GUH targets higher public utility, property revenues

By Sangeeta Amarthalingam

GEORGETOWN: GUH Holdings Bhd plans to reduce its reliance on the revenue contribution of its core business of fibre optic circuit board (PCB)—which is used in a range of medical devices like refrigerators to audiovisual equipment—by 30% in the next five years, by shifting its focus to property development and public utility for more stable income streams.

The PCB business presently contributes about 49% of the group’s revenue while the medical equipment, which it intends to sell contributions of up to 40% in total, is being made up by a move into property development and public utility for international investing institutions and is now strengthening its presence in corporate Malaysia.

Last year, the newly formed Malaysia corporations, Malaybank Bhd (Maybank) and Astana Group Bhd, ended up as the winner and runner-up respectively for Best Sustainability Report at the Association of Chartered Certified Accountants (ACCA) Malaysia Sustainability Reporting Awards.

Masra is the longest-running sustainability reporting award programme in Malaysia organised by the ACCA in partnership with Talent Corp Malaysia Bhd (TalentCorp).

Maybank had a high group corporate affairs and sustainability Edinburgh Maureen said sustainability reporting is an important tool for banks to manage their group’s and the country’s sustainability reporting efforts. He said during a round-table discussion with The Edge Financial Daily and other past winners of the awards last Friday.

"However, this is not just from a financial perspective. It also gives investors the confidence that we are a Malaysian company that is environmentally sustainable," he added.

On Masra 2015, which is set to crown its new batch of winners on November 29, ACCA head of members and technical Vilashini Ganapathy said 51 corporations are contenders for the awards this year, up from 42 in 2014.

"When the awards kicked off in Malaysia in 2002, our past winners were multinational companies. Now as we are coming into the 12th edition of the award programme, it is commendable to see Malaysian-owned companies taking up the biggest role," he said.

"We understand the sustainability issues that are material, so it’s not just a box-checking exercise for them to comply with sustainability guidelines, such as the fourth generation Global Reporting Initiative,” said Johan.

The focus on economic, environmental and social reporting in Malaysia was heightened with the launch of the FTSE4Good Bursa Malaysia (F4GM) Index in December last year, which is an index that demonstrates companies with strong environmental, social and governance practices. PricewaterhouseCoopers (PwC) Malaysia sustainability and climate change leader Andrew Chan said the F4GM Benchmark recognises value in a changing business environment.

"In 1974, over 80% of the revenue of the S&P 500 was made of tangible assets, and in 2014 tangible assets made up less than 20% of the S&P 500’s value. In other words, things like brands, quality of governance [and the level of employee engagement] are becoming more valuable," he said.

Last year, Masra also saw Cerrodo Soo Bhd receive the commendation for Reporting on Stakeholders Engagement, and Nets Printwork Sein Bhd clinched the commendation for Sustainability Reporting on Small and Medium Enterprises.

Environmental solutions provider Cerrodo uses the sustainability report as a guideline and indicator of its achievements, according to its CFO Khalid Rahim.

"We learn and improve from our report. It is a very good guideline and checking mechanism for us to assess whether we have achieved all that we set out to do to reach a standard that is seen as being a sustainable company," he said.