsidiary of the Company, entered into a share purchase agreement to acquire 2 ordinary shares of RM1.00 each in Milan Diamond Sdn. Bhd. ("MDSB"), representing 100% equity interest in MDSB, for a cash consideration of RM2 and the settlement of liabilities of approximately RM6.77 million. MDSB is a company incorporated in Malaysia and has not commenced business since its incorporation. Its intended principal activities are investment holding and leasing.

Upon completion of the above acquisition on 30 March 2016, MDSB is now a wholly-owned subsidiary of GUH Asset 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. Significant Related Party Transactions**

Significant transactions with related parties during the financial year are as follow:

	31/12/2016 RM '000
Purchase of goods from other related party (a)	7,114
Purchase of property, plant and equipment from other related party (b)	55
Receiving of services from other related parties (b)	2,583
Renting of premises from other related party (a)	144
Sale of goods to other related party (a)	755
Sale of property, plant and equipment to director	<u>101</u>

(a) Being companies in which certain directors have substantial financial interests

(b) Being companies in which close family members of certain directors have substantial financial interests



NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

13. **Review of the Performance**

Operating Segment	Current Year Quarter 31/12/2016 RM '000	Preceding Year Quarter 31/12/2015 RM '000	Current Year To Date 31/12/2016 RM '000	Preceding Year To Date 31/12/2015 RM '000
<b>Revenue</b>				
<b>Electronic</b>				
- Manufacture of printed circuit boards	68,864	67,587	264,699	239,257
<b>Property</b>				
- Property development	3,563	1,377	14,810	15,014
- Sale of building materials	1,979	1,943	7,993	8,339
- Cultivation of oil palm	374	214	1,426	1,735
<b>Utility</b>				
- Water and wastewater treatment	5,686	3,867	25,740	20,259
Unallocated non-operating segments	167	54	452	769
<b>Total</b>	<b>80,633</b>	<b>75,042</b>	<b>315,120</b>	<b>285,373</b>
<b>Profit/(Loss) before tax</b>				
<b>Electronic</b>				
- Manufacture of printed circuit boards	9,378	4,757	28,397	19,619
<b>Property</b>				
- Property development	1,616	(889)	1,575	875
- Sale of building materials	(5)	71	207	83
- Cultivation of oil palm	105	(23)	482	684
<b>Utility</b>				
- Water and wastewater treatment	(1,084)	(1,191)	(3,274)	(1,317)
Unallocated non-operating segments	(1,708)	(1,512)	(4,171)	(1,270)
<b>Total</b>	<b>8,302</b>	<b>1,213</b>	<b>23,216</b>	<b>18,674</b>

a) Current Year Quarter vs Preceding Year Quarter

The Group's profit before tax of RM 8.3 million for the current year quarter ended 31 December 2016 was RM 7.1 million higher than the profit before tax of RM 1.2 million for the preceding year quarter mainly due to higher contribution from Electronic and Property Divisions.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 31 December 2016 compared to the preceding year quarter is as follows:

i) Manufacture of printed circuit boards

Profit before tax increased to RM 9.4 million from RM 4.8 million mainly due to favourable foreign exchange of RM2.5 million on stronger USD (31/12/2016: 4.4875 ; 31/12/2015: 4.2970) for Malaysia operation and excluding impairment loss on loans and receivables of RM 2.6 million in the preceding year quarter.

ii) Property development

The profit before tax of RM 1.6 million was mainly due to higher revenue recognition percentage for residential properties and gain on fair value adjustment of investment properties of RM 1.7 million.

iii) Sale of building materials

The loss before tax of RM 0.005 million was mainly due to lower purchase incentive.

iv) Cultivation of oil palm

The profit before tax of RM 0.1 million was mainly contributed by higher FFB production and average CPO prices.

v) Water and wastewater treatment

Loss before tax decreased to RM 1.1 million from RM 1.2 million in line with higher revenue partly offset by increase in administrative expenses.

vi) Unallocated non-operating segments

Loss before tax increased to RM 1.7 million from RM 1.5 million mainly due to gain on fair value adjustment of investment properties decreased by RM 1.1 million partly offset by positive contribution from associates.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

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

For the year ended 31 December 2016, the Group recorded a higher profit before tax of RM 23.2 million compared to RM 18.7 million for the preceding year mainly due to higher contribution from Electronic Division partly offset by lower share of profit of associates coupled with negative contribution from Utility Division.

Detailed analysis of the performance of the Group's operating segments for the year ended 31 December 2016 compared to the preceding year is as follows:

i) **Manufacture of printed circuit boards**

Profit before tax increased to RM 28.4 million from RM 19.6 million mainly due to improved contribution from Malaysia operation on higher revenue.

ii) **Property development**

Profit before tax increased to RM 1.6 million from RM 0.9 million mainly due to gain on fair value adjustment of investment properties RM 1.7 million partly offset by the drop in contribution from property units sold and loss on disposal of land held for property development of RM 0.4 million.

iii) **Sale of building materials**

Profit before tax increased to RM 0.2 million from RM 0.1 million mainly due to better sales mix coupled with lower distribution and administrative expenses.

iv) **Cultivation of oil palm**

Profit before tax decreased to RM 0.5 million from RM 0.7 million in line with lower FFB production on unfavourable weather condition.

v) **Water and wastewater treatment**

Loss before tax increased to RM 3.3 million from RM 1.3 million mainly due to slow construction progress for new water projects and escalating administrative expenses.

vi) **Unallocated non-operating segments**

Loss before tax increased to RM 4.2 million from RM 1.3 million mainly due to reduction of RM 1.6 million in contribution from an associate in Cambodia upon the expiration of Power Purchase Agreement in May 2015 and gain on fair value adjustment of investment properties decreased by RM 1.1 million.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**14. 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 increased to RM 8.3 million (Q3'16: RM 5.4 million) mainly due to favourable foreign exchange of RM 1.9 million on stronger USD and gain on fair value adjustment of investment properties of RM 1.7 million partly offset by fair value loss on contingent consideration and loss on disposal of land held for property development of RM 0.4 million respectively.

**15. Prospects for 2017**

Electronic Division anticipates better results in 2017 on predicted surge in global market for major domestic appliances, favourable product mix and implementation of operational improvement strategies.

Property Division foresees new property launches, flat growth in demand for electrical products and building materials coupled with higher FFB yield in 2017.

Utility Division expects to return to the black on higher revenue recognition coupled with aggressive tendering of new and sizeable water projects in 2017.

Overall, the Group expects to perform better in 2017.

**16. Variance from Profit Forecast and Profit Guarantee**

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

**17. Profit Before Tax**

	Current Year Quarter 31/12/2016 RM'000	Current Year To Date 31/12/2016 RM'000
Profit before tax is arrived at after charging:		
- Interest expense	(408)	17
- Depreciation	3,683	14,146
- Fair value loss on contingent consideration	442	442
- Impairment loss on loans and receivables	-	2
- Inventories written down	649	757
- Inventories written off	-	-
- Impairment loss on available-for-sale financial assets	1	345
- Loss on disposal of property, plant and equipment	-	-
- Loss on disposal of land held for property development	351	351
- Property, plant and equipment written off	3	7
- Loss on foreign exchange - realised	-	-
- Loss on foreign exchange - unrealised	-	-
- Loss on financial instruments at fair value through profit or loss	-	-
- Exceptional items	-	-
and crediting:		
- Interest income	727	3,100
- Dividend income	141	173
- Gain on disposal of property, plant and equipment	80	108
- Gain on disposal of investment properties	-	131
- Gain on derecognition of available-for-sale financial assets	30	200
- Gain on fair value adjustment of investment properties	1,732	1,732
- Gain on foreign exchange - realised	1,835	1,170
- Gain on foreign exchange - unrealised	706	980
- Gain on dissolution of subsidiary	-	4
- Reversal of impairment loss on loans and receivables	-	47
- Reversal of inventories written down	396	583
- Gain on derivatives	-	-

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

18. **Taxation**

Taxation comprises:

	Current Year Quarter 31/12/2016 RM '000	Current Year To Date 31/12/2016 RM '000
Income tax	(1,779)	(5,269)
Deferred tax	463	966
Real Property Gains Tax	(10)	(39)
	<u>(1,326)</u>	<u>(4,342)</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 reinvestment allowances by certain subsidiary

19. **Status of Corporate Proposals**

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

20. **Group Borrowings and Debt Securities**

Group borrowings and debt securities as at 31 December 2016

	RM '000
Secured	16,278
Unsecured	-
(a) Total	16,278
Short term	1,144
Long term	15,134
(b) Total	16,278
Ringgit Malaysia	16,278
Foreign currency	-
(c) Total	16,278

21. **Financial Instruments**

a) **Derivatives**

There were no outstanding derivatives as at 31 December 2016.

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 2016.

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.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

c) Fair Value (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

	31/12/2016 RM '000
Shares quoted in Malaysia - at fair value	4,408
Unquoted shares - at cost less impairment losses	<u>50</u>
	<u><u>4,458</u></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 2016.

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

The breakdown of the retained profits of the Group as at 31 December 2016, into realised and unrealised profits, pursuant to the directive of Bursa Malaysia Securities Berhad, is as follows:

	As at 31/12/2016 RM'000	As at 31/12/2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	259,720	251,222
- Unrealised	3,614	1,920
	<u>263,334</u>	<u>253,142</u>
Total share of retained profits of associates:		
- Realised	4,957	4,754
- Unrealised	-	-
	<u>268,291</u>	<u>257,896</u>
Consolidation adjustments and eliminations	(98,488)	(96,531)
Total retained profits as per statement of financial position	<u>169,803</u>	<u>161,365</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.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

23. **Material Litigation**

There was no material litigation against the Group as at 31 December 2016.

24. **Earnings Per Share**

	Current Year Quarter 31/12/2016	Current Year To Date 31/12/2016
Profit attributable to owners of the Company (RM '000)	6,978	18,878
Number of ordinary shares in issue at the beginning of the period ('000)	263,810	263,870
Effect of shares purchased ('000)	-	(30)
Weighted average number of ordinary shares in issue ('000)	263,810	263,840
Basic earnings per share (sen)	2.65	7.16

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 2016.

25. **Authorisation for Issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 27 February 2017.