annual report 2011

United U-LI Corporation Berhad

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Chairman's Statement

BUSINESS REVIEW

During financial year 2011, the Group managed to deliver a satisfactory performance despite adverse market conditions. Demand for the Group's products were affected by reduced local private sector construction and the slowdown in the world's major economies in second half of 2011 as a result of the sovereign debt issues that affected some European Union member countries.

Nevertheless, the Group's focus in enhancing its competitive position through internal processes have paid dividends and enabled it to weather the difficult business environment and deliver another positive performance.

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2011.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2011, the Group registered a revenue of RM142.5 million, a 3.2% increase against last financial year. After accounting for tax, profit for the year was RM16.5 million against RM18.1 million in financial year 2010. The lower profit registered is attributed to slightly higher operating costs and selling price pressures in an increasingly competitive domestic and regional markets.

PROSPECTS

The Group's steel products will continue to be an important material of the engineering and construction industry. With the delivery of major economic transformation programmes by the Malaysian Government, resulting in implementation of major construction projects and continued investments in the private sector, the Group remain cautiously optimistic of its prospects in the domestic market.

On the international front, the Group is also optimistic in repeating its success to secure contracts for various projects and expect it to maintain its contribution to the Group in financial year 2012.

Chairman's
Statement (Cont'd)

CORPORATE GOVERNANCE

The Board is committed to observing the Malaysian Code of Corporate Governance (Revised 2007) and Listing Requirements of Bursa Securities and has ensured that a high standard of corporate governance is practiced throughout the Group to safeguard the Group's assets, operations and shareholder value. Our statement on corporate governance can be found on pages 9 to 14.

There were no sanctions and/or penalties imposed on the Company and its subsidiaries companies, Directors or management by the relevant regulatory bodies in 2011.

CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to Corporate Social Responsibility ("CRS") by integrating it into the business operations.

During the year, the Group continued to support charitable foundations which are involved in disaster relief programmes.

The Group continues to place great importance on the need to protect our environment. The Group's business responsibility, while geared towards increasing profitability, is also to maintain its good manufacturing practices and to adhere to national environmental policies at all times. All manufacturing sites are pursuing their own waste reduction programmes.

WORD OF APPRECIATION

On behalf of the Board, I would like to thank the Directors, the management and all employees of the Group for their dedicated services, commitment, loyalty and contribution during 2011. The year 2012 will continue to be very challenging but I have no doubt in the Group's ability to overcome whatever difficulties that may present themselves.

I would also like to take this opportunity to thank the Regulatory Authorities, shareholders, customers, business associates, clients, bankers, sub-contractors and suppliers for their continuing support, trust and confidence to the Group.

I appreciate the trust and opportunity given to me to assume the position of Chairman of a distinguished Group like United U-LI Corporation Berhad. I shall endeavour to give my utmost in discharging the responsibilities entrusted upon me. With the support of my co-directors, the management and staff and other stakeholders, I am hopeful that my job would be made much easier.

Dato' Wira Abd Rahman bin Ismail
Chairman

Date : 20 April 2012

Directorate
& Corporate Information

BOARD OF DIRECTORS

Dato' Wira Abd Rahman bin Ismail
(Independent Non-Executive Chairman)

Dato' Wira Lee Yoon Wah
(Group Managing Director/
Chief Executive Officer)

Dato' Lee Yoon Kong
(Executive Director)

Teow Lai Seng
(Executive Director)

Chim Wai Khuan
(Independent Non-Executive Director)

Wong Chow Lan
(Independent Non-Executive Director)

Lokman bin Mansor
(Independent Non-Executive Director)

Shariff bin Mohd Shah
(Independent
Non-Executive Director)

SECRETARIES

Koay Soo Ngoh (MAICSA 0856746)
Foo Li Ling (MAICSA 7019557)

REGISTERED OFFICE

62C, Jalan SS21/62
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel No. : + (603) 7727 2806 /
7729 3337
Fax No. : + (603) 7729 3619

HEAD/MANAGEMENT OFFICE

33, Jalan Kartunis U1/47
Temasya Industrial Park
Seksyen U1
40150 Shah Alam
Selangor Darul Ehsan
Tel No. : + (603) 5569 5999
Fax No. : + (603) 5569 1666
e-mail : hq@uli.com.my
Website : www.uli.com.my

MANUFACTURING PLANTS

Lot 7, Jalan 6/1
Kawasan Perindustrian
Seri Kembangan
43300 Seri Kembangan
Selangor Darul Ehsan

25 & 27 Jalan Taming Lima
Taman Taming Jaya
43300 Seri Kembangan
Selangor Darul Ehsan

Lot 5 (PT7907), Jalan Balakong
43300 Seri Kembangan
Selangor Darul Ehsan

Lot 44, Jalan Cetak
Tasek Industrial Estate
31400 Ipoh, Perak Darul Ridzuan

Branch Office
1 Jalan Seroja 54
Taman Johor Jaya
81100 Johor Bahru
Johor Darul Takzim

REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel No. : + (603) 7849 0777
Fax No. : + (603) 7841 8151/8152

Directorate
& Corporate Information (Cont'd)

AUDITORS

Baker Tilly Monteiro Heng
Chartered Accountants

AUDIT COMMITTEE

Chim Wai Khuan (Chairman)
Wong Chow Lan
Lokman bin Mansor

REMUNERATION COMMITTEE

Dato' Wira Abd Rahman bin Ismail
(Chairman)
Chim Wai Khuan
Wong Chow Lan

NOMINATION COMMITTEE

Dato' Wira Abd Rahman bin Ismail
(Chairman)
Chim Wai Khuan
Wong Chow Lan

GROUP PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Berhad
39-45, Jalan Othman
46000 Petaling Jaya
Selangor Darul ehsan

EON Bank Berhad
Lot 43 & 45, Jalan USJ 10/1G
Taipan Triangle
47620 Subang Jaya
Selangor Darul ehsan

SOLICITORS

Cheang & Ariff
Advocates & Solicitors
39 Court @ Loke Mansion
273A, Jalan Medan Tuanku
50300 Kuala Lumpur

Tay & Helen Wong
Suite 703, Block F,
Phileo Damansara I
9 Jalan 16/11, 46350 Petaling Jaya
Selangor Darul ehsan

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia
Securities Berhad
Stock Code : 7133

PRODUCTS MANUFACTURED

Cable Support Systems
Cable Management Systems
Integrated Ceiling Systems
Building Materials
Light Fittings

Profile of Directors

DATO' WIRA ABD RAHMAN BIN ISMAIL

Independent Non-Executive Chairman

Dato' Wira Abd Rahman bin Ismail, a Malaysian, aged 83, is an Independent Non-executive Director and the Chairman of ULC. He was appointed to the Board on 21 February 2002. He is also the Chairman of the Nomination Committee and Remuneration Committee. He completed his secondary education at Sultan Abdul Hamid College, Alor Star, Kedah Darul Aman in 1949. He served in the Royal Malaysian Police Force since 1950, holding various posts until 1985 when he retired as the Deputy Inspector General of Police. During his tenure of service, he represented Malaysia in various Interpol and drug enforcement/conferences/ seminars/committees at international and regional levels. From 1979 to 1982, he was elected as an executive Committee Member of Interpol and was subsequently elected as Vice President of Interpol from 1984 up to 1985. He tendered his resignation due to his retirement from the Royal Malaysian Police Force. He sits on the Board of all subsidiary companies of the group. He also sits on the Board of TSM Global Berhad and KYM holdings Bhd, both of which are companies listed on the Bursa Securities and several private limited companies. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the company. He has no convictions for offences within the past ten (10) years other than for traffic offences, if any. He attended seven (7) out of eight (8) Board Meetings of the Company held in the financial year ended 31 December 2011.

DATO' WIRA LEE YOON WAH

Group Managing Director/
Chief Executive Officer

Dato' Wira Lee Yoon Wah, a Malaysian, aged 53, is the Group Managing Director/ Chief Executive Officer of ULC. He was appointed to the Board on 21 February 2002. He completed his secondary education in 1975 and is one of the founder members of the ULC Group. Presently, he is in charge of the overall management and growth of the Group. He has more than 20 years' working experience in the electrical industry. He is credited for charting the growth of the Group since its inception from a small operation to an industrial concern as it is today. As the driving force behind the Group's growth, he is also responsible for the overall business development, strategic planning as well as the business and corporate development of the Group. He also sits on the Board of all the subsidiary companies of the Group. He is the brother to Dato' Lee Yoon Kong, major shareholder and Director of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past ten (10) years other than for traffic offences, if any. He attended all Board Meetings of the Company held in the financial year ended 31 December 2011.

DATO' LEE YOON KONG

Executive Director

Dato' Lee Yoon Kong, a Malaysian, aged 52, is an executive Director of ULC. He was appointed to the Board on 21 February 2002. He is one of the founder members of the ULC Group. He holds a Diploma in Electrical Engineering. Prior to joining United U-LI (M) Sdn. Bhd. ("ULSB"), a subsidiary company of ULC, he was the electronics Technician with Amateur Photo Store Sdn. Bhd., the locally appointed agent for AKAI products, from 1979 to 1983. He has more than 20 years' working experience in the electrical industry and has contributed significantly towards the growth of the Group. Presently, he is responsible for the technical, production and manufacturing functions of the Group. He also sits on the Board of all the subsidiary companies of the Group. He is the brother to Dato' Lee Yoon Wah, major shareholder and Director of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past ten (10) years other than for traffic offences, if any. He attended all Board Meetings of the Company held in the financial year ended 31 December 2011.

Profile of
Directors (Cont'd)

TEOW LAI SENG
Executive Director

Teow Lai Seng, a Malaysian, aged 50, is an executive Director of ULC. He was appointed to the Board on 21 February 2002. He has more than 20 years' working experience in the electrical industry. He holds a Diploma in Electronics Engineering and was the Technical and Service Technician with Amateur Photo Store Sdn. Bhd. prior to joining ULSB as a Factory Supervisor in 1982. He was subsequently promoted to Factory Manager in 1990 and is responsible for the overall management and production operations of the factory. He also sits on the Board of certain subsidiary companies of the Group. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past ten (10) years other than for traffic offences, if any. He attended all Board Meetings of the Company held in the financial year ended 31 December 2011.

WONG CHOW LAN
Independent Non-Executive Director

Wong Chow Lan, a Malaysian, aged 50, is an Independent Non-executive Director of ULC. She was appointed to the Board on 11 April 2000. She is a member of the Nomination Committee, Remuneration Committee and Audit Committee. She holds a Diploma in Business Management from Kolej Tunku Abdul Rahman and is a qualified Chartered Secretary of the Institute of Chartered Secretaries and Administrators since 1992. She is an associate member of The Malaysian Association of The Institute of Chartered Secretaries and Administrators. Currently, she is attached to a consultancy firm. She also sits on the Board of several private limited companies. She does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. She has no convictions for offences within the past ten (10) years other than for traffic offences, if any. She attended seven (7) out of eight (8) Board Meetings of the Company held in the financial year ended 31 December 2011.

CHIM WAI KHUAN
Independent Non-Executive Director

Chim Wai Khuan, a Malaysian, aged 61, is an Independent Non-executive Director of ULC. He was appointed to the Board on 21 February 2002. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee. He is an accountant by training and is currently a member of the Malaysian Institute of Accountants. He has vast experience in the areas of accounting, audit, tax and corporate secretarial and consultancy matters, having served in various capacities both in the United Kingdom and in Malaysia from 1975 to 2000. Currently, he is practising as a Corporate and Management Consultant and also manages his own audit practice under the name of WK Co. He is also the Independent Director and Audit Committee Member of Advance Synergy Berhad, a company listed on the Main Board of Bursa Malaysia Securities Berhad. He also sits on the Board of several private limited companies. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past ten (10) years other than for traffic offences, if any. He attended all Board Meetings of the Company held in the financial year ended 31 December 2011.

Profile of
Directors (Cont'd)

LOKMAN BIN MANSOR

Independent Non-Executive Director

Lokman bin Mansor, a Malaysian, aged 52, is an Independent Non-executive Director of ULC. He was appointed to the Board on 21 February 2002. He is a member of the Audit Committee. He graduated with a Bachelor of Architecture from Adelaide University, Australia in 1984 and is presently a corporate member of Pertubuhan Akitek Malaysia and a registered architect with Lembaga Akitek Malaysia. From 1981 to 1982, he was attached with CSL & Associates in the capacity of Architectural Assistant. In 1984, he joined Pakatan Reka Architects as an Assistant Architect before taking up a lecturing position with Institut Teknologi Mara in 1986. From 1987 to 1991, he was appointed as a Director of Binateras-DeG Arkitek Sdn. Bhd.. In 1991, he founded Advocad Architect and he is the senior partner of the firm. He has gained vast experience in the area of development and project management in implementation of projects and is also well versed in the various aspects related to property investment, financing and market assessment. he does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past ten (10) years other than for traffic offences, if any. He attended all Board Meetings held in the financial year ended 31 December 2011.

SHARIFF BIN MOHD SHAH

Independent Non-Executive Director

Shariff bin Mohd Shah, a Malaysian, aged 63, is an Non-Independent Non-executive Director of ULC. He was appointed to the Board on 1 October 2003. He graduated with a Bachelor of Economics (Hons) from University of Malaya in 1971. Upon graduation he joined the Administrative and Diplomatic Service (PTD) and posted to the Government Staff Training Centre and then to the Ministry of Foreign Affairs. He left government service in 1975 to join Borneo Company (1975) Sdn. Bhd. as Marketing Executive until 1978. He was Marketing Director of the National Livestock Development Corporation between 1978 until 1981. He took up appointment as Manager, Guthrie Malaysia Trading Corporation in 1983 and was the Senior General Manager of the company when he left in 1997. He has wide experience in international trading and marketing and currently sits on the Board of several private limited companies. He does not have any family relationship with any Director and / or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past ten (10) years other than for traffic offences, if any. He attended seven (7) out of eight (8) Board Meetings of the Company held in the financial year ended 31 December 2011.

Corporate Governance Statements

The Board of Directors of United U-LI Corporation Berhad ("the Board") fully appreciates the importance of adopting high standards of Corporate Governance within the Group. The Board is committed to ensuring that the highest standards of Corporate Governance are consistently observed by the Group. Apart from observance of the Principles and Best Practices on Corporate Governance as set out in the Malaysian Code on Corporate Governance (Revised 2007) ('the Code"), the Board has also moved to put in place stringent parameters and measures for adherence by the management.

By promoting integrity and professionalism in the management of the Group's affairs, the Board acknowledges the corporate governance tenets of transparency, accountability, integrity and corporate governance as the prerequisites of a responsible corporate citizen.

The Board is therefore pleased to report that during the financial year ended 31 December 2011, it had practiced good corporate governance in directing and managing the business affairs of the Company and its subsidiaries ("the Group").

BOARD OF DIRECTORS

Board Composition and Balance

The Board currently comprises eight (8) members, three (3) of whom are Executive Directors and five (5) Non-executive Directors. All Non-executive Directors are independent and hence fulfill the prescribed requirements for one-third (1/3) of the membership of the Board to be independent Members.

The composition and size of the Board is a well-balanced with an effective mix of Executive Directors and Independent Non-Executive Directors, which is in line with the Code and with the right mix of skills and experience. This balance enables the Board to provide clear and effective leadership to the Group and facilitates the Board in making of informed and critical decisions on many aspects of the Group's strategies and performances. The Board structure also ensures that no individual or group of individuals dominates the Board's decision making process.

The Executive Directors who have good knowledge of the business are responsible for implementing corporate strategies and policies as well as charged with the management of the day-to-day operations of the business. The Independent Non-Executive Directors play a pivotal role in corporate accountability.

The Independent Non-executive Directors are independent of management and free from any business relationship which could materially interfere with the exercise of their judgement or the ability to act in the best interests of the Group and of the minority shareholders. The presence of the Independent Non-executive Directors are essential in providing the Group with a wider general experience of strategy formulation, unbiased and independent opinions, advices, judgements, objective view of the performance of the management and professionalism to ensure that adequate systems are used to safeguard the interests not only of the Group, but also of minority shareholders and stakeholders of the Group.

There is a clear and distinct division of responsibilities between the Chairman and the Managing Director to ensure a proper balance of power and authority. The Chairman leads the Board in setting values and standards of the Group and is responsible for the effective conduct of the Board. He ensures that information relating to issues on agenda is disseminated to all Directors well before deliberation at Board meetings and facilitates the constructive relations between the executive and Non-executive Directors whilst the Managing Director has overall responsibility over the operating units, organisational effectiveness, coordinating the development and implementation of business and corporate strategies as well as the implementation of Board policies and decisions.

Corporate Governance Statements (Cont'd)

Board Responsibilities

The Board retains full and effective control of the Group and is responsible for the overall performance of the Group focusing on its strategic plans, business performance, succession planning, risk management, as well as reviewing the adequacy and integrity of its internal control and management information systems.

The Board meets regularly to review the Group's corporate strategies, business operations and financial performance. Matters significant to the Group's business and finances including approval of quarterly results and annual report, annual budget, major capital expenditure, material acquisition and disposal of assets are also discussed at these meetings.

Board Meetings and Supply of Information

To ensure effective management of the Group, Board meetings are convened regularly during the year, at quarterly intervals or as and when necessary. During the financial year eight (8) Board meetings took place.

Details of the attendance of the Directors at the Board meetings held in the financial year ended 31 December 2011 are as follows:

Name of Director	No. of Meetings Attended
Dato' Wira Abd Rahman bin Ismail	7/8
Dato' Wira Lee Yoon Wah	8/8
Dato' Lee Yoon Kong	8/8
Teow Lai Seng	8/8
Chim Wai Khuan	8/8
Wong Chow Lan	7/8
Lokman bin Mansor	8/8
Shariff bin Mohd Shah	7/8

All Directors are provided with an agenda inclusive of relevant Board papers prior to each Board meeting. The Board papers include minutes of the last Board meeting, agenda for the current meeting and any report and documents pertaining to the issues to be discussed at the meeting. The Board papers are issued in sufficient time to enable the Directors to obtain a comprehensive understanding of the issues to be deliberated upon to enable them to arrive at an informed decision. The Chairman of the Board chairs the Board meetings while the Managing Director leads the presentation and provides explanations on the Board reports. Senior Management staff may be invited to attend the Board meetings to explain and clarify matters being tabled.

In addition to quarterly Board meetings, briefings are conducted for the Board from time to time on various issues such as changes to company and securities legislations, rules and regulations to inform them of the latest developments in these areas. The Directors are also notified of any corporate announcements released to the Bursa Securities. They are also informed of the impending restriction in dealing with the securities of the Company at least one month prior to the release of the unaudited quarterly financial result announcement.

In exercising their duties, the Board has unrestricted access to timely and accurate information which is not only quantitative but also other information deemed suitable within the Group, whether as a full Board or in their individual capacity. All Directors also have direct access to the advice and the services of the Group's Company Secretary in carrying out their duties. In addition, the Board may also seek professional opinion and independent advice from external consultants, if necessary, at the Company's expense.

Corporate
Governance Statements (Cont'd)

Appointment and Re-election of Board Members

The Code provides greater clarity on the aspects of which Nomination Committee should consider when recommending candidates for directorship. The Code further places the importance of the Director appraisal where Nomination Committee should ensure that its assessments and evaluations are properly documented.

In accordance with the Company's Articles of Association, all Directors are required to submit themselves for re-election by rotation at least once in every three (3) years at each Annual General Meeting ("AGM"). Newly appointed Directors shall hold office until the AGM following their appointment and shall then be eligible for re-election by shareholders. The proposed appointment of new Board members, resignation of existing members, as well as the proposed re-election of the Directors are approved by the Board upon the recommendation of the Nomination Committee.

The Articles of Association also requires that at least one-third (1/3) of the Directors including Executive Directors, to retire from office by rotation and be eligible for re-election at every AGM. All Directors shall submit themselves for re-election at least once every three (3) years from the date of appointment in compliance with the Listing Requirements of the Bursa Securities.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are over seventy (70) years of age are required to submit themselves for re-appointment annually.

The Board, through its delegation to the Nomination Committee, has set up and implemented the process for the assessments of its Chairman, the individual Board Members and the Board as a whole. For the financial year ended 31 December 2011, the Board has, through the Nomination Committee, reviewed the skills mix and experience of the individual Directors and assessed the effectiveness of the Board as a whole.

Director's Training

All Directors have attended the Mandatory Accreditation Programme ("MAP") and from time to time Continuing Education Programme ("CEP") prescribed by the Bursa Securities. The Directors will continue to attend other relevant training programmes to keep abreast with developments on a continuous basis in compliance with the Listing Requirements of Bursa Securities.

In FY2011, all members of the Board attended the programme 'Key Components of Boardroom Effectiveness' on 10 November 2011.

Board Committees

In order to ensure the effective discharge of its fiduciary duties, the Board has established various Board Committees to assist the Board in the running of the Group. This is to allow the members of the Board Committees to deliberate and examine issues within their terms of reference in greater details and subsequently recommend and report to the Board. The functions and terms of reference of the committees, as well as the authority delegated by the Board to these committees, have been clearly defined and approved by the Board. All Board Committees do not have executive powers but only the power to make recommendations to the Board.

The Board Committees for the financial year under review are as follows:-

(a) Audit Committee

Audit Committee operates under a clearly defined Terms of Reference stating its roles and responsibilities in ensuring the quality and integrity of the practices of the Group.

The Audit Committee presently comprises three (3) members, all of whom are Independent Non-executive Directors:

i) Chim Wai Khuan (Independent Non-Executive Director) - Chairman
ii) Wong Chow Lan (Independent Non-Executive Director)
iii) Lokman bin Mansor (Independent Non-Executive Director)

The Audit Committee has held a total of five (5) meetings during the course of the financial year ended 31 December 2011.

Corporate
Governance Statements (Cont'd)

Board Committees (Cont'd)

(b) Nomination Committee

The Nomination Committee is responsible for ensuring the Board has the appropriate balance and size, and recommending the right candidates with the necessary mix of skills, experience and competencies to be appointed to the Board. The membership of the Committee has not changed since the last report.

The Nomination Committee comprises three (3) members, all of whom are Independent Non-executive Directors:

i) Dato' Wira Abd Rahman bin Ismail (Independent Non-executive Chairman)
- Chairman
ii) Chim Wai Khuan (Independent Non-executive Director)
iii) Wong Chow Lan (Independent Non-executive Director)

Meetings of the Nomination Committee are held at least once a year or as and when required.

The Terms of Reference of the Nomination Committee are as follows:

- to review, recommend and consider suitable candidates to the Board of the Group, including committees of the Board;
- to review and determine the mix of skills, experience and other qualities, including core competencies of Non-executive Directors, on an annual basis;
- to assess the Directors on an on-going basis and the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director, including Independent Non-executive Directors as well as chief executive officer;
- to recommend suitable orientation, educational and training programmes to continuously train and equip the existing and new Directors;
- to provide a succession planning policy and ensure that the policy is kept under review;
- to examine particular issues and make the appropriate recommendations to the Board; and
- to ensure the composition of the Board is in accordance with the Memorandum and Articles of Association and the requirements for Best Practice of Corporate Governance.

All recommendations of the Nomination Committee are subject to the endorsement of the Board.

(c) Remuneration Committee

The Remuneration Committee is responsible for carrying out annual reviews whereupon recommendations are submitted to the Board on the overall remuneration policy for Directors and Key Senior Management Officers, to ensure that the remuneration policy remains in support of its corporate objectives and shareholder value, and is in tandem with its culture and strategy.

The Remuneration Committee comprises three (3) members, all of whom are Independent Non-executive Directors:

i) Dato' Wira Abd Rahman bin Ismail (Independent Non-executive Chairman)
- Chairman
ii) Chim Wai Khuan (Independent Non-executive Director)
iii) Wong Chow Lan (Independent Non-executive Director)

Corporate
Governance Statements (Cont'd)

Board Committees (Cont'd)

(c) Remuneration Committee (Cont'd)

Meetings of the Remuneration Committee are held at least once a year or as and when required.

The terms of reference of the Remuneration Committee are as follows:

- to establish and review the terms and conditions of employment and remuneration of executive Directors and Key Senior Management Officers of the Group to ensure that rewards commensurate with their contributions to the Group's growth and profitability; and supports the Group's objectives and shareholder value and is consistent with the Group's culture and strategy;

- to review annually the performance of the executive Directors and recommend to the Board specific adjustments in remuneration and/or reward payments if any reflecting their contributions for the year;

- to ensure the level of remuneration for Independent Non-executive Directors reflects their experience and level of responsibilities undertaken and contribution to the effective functioning of the Board. Reviews and recommends changes to the Board where necessary; and

- keep abreast of the terms and conditions of service of the executive Directors including their total remuneration package for market comparability. Reviews and recommends changes to the Board where necessary.

All recommendations of the Remuneration Committee are subject to the endorsement of the Board.

INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

The Board acknowledges the importance of maintaining transparency and accountability to all its stakeholders, particularly its shareholders and investors as it ensures that market credibility and investor's confidence are maintained. Through extensive disclosures of appropriate and relevant information, using various channels of communication on a timely basis, the Group aims to effectively provide shareholders and investors with information to fulfill transparency and accountability objectives.

At this juncture, the channel of communication to shareholders, stakeholders and general public for the overall performance and operations of the Group's business activities are press releases, public announcements on quarterly basis, annual report and disclosures to the Bursa Securities.

Meetings with institutional investors, fund managers and analysts from time to time provide an additional avenue for the Board and Management to convey information about Group's performance, strategy and other matters affecting shareholders' interests.

The upcoming AGM represents the principal forum for dialogue and interaction with shareholders. The notice of meeting and the annual report are sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Articles of Association. A presentation is given by the Chairman to explain the Group's strategy, performance and major Developments to shareholders during the AGM. Shareholders are accorded both the opportunity and time to raise questions or offer constructive criticism pertaining to the operations and financial matters of the Group; whilst the Board and Senior Management will provide the answers and appropriate clarifications to issues raised. The external auditors will also be present to provide their professional and independent clarification on issues and concerns raised by the shareholders, if necessary.

Besides the key channels of communication through the annual report, general meetings and announcements to Bursa Securities as well as analyst and media briefings, there is also continuous effort to enhance the Group's website at www.uli.com.my as a channel of communication and information dissemination. Continuous improvement and development of the website will be undertaken by the Group to ensure easy and convenient access.

Corporate
Governance Statements (Cont'd)

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a clear, balanced and meaningful assessment of the Group's financial position and prospects by ensuring quality financial reporting through the annual financial statements and quarterly financial results to its stakeholders, in particular, shareholders, investors and the regulatory authorities.

The Audit Committee assists the Board in scrutinising information for disclosure to ensure the quality of financial reporting and adequacy of such information, prior to submission to the Board for its approval. As required by the Companies Act, 1965, the Directors are responsible for the preparation of annual financial statements in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company at the end of each financial year and of the results and cash flows of the Group and of the Company for the financial year. The accounting policies and methods once adopted, are consistently applied and supported by reasonable judgements and estimates.

The Directors have responsibility for ensuring that the Group keeps proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

In addition, the Directors are also responsible for taking reasonable steps to safeguard the assets for the Group and to prevent and detect fraud as well as other irregularities.

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls that provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. The effectiveness of the system of internal controls of the Group is reviewed periodically by the Audit Committee.

Further details of the Group's system of internal controls are set out in the Statement on Internal Control of this Annual Report.

Relationship with Auditors

The Board maintains a transparent and professional relationship with the external auditors. The Audit Committee meets with the external auditors at least once a year to discuss their audit plan, audit findings and the financial statements. The Audit Committee also meets the external auditors without the presence of the executive Directors and the management at least twice a year. From time to time, the external auditors highlight to the Audit Committee and the Board on matters that require the Board's attention.

The role of the Audit Committee in relation to both the internal and external auditors is described in the Audit Committee Report of this Annual Report.

Compliance with the Code

The Board is satisfied that the Group has maintained high standards of Corporate Governance and has strived to achieve the highest level of integrity and ethical standard, in all its business dealings, including compliance with the Code throughout the financial year ended 31 December 2011.

This Statement is made in accordance with the resolution of the Board.

Audit Committee Report

MEMBERS

Chim Wai Khuan	(Independent Non-executive Director) - Chairman
Wong Chow Lan	(Independent Non-executive Director)
Lokman bin Mansor	(Independent Non-executive Director)

TERMS OF REFERENCE

1. Membership

The Audit Committee shall be appointed by the Board of Directors amongst the Directors and shall consist of not less than three (3) members, all of whom must be Non-executive Directors, with majority of them being Independent. The chairman who shall be elected by the Audit Committee must be an Independent Non-executive Director. No alternate Director shall be appointed as a member of the Audit Committee.

The Board shall at all times ensure that at least one (1) member of the Audit Committee:

i) must be a member of the Malaysian Institute of Accountants ("MIA"); or

ii) if he is not a member of the MIA, he must have at least three (3) years working experience and:
- he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
- he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

iii) fulfils such other requirements as prescribed or approved by Bursa Securities.

At least once in every three (3) years, the Board of Directors must review the Terms of Reference and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members carried out their duties in accordance to the Terms of Reference.

2. Meetings and Reporting Procedures

The Audit Committee shall convene meetings at least four (4) times a year, or more frequently as the Audit Committee considers necessary. The chairman of the Audit Committee, or the secretary on the requisition of any members, the head of internal audit or the external auditors, shall at any time summon a meeting by giving reasonable notice. A quorum shall be two (2) members present and majority of which must be Independent Directors.

The chief financial officer and the company secretary, the head of internal audit and a representative of the external auditors shall normally be invited to attend the meetings but may be requested to leave a meeting as and when deemed necessary by the Audit Committee. Other Board members and senior management staff may attend meetings upon the invitation of the Audit Committee. However, the Audit Committee shall meet the external auditors without any executive Directors and employees present at least twice a year.

The company secretary shall act as secretary of the Audit Committee. The secretary shall draw up an agenda for each meeting, in consultation with the chairman of the Audit Committee. The agenda shall be distributed to all members of the Audit Committee and head of internal audit as well as external auditors before the meeting together with supporting papers. The minutes of the meeting of the Audit Committee shall be signed by the Chairman and circulated to all members of the Board. The chairman of the Audit Committee shall report on each meeting to the Board and all recommendations of the Audit Committee shall be submitted to the Board for approval.

Audit Committee Report (Cont'd)

3. Authority

The Audit Committee is authorised by the Board and at the cost of the Company to:-

- investigate any activity within its Terms of Reference;
- have the internal audit function report directly to the Audit Committee;
- have the resources required to perform its duties;
- have full and unrestricted access to any information pertaining to the Company or the Group for the purpose of discharging its functions and responsibilities;
- have direct communication channels with the external and internal auditors;
- obtain external legal or other independent advice as necessary; and
- to convene meeting with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

4. Responsibilities and Duties

The responsibilities and duties of the Audit Committee shall include the following:

Corporate Financial Reporting

i) to review and recommend acceptance or otherwise of accounting policies, principles and practices;

ii) to review the quarterly and annual financial statements of the Group and the Company for recommendation to the Board of Directors for approval, focusing particularly on:
  - any changes in or implementation of new accounting policies and practices;
  - major judgemental areas, significant and unusual events;
  - significant adjustments arising from the audit;
  - the going concern assumptions; and
  - compliance with the applicable approved accounting standards in Malaysia, Listing Requirements of the Bursa Securities and other legal and statutory requirements.

iii) to review with management and the external auditors the results of the audit, including any difficulties encountered.

Corporate Risk Management

i) to review the adequacy of and to provide reasonable assurance to the Board of the effectiveness of risk management functions of the Group;

ii) to ensure that the principal and requirements of managing risk are consistently adopted throughout the Group.

Internal Control

i) to assess the quality and effectiveness of the systems of the internal control and the efficiency of the Group's operations;

ii) to review the findings on the internal control in the Group by internal and external auditors; and

iii) to review and approve the Statement on Internal Control for the annual report as required under Listing Requirements of Bursa Securities.

Internal Audit

i) to approve the corporate audit charters of internal audit functions in the Group;

ii) to ensure that the internal audit functions have appropriate standing in the Group and have the necessary authority and resources to carry out their work. This includes a review of the organisational structure, resources, budgets and qualifications of the internal audit personnel;

iii) to review internal audit reports and management's response and actions taken in respect of these and report to the Board accordingly;

iv) to review the adequacy of the scope, functions and resources of the internal auditors and whether it has the necessary authority to carry out its work;

v) to be informed of resignations and transfers of senior internal audit staff and providing resigning/ transferred staff an opportunity in expressing their views; and

vi) to direct any special investigation to be carried out by internal audit. The total cost incurred for the internal audit function in respect of the financial year ended 31 December 2011 amounted to RM7,500.

Audit
Committee Report (Cont'd)

4. Responsibilities and Duties

External Audit

i) to consider the appointment, resignation and dismissal of external auditors and their audit fee;
ii) to review the external audit reports, major findings and management's responses and actions taken thereto. Where actions are not taken within an adequate time frame by the management, the Audit Committee will report the matter to the Board;
iii) to review the nature and scope of the audit by external auditors before commencement.

Corporate Governance

i) to review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow up (including disciplinary action) any instances of non-compliance;
ii) to review the findings of any examinations by regulatory authorities;
iii) to consider any related party transaction and conflict of interest that may arise within the Group including any transaction, procedure or course of conduct that raises questions of integrity;
iv) to review and approve the Statement of Corporate Governance for the annual report as required under the Listing Requirements of Bursa Securities;
v) to examine instances and matters that may have compromised the principles of Corporate Governance and report back to the Board;
vi) to review the investor relations programme and shareholder communication policy for the Company;
vii) to develop and regularly review the Group's code of Corporate Governance and Business ethics;
viii) where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved, resulting in a breach of the Listing Requirements of the Bursa Securities, the Audit Committee must promptly report such matters to Bursa Securities; and
ix) any such other functions as may be agreed by the Committee and the Board.

MEETINGS AND MINUTES

During the financial year ended 31 December 2011, five (5) Audit Committee Meetings were held. Details of attendance of each Committee member were as follows:

Name of Committee Member	No. of Meetings Attended
Chim Wai Khuan	5/5
Wong Chow Lan	4/5
Lokman bin Mansor	5/5

At each of these Committee Meetings, the senior management personnel, the company secretary together with representatives of the external auditors were in attendance.

Audit
Committee Report (Cont'd)

SUMMARY OF ACTIVITIES

The Audit Committee carried out its duties in accordance with its Terms of Reference during the financial year ended 31 December 2011. The main activities undertaken by the Audit Committee included the following:

i) reviewed the interim financial reports relating to the quarterly reporting of the Group to ensure adequacy of disclosure of information essential to a fair and full presentation of the financial affairs of the Group for recommendation to the Board for approval for the release of the said quarterly reporting;

ii) reviewed the audited financial statements before submitting them to the Board, ensuring that the financial statements were prepared in accordance with the applicable approved accounting standards and the Companies Act, 1965 in Malaysia. Any significant issues resulting from the audit of the financial statements by the external auditors were deliberated;

iii) evaluated the performance of the external auditors, reviewed the external auditors' scope of work, audit plan and their audit fees and recommending the appointment of external auditors at the AGM;

iv) reviewed with the external auditors the results of the audit and the management letter (if any), including management's response;

v) discussed the internal audit plan, programmes and resources requirement and skill levels of the internal auditors for the year and assessed the performance of the internal audit function;

vi) reviewed the internal auditor's report, which highlighted the audit issues, recommendations and management's response. Discussed with management, actions taken to improve the system of internal control based on improvement opportunities identified in the internal audit reports;

vii) reviewed the application of Corporate Governance principles and the extent of the Group's compliance with the Best Practices set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statements and Statement on Internal Control pursuant to the Listing Requirements of the Bursa Securities; and

viii) reviewed and discussed Related Party Transactions ("RPT") and Recurrent Related Party Transactions ("RRPT") to ascertain if the transactions are conducted at arm's length and on normal commercial terms, and that the internal control procedures with regards to such transactions are sufficient.

Statement on Internal Control

Directors' Responsibilities

The Board of Directors recognises the importance of maintaining a sound system of internal control for the Group to safeguard shareholders' investment and the Group's assets. The Board also acknowledges its responsibility for the Group's system of internal control which covers not only financial controls but operational and compliance controls. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. Shareholders should be aware that there are inherent limitations in any system of internal control. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement of management and financial information or against financial losses or fraud.

Current Risk Management Framework

The risk management framework has been embedded in the Company's management systems. Authority and accountability have been clearly defined to implement the risk management process and internal control system. Based on the assessment of the internal control systems of the Group, the Board is of the view that there is an ongoing process of identifying, evaluating, monitoring and managing significant risks affecting the achievement of its business objectives in their daily activities throughout the financial year and up to the date of approval of the Annual Report.

Internal Control Environment

Within the Group, there are organisational structures in place for each operating unit with clearly defined levels of authority. Management of each operating unit has clear responsibility for identifying risk affecting their unit and the overall Group's business as a whole. They are also charged with instituting adequate procedures and internal controls to mitigate and monitor such risks on an ongoing basis. Since its listing on the Bursa Securities, the Board has regularly addressed issues or risks that may have arisen.

Standard operating policies and procedures that document how transactions are captured and where internal controls are applied exist for all operating units of the Group. As part of the performance monitoring process, management information in the form of forecasts and quarterly management accounts and reports are provided to the Board for review and approval.

Audit Committee

During the financial year ended 31 December 2011, the Audit Committee has met five (5) times. The Audit Committee provides assurance to the Board's in discharging its overall responsibility for the effectiveness of internal controls in the Group. The key functions performed by the Committee were:

- Review of audit plans of both external and internal auditors;
- Review of quarterly results and announcements and recommend to the Board for approval; and
- Review any related party transactions and conflict of interest situations.

Internal Audit

The Group outsourced its internal audit function to an independent firm of consultants.

The internal audit team will assist the Audit Committee in discharging internal audit function in which to assess the adequacy and effectiveness of the system of internal controls and accounting control procedures of the Group. The internal audit team independently reported to the Audit Committee its activities, significant results, findings and necessary recommendations. As such, internal audit progress report will be issued by internal audit team to enable the Board to gain assurance on the effectiveness, adequacy and integrity of the Group's system of internal controls. At the onset, the annual audit programme will be presented to the Audit Committee for approval before commencement of the following financial year. The internal audit team is totally independent. It has no involvement in the operations of the Group and is not involved in providing any form of advisory to the management of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of the Bursa Securities, the external auditors have reviewed this Statement on Internal Control. This review was performed in accordance with Recommended Practice Guide ("RPG") 5 issued by Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

Additional Compliance Information

The following information is provided in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the financial year ended 31 December 2011:

MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as otherwise disclosed in Significant Related Party Transactions in the Financial Statements, there are no material contracts including contracts relating to any loan entered into by the Company and its subsidiaries involving Directors and major shareholders' interests.

SANCTIONS AND PENALTIES

There were no sanctions or penalties imposed by any regulatory authorities on the Company and its subsidiaries, Directors or management during the financial year ended 31 December 2011.

SHARE BUY-BACK

The Company did not make any share buy-back during the financial year ended 31 December 2011.

NON-AUDIT FEES

There were no non-audit fees paid to external auditors during the financial year ended 31 December 2011.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

No options, warrants or convertible securities were issued during the financial year ended 31 December 2011.

VARIATIONS IN RESULTS FOR THE FINANCIAL YEAR

There were no deviation of 10% or more between the audited results for the financial year and the unaudited financial results previously announced.

AMERICAN DEPOSITORY RECEIPT ("ADR")/GLOBAL DEPOSITORY RECEIPT ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year ended 31 December 2011.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company has not provided a profit forecast for the financial year ended 31 December 2011.

PROFIT GUARANTEES

There were no profit guarantees given by the Company during the financial year ended 31 December 2011.

REVALUATION OF PROPERTIES

The Group's properties as at 31 December 2011 are listed on page 85 and page 86. The note on revaluation of the properties is in Note 2.3(c) in the notes to financial statements on page 40.

financial statements...

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Directors' Report

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st December 2011.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are as stated in Note 8 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the financial year	16,480,255	4,483,421
Other comprehensive income, net of tax	(1,049,334)	–
Total comprehensive income for the financial year	15,430,921	4,483,421
Net profit for the financial year attributable to:-		
- Owners of the parent	16,480,255	4,483,421
- Non-controlling interest	–	–
	16,480,255	4,483,421
Total comprehensive income for the financial year attributable to:-		
- Owners of the parent	15,430,921	4,483,421
- Non-controlling interest	–	–
	15,430,921	4,483,421

DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were:-

(i) a final gross dividend of 4 sen per ordinary share of RM0.50 each, less 25% income tax amounting to RM3,960,000/- in respect of the financial year ended 31st December 2010 was paid on 22nd June 2011.

(ii) a first interim gross dividend of 4 sen per ordinary share of RM0.50, less 25% income tax amounting to RM3,960,000/- in respect of the financial year ended 31st December 2011 was paid on 29th December 2011.

The directors recommend the payment of a final dividend of 5 sen per ordinary share of RM0.50 each, less 25% income tax amounting to RM4,950,000/- in respect of the current financial year which, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, will be paid to shareholders on a date to be determined later by the directors.

RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.

Directors'
Report (Cont'd)

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that have arisen since the end of the financial year which secures the liabilities of any other person, or

(ii) any contingent liabilities in respect of the Group and of the Company that have arisen since the end of the financial year.

No contingent liabilities or other liabilities of the Group and of the Company have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due, other than as disclosed in Note 22 to the financial statements.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Directors'
Report (Cont'd)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company did not issue any shares or debentures.

DIRECTORS

The directors in office since the date of the last report are:-

Dato' Wira Abd Rahman bin Ismail
Dato' Wira Lee Yoon Wah
Dato' Lee Yoon Kong
Teow Lai Seng
Chim Wai Khuan
Wong Chow Lan
Lokman bin Mansor
Shariff bin Mohd Shah

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, the interests of those directors who held office at the end of the financial year in shares in the Company during the financial year ended 31st December 2011 are as follows:-

	Number of ordinary shares of RM0.50 each			
	At 1.1.2011	Additions	Disposals	At 31.12.2011
The Company				
Direct Interest				
Dato' Wira Abd Rahman bin Ismail	9,000	–	–	9,000
Dato' Wira Lee Yoon Wah	4,251,848	–	–	4,251,848
Dato' Lee Yoon Kong	3,867,246	–	–	3,867,246
Teow Lai Seng	9,000	–	–	9,000
Chim Wai Khuan	420,000	–	–	420,000
Wong Chow Lan	624	–	–	624
Lokman bin Mansor	9,000	–	–	9,000
Shariff bin Mohd Shah	729,128	–	(200,000)	529,128
Deemed Interest				
Dato' Wira Abd Rahman bin Ismail *	44,556	–	–	44,556
Dato' Wira Lee Yoon Wah **	54,000,000	–	–	54,000,000
Dato' Lee Yoon Kong **	54,000,000	–	–	54,000,000

* Deemed interest by virtue of interest in Kasuria Sdn. Bhd.
** Deemed interest by virtue of interest in Pearl Deal (M) Sdn. Bhd.

By virtue of their interest in shares in the Company, Dato' Wira Abd Rahman bin Ismail, Dato' Wira Lee Yoon Wah and Dato' Lee Yoon Kong are also deemed interested in shares of all the subsidiaries to the extent that the Company has an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interests in shares in the Company and its related companies during the financial year.

Directors'
Report (Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SIGNIFICANT EVENT

Details of the significant event are disclosed in Note 28 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the Board,

DATO' WIRA LEE YOON WAH
Director

DATO' LEE YOON KONG
Director

Petaling Jaya

Date: 19th April 2012

Statements of Financial Position as at 31st December 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	4	48,783,715	50,920,022	–	–
Investment properties	5	445,000	445,000	–	–
Intangible asset	6	33,820	42,275	–	–
Deferred tax assets	7	265,335	1,127,973	–	–
Investment in subsidiaries	8	–	–	40,933,094	40,933,094
Total Non-current Assets		49,527,870	52,535,270	40,933,094	40,933,094
Current Assets					
Inventories	9	36,721,425	43,150,879	–	–
Trade and other receivables	10	57,165,217	64,823,979	33,791,290	35,402,591
Prepayments		61,140	229,452	–	–
Tax recoverable		3,881,751	3,370,198	206,887	196,888
Fixed deposits placed with licensed banks		14,270,413	17,573,443	–	–
Cash and bank balances		37,875,050	15,821,515	441,233	2,284,435
Total Current Assets		149,974,996	144,969,466	34,439,410	37,883,914
TOTAL ASSETS		199,502,866	197,504,736	75,372,504	78,817,008
EQUITY AND LIABILITIES					
Equity attributable to Owners of the Parent					
Share capital	11	66,000,000	66,000,000	66,000,000	66,000,000
Reserves	12	99,450,501	91,939,580	9,075,505	12,512,084
Total Equity		165,450,501	157,939,580	75,075,505	78,512,084
Non-current Liabilities					
Deferred tax liabilities	7	3,113,742	2,118,018	–	–
Loans and borrowings	13	402,542	1,055,328	–	–
Total Non-current Liabilities		3,516,284	3,173,346	–	–
Current Liabilities					
Trade and other payables	14	13,878,795	18,998,930	296,999	304,924
Loans and borrowings	13	16,657,286	17,390,614	–	–
Tax payable		–	2,266	–	–
Total Current Liabilities		30,536,081	36,391,810	296,999	304,924
Total Liabilities		34,052,365	39,565,156	296,999	304,924
TOTAL EQUITY AND LIABILITIES		199,502,866	197,504,736	75,372,504	78,817,008

The accompanying notes form an integral part of these financial statements.

Statements of Comprehensive Income for the Financial Year ended 31st December 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Revenue	15	142,589,535	138,057,519	4,950,000	3,960,000
Cost of sales		(94,697,042)	(87,296,971)	–	–
Gross Profit		47,892,493	50,760,548	4,950,000	3,960,000
Other operating income		2,477,906	1,080,195	–	–
Administrative expenses		(21,344,913)	(20,715,804)	(466,579)	(460,176)
Other operating expenses		(4,974,032)	(5,206,315)	–	–
Operating Profit	16	24,051,454	25,918,624	4,483,421	3,499,824
Finance costs	17	(951,427)	(1,081,604)	–	–
Profit Before Taxation		23,100,027	24,837,020	4,483,421	3,499,824
Taxation	18	(6,619,772)	(6,665,399)	–	–
Profit for the Financial Year		16,480,225	18,171,621	4,483,421	3,499,824
Other Comprehensive (Loss)/Income, Net of Tax					
Taxation relating to revaluation reserve		(1,049,344)	(631,811)	–	–
Revaluation of land and buildings		–	5,162,438	–	–
		(1,049,344)	4,530,627	–	–
Total Comprehensive Income for the Financial Year		15,430,921	22,702,248	4,483,421	3,499,824
Profit attributable to:-					
Owners of the parent		16,480,255	18,171,621	4,483,421	3,499,824
Non-controlling interest		–	–	–	–
		16,480,255	18,171,621	4,483,421	3,499,824
Total Comprehensive Income attributable to:-					
Owners of the parent		15,430,921	22,702,248	4,483,421	3,499,824
Non-controlling interest		–	–	–	–
		15,430,921	22,702,248	4,483,421	3,499,824
Earnings per share attributable to owners of the parent	19				
- basic (sen)		12.49	13.77		
- diluted (sen)		12.49	13.77		

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity for the Financial Year ended 31st December 2011

	Note	← Attributable to Owners of the Parent →			
		Share Capital RM	Non-distributable Revaluation Reserves RM	Distributable Retained Profits RM	Total Equity RM
Group					
Balance at 1st January 2010		66,000,000	7,100,008	66,097,324	139,197,332
Total Comprehensive Income for the Financial Year		–	4,530,627	18,171,621	22,702,248
Transaction with Owners:-					
Dividends	20	–	–	(3,960,000)	(3,960,000)
Total Transaction with Owners		–	–	(3,960,000)	(3,960,000)
Balance at 31st December 2010		66,000,000	11,630,635	80,308,945	157,939,580
Total Comprehensive Income for the Financial Year		–	(1,049,334)	16,480,255	15,430,921
Transaction with Owners:-					
Dividends	20	–	–	(7,920,000)	(7,920,000)
Total Transaction with Owners		–	–	(7,920,000)	(7,920,000)
Balance at 31st December 2011		66,000,000	10,581,301	88,869,200	165,450,501
Company					
Balance at 1st January 2010		66,000,000	–	12,972,260	78,972,260
Total Comprehensive Income for the Financial Year		–	–	3,499,824	3,499,824
Transaction with Owners:-					
Dividends	20	–	–	(3,960,000)	(3,960,000)
Total Transaction with Owners		–	–	(3,960,000)	(3,960,000)
Balance at 31st December 2010		66,000,000	–	12,512,084	78,512,084
Total Comprehensive Income for the Financial Year		–	–	4,483,421	4,483,421
Transaction with Owners:-					
Dividends	20	–	–	(7,920,000)	(7,920,000)
Total Transaction with Owners		–	–	(7,920,000)	(7,920,000)
Balance at 31st December 2011		66,000,000	–	9,075,505	75,075,505

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows for the Financial Year ended 31st December 2011

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES:-				
Profit before taxation	23,100,027	24,837,020	4,483,421	3,499,824
Adjustments for:-				
Impairment loss on receivables	234,749	7,496	–	–
Reversal of impairment loss on receivables	(940,315)	–	–	–
Amortisation of intangible assets	8,455	8,455	–	–
Bad debts recovered	(179,924)	–	–	–
Bad debts written off	302,867	–	–	–
Deposit written off	37,251	–	–	–
Depreciation	5,307,766	5,193,749	–	–
Dividend income	–	–	(4,950,000)	(3,960,000)
Gain on disposal of property, plant and equipment	(7,716)	(483,479)	–	–
Interest income	(556,252)	(366,945)	–	–
Interest expense	951,427	1,081,604	–	–
Loss on disposal of investment property	–	30,000	–	–
Revaluation decrease on property, plant and equipment	–	104,500	–	–
Unrealised gain on foreign exchange	(49,615)	(299,119)	–	–
	28,208,720	30,113,281	(466,579)	(460,176)
Changes In Working Capital:-				
Inventories	6,429,454	(11,129,878)	–	–
Receivables	8,422,061	(5,478,309)	–	–
Payables	(5,120,135)	5,043,172	(7,925)	(447,180)
	37,940,100	18,548,266	(474,504)	(907,356)
Interest paid	(860,432)	(904,218)	–	–
Interest received	556,252	366,945	–	–
Tax paid	(6,324,563)	(8,863,209)	(9,999)	(3,337)
Net Operating Cash Flows	31,311,357	9,147,784	(484,503)	(910,693)
CASH FLOWS FROM INVESTING ACTIVITIES:-				
Proceeds from disposal of investment property	–	1,130,000	–	–
Proceeds from disposal of property, plant and equipment	15,000	730,500	–	–
Purchase of investment property	–	(400,000)	–	–
Purchase of property, plant and equipment	(3,178,743)	(6,772,116)	–	–
Repayment from subsidiaries	–	–	6,561,301	2,558,956
Net Investing Cash Flows	(3,163,743)	(5,311,616)	6,561,301	2,558,956

Statements of
Cash Flows for the Financial Year ended 31st December 2011 (Cont'd)

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
CASH FLOWS FROM FINANCING ACTIVITIES:-				
Dividends paid	(7,920,000)	(3,960,000)	(7,920,000)	(3,960,000)
Dividends received	–	–	–	3,960,000
Interest paid	(90,995)	(177,386)	–	–
Repayment of other short term borrowings	(221,000)	(1,426,000)	–	–
Repayment of finance lease liabilities	(1,127,610)	(1,770,325)	–	–
Repayment of term loans	(37,504)	(365,369)	–	–
Net Financing Cash Flows	(9,397,109)	(7,699,080)	(7,920,000)	–
NET CHANGE IN CASH AND CASH EQUIVALENTS	18,750,505	(3,862,912)	(1,843,202)	1,648,263
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	33,394,958	37,257,870	2,284,435	636,172
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	52,145,463	33,394,958	441,233	2,284,435
ANALYSIS OF CASH AND CASH EQUIVALENTS:-				
Fixed deposits placed with licensed banks	14,270,413	17,573,443	–	–
Cash and bank balances	37,875,050	15,821,515	441,233	2,284,435
	52,145,463	33,394,958	441,233	2,284,435

The accompanying notes form an integral part of these financial statements.

Notes
to the Financial Statements

1. GENERAL INFORMATION

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are as stated in Note 8 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 62C, Jalan SS21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at 33, Jalan Kartunis U1/47, Temasya Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan.

The financial statements are expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19th April 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 2.3 to the financial statements.

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported financial period. It also requires directors' best knowledge of current events and actions, and therefore actual results may differ.

The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs")

(a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

<u>Revised FRSs</u>

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Cont'd)

Amendments/Improvements to FRSs

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 128	Investment in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Presentation
FRS 134	Interim Financial Reporting
FRS 138	Intangible Assets
FRS 139	Financial Instruments: Recognition and Measurement

New IC Int

IC Int 4	Determining Whether an Arrangement Contains a Lease
IC Int 12	Service Concession Arrangements
IC Int 16	Hedges of a Net Investment in a Foreign Operation
IC Int 17	Distributions of Non-cash Assets to Owners
IC Int 18	Transfer of Assets from Customers

Amendments to IC Int

IC Int 9	Reassessment of Embedded Derivatives
IC Int 13	Customer Loyalty Programmes

The main effects of the adoption of the above revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int are summarised below:-

FRS 3 Business Combinations (Revised)

The adoption of the FRS 3 affects the way in which the Group accounts for business combinations. The main changes made in this revised standard were:-

- All the acquisition-related costs incurred by the acquirer in connection with the business combination shall be recognised as expense in the profit or loss in the period in which the costs are incurred (rather than included in goodwill);

- All considerations transferred by the acquirer, including contingent considerations, in a business combination shall be measured at fair value as at the acquisition date. Subsequent changes in the fair value of contingent consideration classified as liabilities are recognised in accordance with FRS 139, FRS 137 or other FRSs, as appropriate (rather than by adjusting goodwill);

- An acquirer is no longer permitted to recognise contingencies acquired in a business combination that do not meet the definition of a liability;

- For each business combination, the acquirer must measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. Previously, only the latter was permitted;

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Cont'd)

FRS 3 Business Combinations (Revised) (Cont'd)

- For a business combination achieved in stages, the equity interests held by the acquirer in the acquiree immediately before achieving control are re-measured at its acquisition date fair value with any corresponding gain or loss recognised in profit or loss; and

- Goodwill arising from the business combination is measured as the difference between the aggregate fair value of consideration transferred, any non-controlling interest in the acquiree, and the fair value at acquisition date of any previously-held equity interest in the acquiree, and the fair value of identifiable assets acquired and liabilities assumed (including contingent liabilities) at acquisition date.

This revised FRS 3 shall be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July 2010. There is no financial impact on the financial statements of the Group for the current financial year as there were no business combinations during the financial year.

FRS 127 Consolidated and Separate Financial Statements (Revised)

The revised FRS 127 requires that any changes in a parent's ownership interest in a subsidiary company that do not result in the loss of control are accounted for within equity. When the Group loses control of a subsidiary company, any remaining interest retained in the former subsidiary company will be measured at fair value and any resulting gain or loss is recognised in profit or loss. Total comprehensive income will be proportionately allocated to the owners of the parent and to the non-controlling interests even if it results in the non-controlling interests having a deficit balance.

The revised FRS 127 shall be applied prospectively to business combinations for which the acquisition date is on or after 1st July 2010. There is no financial impact on the financial statements of the Group for the current financial year as there were no business combinations during the financial year.

Amendments to FRS 7 Financial Instruments: Disclosures

Disclosures on fair value and liquidity have been enhanced upon the adoption of this amendment. In particular, financial instruments measured at fair value are disclosed by class in a three-level fair value measurement hierarchy, with specific disclosures related to transfers between levels in the hierarchy and detailed disclosures on level three of the fair value hierarchy. Certain disclosures on liquidity are also modified. The adoption of this amendment resulted in additional disclosures in the financial statements but did not have any financial impact on the Group and the Company.

IC Int 4 Determining Whether an Arrangement Contains a Lease

This IC Int clarifies that when the fulfilment of an arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, then the arrangement should be accounted for as a lease under FRS 117, even though it does not take the legal form of a lease. This interpretation did not have any financial impact on the Group and the Company.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Cont'd)

IC Int 12 Service Concession Arrangements

This IC Int applies to operators of infrastructure for public-to-private service concession arrangement and sets out general principles on recognising and measuring the obligations and related rights in service concession arrangements such as the treatment of the operator's rights over the infrastructure, the recognition and measurement of arrangement consideration, subsequent accounting treatment of a financial asset and an intangible asset and the accounting treatment for the borrowing costs. This interpretation has to be applied retrospectively unless it is impracticable to do so and in that case the financial assets and intangible assets that existed shall be recognised at the start of the earliest period presented by using their previous carrying amounts as their carrying amount as at that date and test for impairment. This interpretation did not have any financial impact on the Group and the Company.

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early

The Group and the Company have not adopted the following new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
New FRSs		
FRS 9	Financial Instruments	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosures of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
Revised FRSs		
FRS 119	Employee Benefits	1 January 2013
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments/Improvements to FRSs		
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2012
FRS 7	Financial Instruments: Disclosures	1 January 2012/ 1 January 2013
FRS 101	Presentation of Financial Statements	1 July 2012
FRS 112	Income Taxes	1 January 2012
FRS 132	Financial Instruments: Presentation	1 January 2014

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early (Cont'd)

New IC Int		
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Int		
IC Int 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 July 2011

A brief discussion on the above significant new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

FRS 9 Financial Instruments

FRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to of the former FRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

FRS 10 Consolidated Financial Statements and FRS 127 Separate Financial Statements (Revised)

FRS 10 replaces the consolidation part of the former FRS 127 Consolidated and Separate Financial Statements. The revised FRS 127 will deal only with accounting for investment in subsidiaries, joint ventures and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with FRS 9.

FRS 10 brings about convergence between FRS 127 and SIC-12, which interprets the requirements of FRS 10 in relation to special purpose entities. FRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee'. It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early (Cont'd)

FRS 11 Joint Arrangements

FRS 11 supersedes the former FRS 131 Interests in Joint Ventures. Under FRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement. There are two types of joint arrangement namely joint venture or joint operation as specified in this new standard. A joint venture recognises its interest in the joint venturer as an investment and account for its using the equity method. The proportionate consolidation method is disallowed in such joint arrangement. A joint operator accounts for the assets, liabilities, revenue and expenses related to its interest directly.

FRS 12 Disclosures of Interests in Other Entities

FRS 12 is a single disclosure standard for interests in subsidiary companies, joint ventures, associated companies and unconsolidated structured entities. The disclosure requirements in this FRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows.

FRS 13 Fair Value Measurement

FRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Amendments to FRS 112 Income Taxes

This amendment to FRS 112 addresses the measurement approach for deferred tax assets and liabilities in respect of investment properties which are measured at fair value. The amendment introduces a rebuttable presumption that the investment property is recovered entirely through sale. In such cases, deferred tax assets or liabilities are provided at tax rates applicable when recovering the property entirely through sale. If this presumption is rebutted, deferred tax assets or liabilities are provided based on tax rates applicable when consuming substantially the economic benefits embodied in the property over a period of time (for example via rental income).

FRS 128 Investments in Associates and Joint Ventures (Revised)

This revised FRS 128 incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associated companies, as the equity method was applicable for both investments in joint ventures and associated companies. However, the revised FRS 128 exempts the investor from applying equity accounting where the investment in the associated company or joint venture is held indirectly via venture capital organisations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 9.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

(c) MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1st January 2012, the MASB had on 19th November 2011 issue a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1st January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1st January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs framework for an additional one year. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1st January 2012.

Accordingly, the Group and the Company which are not Transitioning Entities are required to adopt the MFRSs framework for the next financial year, being the first set of financial statements prepared in accordance with the MFRSs framework.

As at 31st December 2011, all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions as well as differences in effective dates contained in certain of the existing FRSs. As such, except those as discussed below, the main effects arising from the transition to the MFRSs Framework has been discussed in Note 2.2 (b). The effect is based on the Group's and the Company's best estimates at the end of the reporting period. The financial effect may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs effective for annual periods beginning on or after 1st January 2012 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs. The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises. This standard did not have any financial impact on the Group and the Company.

IC Int 15 Agreements for the Construction of Real Estate

IC Int 15 establishes the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised. This interpretation did not have any financial impact on the Group and the Company.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:-

(a) Basis of Consolidation

(i) Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale or distribution. The cost of investments includes transactions costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Accounting for Business Combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1st January 2011 the Group has applied FRS 3, Business Combination (Revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

For acquisition on or after 1st January 2011, the Group measures goodwill at the acquisition date as:-
- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquire; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquire; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(a) Basis of Consolidation (Cont'd)

(ii) Accounting for Business Combinations (Cont'd)

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

For acquisition between 1st January 2006 and 1st January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

For acquisition prior to 1st January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in fair values of the net identifiable assets and liabilities.

(iii) Accounting for Acquisition of Non-controlling Interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserve.

(iv) Loss of Control

The Group applied FRS 127, Consolidated and Separate Financial Statements (Revised) since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the previous financial years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost in initial measurement of the investment.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(b) Property, Plant and Equipment and Depreciation

All property, plant and equipment are initially stated at cost. Land and buildings are subsequently shown at market value, based on valuations of external independent valuers, less subsequent accumulated depreciation and impairment losses, if any. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(h).

Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

Freehold lands are not depreciated as it has an infinite life. All other property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets concerned. The annual rates used for this purpose are as follows:-

Leasehold land	61 years - 82 years
Buildings	2%
Electrical installation	10%
Plant and machinery	15%
Motor vehicles	15%
Office equipment	10%
Furniture and fittings	10%
Renovation	10%

Work in progress is not depreciated as this asset is not yet available for use.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. The effects of any revisions of the residual values and useful lives are included in the profit or loss for the financial year in which the changes arise.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the financial year the asset is derecognised.

(c) Revaluation of Assets

Land and buildings at valuation are revalued at a regular interval of at least once in every five years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued land and buildings materially differ from the market values.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained profits.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(d) Investment Property

Investment property is property held for long term rental yields and/or for capital appreciation and is not occupied by the Group.

Such property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar property and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment property are included in the profit or loss in the financial year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment property is derecognised when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the financial year in which it arises.

(e) Intangible Assets

Trademark represents the acquisition cost of the rights and license to use the name of "Goodlite" in the manufacturing of electrical lighting and fittings. Trademark is stated at cost less any accumulated amortisation and any accumulated impairment losses.

Trademark with finite life will be amortised on a straight line basis over its estimated economic useful life of 10 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for trademark are reviewed at least at the end of each reporting period.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average basis. The cost of raw materials and consumables comprise cost of purchase, transport and handling charges. The costs of finished goods and work-in-progress comprise cost of raw materials, direct labour and other direct costs and appropriate proportions of manufacturing overheads based on the normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(g) Financial Instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instrument.

A financial instrument is recognised initially, at its fair value, plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

The Group and the Company categorise the financial instruments as follows:-

(i) Financial Assets

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are held for trading, including derivatives, or are designated as such upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised as other gains or losses in the profit or loss.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market, trade and other receivables and cash and cash equivalents are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity that are quoted in an active market and the Group have the positive intention and ability to hold the investment to maturity is classified as held-to-maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(g) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

(ii) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated as fair value through profit or loss upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss over the contractual period or, upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular Way Purchase or Sale of Financial Assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention the marketplace concerned.

A regular way purchase or sale of financial asset is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:-

- the recognition of an asset to be received and the liability to pay for it on the trade date; and
- derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(g) Financial Instruments (Cont'd)

(v) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

(h) Impairment

The Group and the Company assess at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

(i) Impairment of Financial Assets

Trade and other receivables

To determine whether there is objective evidence that an impairment loss on financial assets has been occurred, the Group and the Company consider factors such as the probability of insolvency or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increased in the number of delayed payments in the portfolio past the average credit period and the observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(h) Impairment (Cont'd)

(ii) Impairment of Non-financial Assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less cost to sell and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Where the carrying amounts of an asset exceed its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in the profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed its carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the profit or loss.

(i) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as liabilities when proposed or declared before the end of reporting period. A dividend proposed or declared after the end of reporting period, but before the financial statements are authorised for issue, is not recognised as a liability at the end of reporting period.

Cost incurred directly attributable to the issuance of the shares is charged to the profit or loss. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(j) Leases

(i) Finance Leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Assets acquired by way of finance lease are stated at an amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance cost, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(ii) Operating Lease

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense on a straight line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

In the previous years, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments, except for leasehold land classified as investment property.

(k) Interest-bearing Borrowings

All interest-bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method.

(l) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and presentation currency.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(l) Foreign Currencies (Cont'd)

(ii) Transactions and Balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the end of reporting period. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of reporting period are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised directly in other comprehensive income.

(m) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of returns, rebates and discounts and after eliminating sales within the Group.

The Group recognised revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sales of Goods

Revenue from sale of goods is recognised upon delivery of products and customers' acceptance, net of discounts and returns and when the significant risk and rewards of ownership have been passed to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Interest Income

Interest income is recognised on an accruals basis using the effective interest method unless collectability is in doubt in which recognition will be on a receipt basis.

(iii) Dividend Income

Dividend income is recognised when the Group's right to receive payment is established.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(n) Income Tax

The tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the end of reporting period.

Deferred tax is provided for, using the liability method, on temporary differences at the each of reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the each of reporting period. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in other comprehensive income, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(o) Borrowing Costs

Borrowing costs are recognised in the profit or loss as an expense in the period in which they are incurred.

(p) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, bonuses, social security contribution and non-monetary benefits are recognised as an expense in the financial year in which the associated services are rendered by the employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences like sick leave, maternity and paternity leave are recognised when absences occur.

(ii) Post-Employment Benefits

The Group contributes to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to the profit or loss in the period to which they are related. Once the contributions have been paid, the Group has no further payment obligations.

Notes
to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(q) Segment Reporting

In the previous years, a segment was distinguishable component of the Group that was engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which was subject to risks and rewards that were different from those of other segments.

Following the adoption of FRS 8 Operating Segments, an operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(r) Cash and Cash Equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents are stated net of bank overdrafts which are repayable on demand.

(s) Earnings per Share

The Group presents basic and diluted earnings per share data for its ordinary shares (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise convertible notes, bonus issue and share options granted to employees.

(t) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Judgements Made in Applying Accounting Policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have a significant effect on the amounts recognised in the financial statements.

Leasehold land

The Group had in the previous financial year, reassessed and determined that all leasehold land of the Group which are in substance finance leases and had reclassified the leasehold land from prepaid lease payments to property, plant and equipment. The change in accounting policy had been made retrospectively in accordance with the transitional provisions of the amendment.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as stated below:-

(i) Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets.

In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(ii) Impairment of property, plant and equipment

The Group assesses impairment of assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on the Group's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

As at end of reporting period, the directors of the Group are of the opinion that there is no impact resulting from the impairment review by the management.

Notes
to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(iii) Impairment of investment in subsidiaries

The Group and the Company carried out the impairment test based on a variety of estimation including the value-in-use of the cash generating unit. Estimating the value-in-use requires the Group and the Company to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of reporting period is disclosed in Note 10 to the financial statements.

(v) Amortisation of intangible assets

Intangible assets are amortised on a straight line basis over their estimated economic useful lives. The management estimates that the useful lives of the intangible assets to be 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the intangible assets. Therefore the future amortisation charge could be revised.

(vi) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(vii) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

(viii) Allowance for obsolete inventories

Reviews are made periodically by management on demand, obsolete and slow moving inventories. These reviews require judgements and estimates. Possible changes in these estimates could result in revisions to the valuations of inventories.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land RM	Leasehold Land RM	Buildings RM	Works In Progress RM	Electrical Installation RM	Plant and Machinery RM	Motor Vehicles RM	Office Equipment RM	Furniture and Fittings RM	Renovation RM	Total RM
Cost/Valuation											
At 1st January 2011											
At cost	–	–	–	2,043,809	49,045	41,213,573	6,100,252	2,057,559	340,464	1,941,474	53,746,176
At valuation	6,816,000	10,800,000	15,734,000	–	–	–	–	–	–	–	33,350,000
	6,816,000	10,800,000	15,734,000	2,043,809	49,045	41,213,573	6,100,252	2,057,559	340,464	1,941,474	87,096,176
Additions	–	–	–	–	–	2,538,281	88,515	124,530	3,800	423,617	3,178,743
Disposals	–	–	–	–	–	–	(58,271)	–	–	–	(58,271)
Reclassification	–	–	2,043,809	(2,043,809)	–	–	–	–	–	–	–
At 31st December 2011	6,816,000	10,800,000	17,777,809	–	49,045	43,751,854	6,130,496	2,182,089	344,264	2,365,091	90,216,648
Representing:-											
At cost	–	–	–	–	49,045	43,751,854	6,130,496	2,182,089	344,264	2,365,091	54,822,839
At valuation	6,816,000	10,800,000	17,777,809	–	–	–	–	–	–	–	35,393,809
At 31st December 2011	6,816,000	10,800,000	17,777,809	–	49,045	43,751,854	6,130,496	2,182,089	344,264	2,365,091	90,216,648
Accumulated Depreciation and Impairment Losses											
At 1st January 2011	–	87,209	110,000	–	48,637	30,990,899	2,558,291	1,266,843	305,532	808,743	36,176,154
Depreciation for the financial year	–	133,436	341,931	–	407	3,641,826	833,095	160,117	19,430	177,524	5,307,766
Disposals	–	–	–	–	–	–	(50,987)	–	–	–	(50,987)
At 31st December 2011	–	220,645	451,931	–	49,044	34,632,725	3,340,399	1,426,960	324,962	986,267	41,432,933
Net Carrying Amount											
At cost	–	–	–	–	1	9,119,129	2,790,097	755,129	19,302	1,378,824	14,062,482
At valuation	6,816,000	10,579,355	17,325,878	–	–	–	–	–	–	–	34,721,233
At 31st December 2011	6,816,000	10,579,355	17,325,878	–	1	9,119,129	2,790,097	755,129	19,302	1,378,824	48,783,715

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold Land RM	Leasehold Land RM	Buildings RM	Works In Progress RM	Electrical Installation RM	Plant and Machinery RM	Motor Vehicles RM	Office Equipment RM	Furniture and Fittings RM	Renovation RM	Total RM
Cost/Valuation											
At 1st January 2010, as restated											
At cost	–	–	–	543,597	49,045	39,583,952	5,141,357	1,886,063	340,464	956,965	48,501,443
At valuation	5,666,000	9,700,000	14,804,000	–	–	–	–	–	–	–	30,170,000
	5,666,000	9,700,000	14,804,000	543,597	49,045	39,583,952	5,141,357	1,886,063	340,464	956,965	78,671,443
Additions	–	–	–	1,500,212	–	3,219,181	1,396,718	171,496	–	984,509	7,272,116
Disposals	–	–	–	–	–	(1,589,560)	(437,823)	–	–	–	(2,027,383)
Elimination of accumulated depreciation on revaluation	–	(413,899)	(1,125,000)	–	–	–	–	–	–	–	(1,538,899)
Revaluation decrease recognised in profit or loss	(45,000)	–	(59,500)	–	–	–	–	–	–	–	(104,500)
Revaluation surplus	1,195,000	1,513,899	2,114,500	–	–	–	–	–	–	–	4,823,399
At 31st December 2010	6,816,000	10,800,000	15,734,000	2,043,809	49,045	41,213,573	6,100,252	2,057,559	340,464	1,941,474	82,272,777
Representing:-											
At cost	–	–	–	2,043,809	49,045	41,213,573	6,100,252	2,057,559	340,464	1,941,474	53,746,176
At valuation	6,816,000	10,800,000	15,734,000	–	–	–	–	–	–	–	33,350,000
At 31st December 2010	6,816,000	10,800,000	15,734,000	2,043,809	49,045	41,213,573	6,100,252	2,057,559	340,464	1,941,474	87,096,176

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold Land RM	Leasehold Land RM	Buildings RM	Works In Progress RM	Electrical Installation RM	Plant and Machinery RM	Motor Vehicles RM	Office Equipment RM	Furniture and Fittings RM	Renovation RM	Total RM
Accumulated Depreciation and Impairment Losses											
At 1st January 2010	–	479,574	1,179,600	–	43,732	28,902,973	1,945,331	1,109,550	270,515	709,431	34,640,706
Depreciation for the financial year	–	119,894	296,080	–	4,905	3,662,578	818,670	157,293	35,017	99,312	5,193,749
Disposals	–	–	–	–	–	(1,574,652)	(205,710)	–	–	–	(1,780,362)
Elimination of accumulated depreciation on revaluation	–	(512,259)	(1,350,180)	–	–	–	–	–	–	–	(1,862,439)
Revaluation decrease recognised in profit or loss	–	–	(15,500)	–	–	–	–	–	–	–	(15,500)
At 31st December 2010	–	87,209	110,000	–	48,637	30,990,899	2,558,291	1,266,843	305,532	808,743	36,176,154
Net Carrying Amount											
At cost	–	–	–	2,043,809	408	10,222,674	3,541,961	790,716	34,932	1,132,731	17,767,231
At valuation	6,816,000	10,712,791	15,624,000	–	–	–	–	–	–	–	33,152,791
At 31st December 2010	6,816,000	10,712,791	15,624,000	2,043,809	408	10,222,674	3,541,961	790,716	34,932	1,132,731	50,920,022

Notes
to the Financial Statements (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Revaluation of land and buildings

The land and buildings of the Group were last revalued on 31st December 2010 by an independent professional valuer. The valuations were based on the comparison method by reference to recent market transactions on an arms' length transactions.

Had the revalued land and buildings been carried under the cost model, the net carrying amounts of land and buildings would have been included in the financial statements of the Group as at 31st December 2011 would be as follows:-

	Group	
	2011 RM	2010 RM
Freehold buildings	3,108,189	3,193,500
Freehold land	2,759,276	2,759,276
Leasehold buildings	7,440,109	7,629,558
Leasehold land	5,084,691	5,187,143
	18,392,265	18,769,477

(b) Assets held under hire purchase and finance lease

Net carrying amounts of property, plant and equipment held under finance lease arrangements are as follows:-

	Group	
	2011 RM	2010 RM
Motor vehicles	–	742,500
Plant and machinery	1,316,301	3,622,119
	1,316,301	4,364,619

(c) Assets pledged as security

The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 13) are as follows:-

	Group	
	2011 RM	2010 RM
Buildings	2,994,000	3,023,320
Freehold land	5,226,000	5,226,000
Leasehold land	–	1,412,791
Plant and machinery	–	1
	8,220,000	9,662,112

Notes
to the Financial Statements (Cont'd)

5. INVESTMENT PROPERTIES

	Group 2011 RM	2010 RM
At 1st January	445,000	1,205,000
Additions	–	400,000
Disposal	–	(1,160,000)
At 31st December	445,000	445,000

The fair value of the Group's investment properties has been arrived at on the basis of a valuation carried out by an independent professional valuer by reference to the open market value basis.

6. INTANGIBLE ASSET

	Group 2011 RM	2010 RM
Trademark - at cost		
At 1st January/31st December	89,000	89,000
Accumulated amortisation		
At 1st January	46,725	38,270
Amortisation for the financial year	8,455	8,455
At 31st December	55,180	46,725
Net carrying amount	33,820	42,275

7. DEFERRED TAX ASSETS/(LIABILITIES)

	Group 2011 RM	2010 RM
At 1st January	(990,045)	1,100,561
Recognised in the profit or loss (Note 18)	(809,028)	(1,458,793)
Recognised in other comprehensive income	(1,049,334)	(631,813)
At 31st December	(2,848,407)	(990,045)
Presented after appropriate offsetting as follows:-		
Deferred tax assets	265,335	1,127,973
Deferred tax liabilities	(3,113,742)	(2,118,018)
	(2,848,407)	(990,045)

Notes
to the Financial Statements (Cont'd)

7. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:-

Group	At 1st January RM	Recognised in the profit or loss RM	Recognised in other comprehensive income RM	At 31st December RM
2011				
Deferred tax assets				
Property, plant and equipment	–	–	–	–
Unused tax losses and unabsorbed capital allowances	1,127,973	(510,549)	–	617,424
	1,127,973	(510,549)	–	617,424
Deferred tax liabilities				
Property, plant and equipment	(1,007,550)	(290,315)	–	(1,297,865)
Investment properties	(104,970)	(8,164)	–	(113,134)
Revaluation of property, plant and equipment	(1,005,498)	–	(1,049,334)	(2,054,832)
	(2,118,018)	(298,479)	(1,049,334)	(3,465,831)
	(990,045)	(809,028)	(1,049,334)	(2,848,407)
2010				
Deferred tax assets				
Property, plant and equipment	6,519	(6,519)	–	–
Unused tax losses and unabsorbed capital allowances	2,044,180	(916,207)	–	1,127,973
	2,050,699	(922,726)	–	1,127,973
Deferred tax liabilities				
Property, plant and equipment	(478,522)	(529,028)	–	(1,007,550)
Investment properties	(97,931)	(7,039)	–	(104,970)
Revaluation of property, plant and equipment	(373,685)	–	(631,813)	(1,005,498)
	(950,138)	(536,067)	(631,813)	(2,118,018)
	1,100,561	(1,458,793)	(631,813)	(990,045)

Notes
to the Financial Statements (Cont'd)

8. INVESTMENT IN SUBSIDIARIES

	Group 2011 RM	Group 2010 RM
Unquoted shares - at cost	40,933,094	40,933,094

The details of the subsidiaries, all of which are incorporated in Malaysia are as follows:-

Name of Company	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %	Principal Activities
United U-LI (M) Sdn. Bhd.	100	100	Manufacturing of and dealing in cable systems, integrated ceiling systems, steel roof battens and related industrial metal products
United U-LI Steel Service Centre Sdn. Bhd.	100	100	Provision of slitting and shearing services and trading of industrial hardware
Cable-Tray Industries (Malaysia) Sdn. Bhd.	100	100	Manufacturing of and dealing in all types of cable trunking and related industrial metal products
Gabung Mekar Sdn. Bhd.	100	100	Investment holding
United U-LI Building Materials Sdn. Bhd.	100	100	Manufacturing of and trading in integrated ceiling systems, steel roof battens and building materials
United U-LI Goodlite Sdn. Bhd.	100	100	Manufacturing of and trading in electrical lighting and fittings
U-LI Goodlite Marketing Sdn. Bhd.	100	100	Trading in electrical lighting and fitting products

9. INVENTORIES

	Group 2011 RM	Group 2010 RM
At cost:-		
Raw materials	26,397,263	30,023,988
Consumables	1,353,274	998,279
Work-in-progress	3,645,226	4,477,087
Finished goods	5,325,662	7,651,525
Total	36,721,425	43,150,879

Notes
to the Financial Statements (Cont'd)

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Current				
Trade receivables	56,759,558	64,279,538	–	–
Less: Allowance for impairment	(1,981,444)	(2,694,505)	–	–
Trade receivables, net	54,778,114	61,585,033	–	–
Other receivables				
Amount owing by subsidiaries	–	–	33,791,290	35,402,591
Deposits	2,377,684	3,232,701	–	–
Other receivables	9,419	6,245	–	–
	2,387,103	3,238,946	33,791,290	35,402,591
	57,165,217	64,823,979	33,791,290	35,402,591
Total trade and other receivables	57,165,217	64,823,979	33,791,290	35,402,591
Add: Fixed deposits placed with licensed banks	14,270,413	17,573,443	–	–
Cash and bank balances	37,875,050	15,821,515	441,233	2,284,435
Total loans and receivables	109,310,680	98,218,937	34,232,523	37,687,026

(a) Trade receivables

The Group's normal trade credit terms range from 30 to 150 days (2010: 30 to 150 days). Other credit terms are assessed and approved on a case by case basis.

The foreign currency exposure profile of trade receivables are as follows:-

	Group	
	2011 RM	2010 RM
Australian Dollar	96,349	300,694
Brunei Dollar	186,448	118,509
Euro	73,439	101,335
Ringgit Malaysia	45,691,082	50,114,144
Singapore Dollar	7,356,868	10,196,257
US Dollar	1,373,928	754,094
	54,778,114	61,585,033

Notes
to the Financial Statements (Cont'd)

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Ageing analysis of the Group's trade receivables are as follows:-

	Group 2011 RM	Group 2010 RM
Neither past due nor impaired	12,190,554	16,590,992
1 to 30 days past due not impaired	11,174,650	12,742,539
31 to 60 days past due not impaired	10,467,814	10,935,916
61 to 90 days past due not impaired	7,668,981	7,881,216
More than 90 days past due not impaired	13,276,115	13,434,370
	42,587,560	44,994,041
Impaired	1,981,444	2,694,505
	56,759,558	64,279,538

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired are unsecured in nature except a personal guarantee for a single debtor amounting to RM2,592,810/-.

Receivables that are impaired

The Group's trade receivables that are impaired at the end of reporting period are as follows:-

	Group 2011 RM	Group 2010 RM
Individually impaired		
Trade receivables	1,981,444	2,694,505
Less: Allowance for impairment	(1,981,444)	(2,694,505)
	–	–

Notes
to the Financial Statements (Cont'd)

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Movements in the allowance for impairment account are as follows:-

	Group	
	2011 RM	2010 RM
At 1st January	2,694,505	2,697,009
Allowance for the financial year	234,749	7,496
Written off during the financial year	(7,495)	–
Reversal of impairment losses	(940,315)	(10,000)
At 31st December	1,981,444	2,694,505

(b) Related party balances

The amount owing by subsidiaries is unsecured, interest free and is repayable on demand.

(c) Deposits

Included in deposits are deposits paid to suppliers for acquisition of raw materials and purchase of machinery amounting to RM1,000,000/- and RM1,311,480/- (2010: RM2,389,511/- and RM621,302/-) respectively. The balance of the purchase consideration is disclosed as a capital commitment in Note 23 to the financial statements.

11. SHARE CAPITAL

	Group and Company			
	2011		2010	
	Number of Shares Unit	Amount RM	Number of Shares Unit	Amount RM
Ordinary shares of RM0.50 each				
Authorised:-				
At the beginning/end of the financial year	200,000,000	100,000,000	200,000,000	100,000,000
Issued and fully paid:-				
At the beginning/end of the financial year	132,000,000	66,000,000	132,000,000	66,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes
to the Financial Statements (Cont'd)

12. RESERVES

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Non-distributable				
Revaluation reserve				
As 1 January	11,630,635	7,100,008	–	–
Other comprehensive income:-				
Revaluation of land and buildings	–	5,514,816	–	–
Deferred taxation liabilities of net surplus on revaluation of land and buildings	(1,049,334)	(984,189)	–	–
	(1,049,334)	4,530,627	–	–
As 31 December	10,581,301	11,630,635	–	–
Distributable				
Retained profits	88,869,200	80,308,945	9,075,505	12,512,084
	99,450,501	91,939,580	9,075,505	12,512,084

(a) Revaluation Reserves

The revaluation reserves are used to record increase in fair values of land and buildings and decrease to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

(b) Retained Profits

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28th December 2007, companies shall not be entitled to deduct tax on dividends paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31st December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the balance under Section 108 of the Income Tax Act ("Section 108") and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the balance under Section 108 to be locked-in as at 31st December 2007 in accordance with Section 39 of the Finance Act 2007.

Subject to the agreement of the Inland Revenue Board, the Company has:-

(i) Tax exempt account amounting to approximately RM518,000/- (2010: RM518,000/-) available for distribution out of tax exempt dividends; and

(ii) Sufficient tax credits under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends amounting to approximately RM6,609,141/- (2010: RM9,249,141/-) out of its future profits.

Notes
to the Financial Statements (Cont'd)

13. LOANS AND BORROWINGS

	Maturity	Group 2011 RM	Group 2010 RM
Current			
Secured:-			
Bankers' acceptance	2011	13,004,000	13,225,000
Revolving credits	2011	3,000,000	3,000,000
Finance lease liabilities	2011	612,652	1,127,610
Term loan	2011	40,634	38,004
		16,657,286	17,390,614
Non-current			
Secured:-			
Finance lease liabilities	2012 - 2013	204,403	817,055
Term loan	2015	198,139	238,273
		402,542	1,055,328
Total loans and borrowings		17,059,828	18,445,942

(a) Bankers' acceptance and revolving credits

The bankers' acceptance and revolving credits are secured by:-

(i) legal charges over land and buildings of subsidiaries as disclosed in Note 4(c) to the financial statements;

(ii) corporate guarantee by the Company; and

(iii) negative pledge on all assets of a subsidiary.

(b) Finance lease liabilities

The Group have finance leases for certain items of motor vehicles and machinery as disclosed in Note 4(b) to the financial statements. These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

Notes
to the Financial Statements (Cont'd)

13. LOANS AND BORROWINGS (CONT'D)

(b) Finance lease liabilities (Cont'd)

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:-

	Group 2011 RM	Group 2010 RM
Future minimum lease payments:-		
- not later than one year	640,717	1,200,489
- later than one year but not later than five years	207,459	848,177
	848,176	2,048,666
Less: Future finance charges	(31,121)	(104,001)
Present value of finance lease liabilities	817,055	1,944,665
Represented by:-		
Current		
- not later than one year	612,652	1,127,610
Non-current		
- later than one year but not later than five years	204,403	817,055
	817,055	1,944,665

(c) Term loan

The repayment terms of the term loan are as follows:-

	Group 2011 RM	Group 2010 RM
Within the next twelve months	40,634	38,004
After the next twelve months		
- not later than two years	43,485	40,670
- later than two years but not later than five years	149,633	139,943
- later than five years	5,021	57,660
	198,139	238,273
	238,773	276,277

The term loan is secured by way of:-

(i) legal charges over land and buildings of subsidiaries as disclosed in Note 4(c);
(ii) corporate guarantee by the Company;
(iii) specific debenture covering fixed charges over the plant and machinery financed by the term loan of certain subsidiaries as disclosed in Note 4(c); and
(iv) negative pledge on all assets of a subsidiary.

Notes
to the Financial Statements (Cont'd)

14. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Current				
Trade payables	10,852,279	16,028,905	–	–
Other payables				
Accruals	1,532,985	1,286,269	283,100	280,800
Other payables	1,493,531	1,683,756	13,899	24,124
	3,026,516	2,970,025	296,999	304,924
	13,878,795	18,998,930	296,999	304,924
Total trade and other payables	13,878,795	18,998,930	296,999	304,924
Add: Loans and borrowings (Note 13)	17,059,828	18,445,942	–	–
Total financial liabilities carried at amortised cost	30,938,623	37,444,872	296,999	304,924

The normal trade payables credit terms granted to the Group range from 15 to 120 days (2010: 15 to 120 days).

The foreign currency exposure profile of trade payables is as follows:-

	Group	
	2011 RM	2010 RM
Ringgit Malaysia	10,821,019	15,831,273
Singapore Dollar	31,260	16,770
US Dollar	–	180,862
	10,852,279	16,028,905

15. REVENUE

Revenue of the Group and the Company consists of the following:-

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Sale of goods	142,589,535	138,057,519	–	–
Dividend income	–	–	4,950,000	3,960,000
	142,589,535	138,057,519	4,950,000	3,960,000

Notes
to the Financial Statements (Cont'd)

16. OPERATING PROFIT

Operating profit has been arrived at:-

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
After charging:-				
Amortisation of intangible assets	8,455	8,455	–	–
Audit fee:-				
- current year	77,200	71,998	20,000	18,000
- prior year	8,902	21,100	2,000	11,000
Bad debts written off	302,867	–	–	–
Casual wages, bonuses and allowances	6,056,340	5,454,127	–	–
Deposit written off	37,251	–	–	–
Depreciation	5,307,766	5,193,749	–	–
Directors' remuneration	3,562,443	3,555,396	294,000	279,200
Impairment loss on receivables	234,749	7,496	–	–
Loss on disposal of investment property	–	30,000	–	–
Loss on foreign exchange				
- realised	–	586,568	–	–
Rental of premises				
- paid/payable to directors	25,200	25,200	–	–
- others	163,138	122,640	–	–
Rental of plant and machinery	182,011	305,729	–	–
Rental of office equipment	28,178	23,743	–	–
Revaluation decrease on property, plant and equipment	–	104,500	–	–
Staff costs				
- salaries, allowances and bonuses	4,707,982	4,373,023	–	–
- Employees' Provident Fund	689,323	684,022	–	–
- SOCSO	79,612	77,078	–	–
- other staff related costs	221,788	202,201	–	–
And crediting:-				
Reversal of impairment loss on receivables	(940,315)	–	–	–
Bad debts recovered	(179,924)	–	–	–
Gain on foreign exchange				
- realised	(643,552)	–	–	–
- unrealised	(49,615)	(299,119)	–	–
Gain on disposal of property, plant and equipment	(7,716)	(483,479)	–	–
Interest income				
- loans and receivables	(556,252)	(366,945)	–	–

17. FINANCE COSTS

	Group 2011 RM	Group 2010 RM
Interest expenses:-		
- bank overdrafts	10,874	–
- bankers' acceptances, trust receipts and revolving credit	849,558	904,218
- term loan	18,116	23,048
- finance lease liabilities	72,879	154,338
	951,427	1,081,604

Notes
to the Financial Statements (Cont'd)

18. TAXATION

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Income tax:-				
- current year	(5,741,860)	(5,406,902)	–	–
- prior years	(68,884)	200,296	–	–
	(5,810,744)	(5,206,606)	–	–
Deferred taxation (Note 7):-				
- current year	(443,479)	(762,612)	–	–
- prior years	(365,549)	(696,181)	–	–
	(809,028)	(1,458,793)	–	–
	(6,619,772)	(6,665,399)	–	–

Income tax is calculated at the Malaysian statutory rate of 25% of the estimated assessable profit for the fiscal year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:-

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Profit before taxation	23,100,027	24,837,020	4,483,421	3,499,824
Tax at applicable tax rate of 25%	(5,775,007)	(6,209,255)	(1,120,855)	(874,956)
Tax effects arising from:-				
- non-deductible expenses	(2,342,334)	(1,776,266)	(116,645)	(115,044)
- non-taxable income	1,239,429	1,020,426	1,237,500	990,000
- utilisation of reinvestment allowances	400,618	777,275	–	–
- lease rental qualified for tax deduction	139,954	349,126	–	–
- reversal/(origination) of deferred tax assets not recognised in the financial statements	152,001	(330,820)	–	–
- overaccrual in prior years	(434,433)	(495,885)	–	–
Tax expense for the financial year	(6,619,772)	(6,665,399)	–	–

Notes
to the Financial Statements (Cont'd)

18. TAXATION (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:-

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Property, plant and equipment	(571,328)	(62,491)	–	–
Unabsorbed tax losses	988,995	1,088,161	–	–
	417,667	1,025,670	–	–
Potential deferred tax assets not recognised	104,417	256,418	–	–

19. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the net profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares of RM0.50 each on issue during the financial year.

	Group	
	2011 RM	2010 RM
Profit for the financial year, net of tax	16,480,255	18,171,621
Weighted average number of ordinary shares on issue	132,000,000	132,000,000
Basic earnings per share for the financial year (sen)	12.49	13.77

(b) Diluted

The basic and diluted earnings per ordinary share are equal as the Group has no dilutive potential ordinary shares.

20. DIVIDENDS

	Group and Company	
	2011 RM	2010 RM
Recognised during the financial year:-		
Final gross dividend of 4 sen per ordinary share of RM0.50 less 25% income tax in respect of the financial year ended 31st December 2010 (2009: tax exempted dividend of 1.50 sen)	3,960,000	1,980,000
First interim gross dividend of 4 sen per ordinary share of RM0.50 less 25% income tax in respect of the financial year ended 31st December 2011 (2010: tax exempted dividend of 1.50 sen)	3,960,000	1,980,000
	7,920,000	3,960,000

The directors recommend the payment of a final dividend of 5 sen per ordinary share of RM0.50 each, less 25% income tax amounting to RM4,950,000/- in respect of the current financial year which, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, will be paid to shareholders on a date to be determined later by the directors.

Notes
to the Financial Statements (Cont'd)

21. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:-

(i) Direct subsidiaries; and
(ii) Key management personnel which comprise persons (including the directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:-

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Dividends received/receivable from subsidiary - United U-LI (M) Sdn. Bhd.	–	–	4,950,000	3,960,000
Rental of premises paid/payable to directors, namely Dato' Wira Lee Yoon Wah, Dato' Lee Yoon Kong and Datin Lim Pki Fong (spouse of Dato' Wira Lee Yoon Wah)	25,200	25,200	–	–
Salaries and other related expenses paid/payable to persons related to certain directors	180,597	170,108	–	–

(c) Key management personnel remuneration

The remuneration of directors and other members of key management during the financial year are as follows:-

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Short term employee benefits	3,941,453	3,667,634	294,000	279,200
Employees' Provident Fund	535,560	497,628	–	–
	4,477,013	4,165,262	294,000	279,200

Notes
to the Financial Statements (Cont'd)

21. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management personnel remuneration (Cont'd)

Other members of key management personnel comprise persons other than directors of the Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

The details of remuneration received and receivable by directors of the Group and of the Company during the financial year are as follows:-

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Executive:-				
- salaries	2,776,099	2,788,920	9,600	7,200
- fees	90,000	90,000	90,000	90,000
- other emoluments	438,944	421,076	–	–
	3,305,043	3,299,996	99,600	97,200
- benefits-in-kind	63,100	54,775	–	–
	3,368,143	3,354,771	99,600	97,200
Non-executive:-				
- fees	231,000	231,000	168,000	158,000
- allowances	26,400	24,400	26,400	24,000
	257,400	255,400	194,400	182,000
- benefits-in-kind	31,300	15,000	–	–
	288,700	270,400	194,400	182,000
Total	3,656,843	3,625,171	294,000	279,200

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Total directors' remuneration	3,562,443	3,555,396	294,000	279,200
Total estimated money value of benefits-in-kind	94,400	69,775	–	–
	3,656,843	3,625,171	294,000	279,200

Notes
to the Financial Statements (Cont'd)

21. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management personnel remuneration (Cont'd)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:-

	Number of Directors 2011	2010
Executive directors:-		
RM500,000 and below	1	1
RM500,001- RM1,000,000	–	–
RM1,000,001- RM1,500,000	2	2
Non-executive directors:-		
RM50,000 and below	4	4
RM50,001- RM100,000	–	–
RM100,001- RM150,000	1	1

22. CONTINGENT LIABILITIES

The directors are of the opinion that provisions are not required in respect of these matters as it is not probable that future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Group 2011 RM	2010 RM
Unsecured:-		
Performance guarantees extended to third parties in respect of supplying goods under contracts	2,584,600	2,354,495
Bank guarantees extended to Tenaga Nasional Berhad	192,000	167,000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	78,460,000	78,460,000
Corporate guarantees given to leasing companies in respect of property, plant and equipment acquired under finance lease by certain subsidiaries	1,944,665	1,944,665

23. CAPITAL COMMITMENTS

	Group 2011 RM	2010 RM
Capital expenditure authorised and contracted for but not provided in the financial statements		
- purchase of machinery	797,003	2,398,245

Notes
to the Financial Statements (Cont'd)

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:-

	Note
Financial assets (current)	
Trade and other receivables	10
Fixed deposits placed with licensed banks	10
Cash and bank balances	10
Financial liabilities (current)	
Trade and other payables	14
Loans and borrowings (floating rate)	13
Financial liabilities (non-current)	
Loans and borrowings (floating rate)	13

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates or near the end of reporting period.

(b) Fair value hierarchy

As the financial assets and liabilities of the Group and of the Company are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group seeks to manage effectively various risks namely credit, liquidity, foreign currency, interest rate, and market price risks to which the Group is exposed to in its daily operations.

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including fixed deposits placed with licensed banks and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The management has a credit policy in place to monitor and minimise the exposure of default. Credit evaluations are performed on all customers requiring credit over certain amount.

(i) Exposure to credit risk

At the end of reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Notes
to the Financial Statements (Cont'd)

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

(ii) Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables at the end of reporting period are as follows:-

	Group			
	2011		2010	
	RM	% of total	RM	% of total
By country:-				
Malaysia	44,595,447	81%	43,629,238	71%
Singapore	7,651,051	14%	10,184,548	17%
Middle East	1,444,190	3%	855,014	1%
Others	1,087,426	2%	6,916,233	11%
	54,778,114	100%	61,585,033	100%

(iii) Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 10 to the financial statements. Deposits with banks that are neither past due nor impaired are placed with reputable banks with high credit ratings and no history of default.

(iv) Financial assets that are either past due or impaired

Information regarding financial assets that are past due or impaired is disclosed in Note 10 to the financial statements.

(v) Amount owing by subsidiaries

The amount owing by subsidiaries is unsecured, interest free and repayable on demand. The Company monitors the results of the subsidiaries regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

(vi) Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries as disclosed in Note 22 to the financial statements. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Notes
to the Financial Statements (Cont'd)

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of reporting period based on contractual undiscounted repayment obligations.

Financial Liabilities	On Demand or within 1 Year RM	1 - 5 Years RM	More than 5 Years RM	Total RM
2011				
Group				
Trade and other payables	13,878,795	–	–	13,878,795
Loans and borrowings	16,657,286	397,521	5,021	17,059,828
Total undiscounted financial liabilities	30,536,081	397,521	5,021	30,938,623
Company				
Other payables and accruals	296,999	–	–	296,999
Total undiscounted financial liability	296,999	–	–	296,999
2010				
Group				
Trade and other payables	18,998,930	–	–	18,998,930
Loans and borrowings	17,390,614	997,668	57,660	18,445,942
Total undiscounted financial liabilities	36,389,544	997,668	57,660	37,444,872
Company				
Other payables and accruals	304,924	–	–	304,924
Total undiscounted financial liability	304,924	–	–	304,924

Notes
to the Financial Statements (Cont'd)

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

During the financial year, the Group is exposed to foreign currency risk on transactions that are denominated in currencies other than Ringgit Malaysia. The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EUR"), Brunei Dollar ("BND") and Australian Dollar ("AUD").

The Group and the Company ensure that the net exposure to this risk is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. Management does not enter into currency hedging transactions since it considers that the cost of such instruments outweigh the potential risk of exchange rate fluctuations.

The financial assets and financial liabilities of the Group that are not denominated in their functional currencies are disclosed in respective notes to the financial statements.

Sensitivity analysis for foreign currency

The following table demonstrate the sensitivity of the Group's profit net of tax to a reasonably possible change in the exchange rates of AUD, BND, EUR, SGD, USD against the functional currency of the Group, with all the other variables held constant.

		Group	
		2011 RM Profit for the year	2010 RM Profit for the year
AUD/RM	- strengthened 3% (2010: 3%)	2,890	9,021
	- weakened 3% (2010: 3%)	(2,890)	(9,021)
BND/RM	- strengthened 3% (2010: 3%)	5,593	3,555
	- weakened 3% (2010: 3%)	(5,593)	(3,555)
EUR/RM	- strengthened 3% (2010: 3%)	2,203	3,040
	- weakened 3% (2010: 3%)	(2,203)	(3,040)
SGD/RM	- strengthened 3% (2010: 3%)	221,644	305,385
	- weakened 3% (2010: 3%)	(221,644)	(305,385)
USD/RM	- strengthened 3% (2010: 3%)	41,218	17,198
	- weakened 3% (2010: 3%)	(41,218)	(17,198)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from fixed deposits placed with licensed banks and loans and borrowings. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

The Group and the Company manage the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. Management does not enter into interest rate hedging transactions since it considers that the cost of such instruments outweigh the potential risk of interest rate fluctuation.

Notes
to the Financial Statements (Cont'd)

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Interest rate risk (Cont'd)

	Effective Interest Rate %	Within 1 Year RM	1 - 5 Years RM	> 5 Years RM	Total RM
Group					
As at 31st December 2011					
Financial Asset					
Fixed deposits placed with licensed banks	2.78	14,270,413	–	–	14,270,413
Financial Liabilities					
Bankers' acceptances	4.11	13,004,000	–	–	13,004,000
Finance lease liabilities	4.85	612,652	204,403	–	817,055
Revolving credits	4.32	3,000,000	–	–	3,000,000
Term loans (floating rate)	7.10	40,634	193,118	5,021	238,773
As at 31st December 2010					
Financial Asset					
Fixed deposits placed with licensed banks	2.13	17,573,443	–	–	17,573,443
Financial Liabilities					
Bankers' acceptances	4.16	13,225,000	–	–	13,225,000
Finance lease liabilities	4.84	1,127,610	817,055	–	1,944,665
Revolving credits	3.85	3,000,000	–	–	3,000,000
Term loans (floating rate)	6.05	38,004	180,613	57,660	276,277

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 1% higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM13,840/- higher/lower, arising mainly as a result of higher/lower of interest income from pre-determined rate of fixed deposits placed with licensed banks and lower/higher interest expense on floating rate of loans and borrowings. The assumed movement in the percentage for interest rate sensitivity analysis is based on the currently observable market environment.

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group has in place policies to manage the Group's exposure to fluctuations in the selling price of the Group's products and purchase prices of the key raw materials used in the operations. The Management conducts constant survey of the global market price and trend in order to determine the selling price.

Notes
to the Financial Statements (Cont'd)

26. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capitals ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31st December 2011 and 31st December 2010.

The Group monitors capital using a gearing ratio, which is total debts divided by total capital plus total debts. The Group's policy is to keep the gearing ratio between 10% and 25%. The Group includes within total debts, trade and other payables and loans and borrowings.

The gearing ratio of the Group and the Company is as follows:-

		Group		Company	
	Note	2011 RM	2010 RM	2011 RM	2010 RM
Trade and other payables	14	13,878,795	18,998,930	296,999	304,924
Loans and borrowings	13	17,059,828	18,445,942	–	–
Total debts		30,938,623	37,444,872	296,999	304,924
Equity attributable to owners of the parent		165,450,501	157,939,580	75,075,505	78,512,084
Capital and total debts		196,389,124	195,384,452	75,372,504	78,817,008
Gearing ratio		15.8%	19.2%	0.4%	0.4%

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

27. OPERATING SEGMENTS

During the previous financial year, the Group adopted FRS 8 Operating Segments. FRS 8 requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance.

General Information

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the products and services, and has three reportable operating segments as follows:-

(a) Investment holding
(b) Cable support systems
(c) Electrical lighting and fittings

Except as above, no other operating segment has been aggregated to form the above reportable operating segments.

Notes
to the Financial Statements (Cont'd)

27. OPERATING SEGMENTS (CONT'D)

Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Segment profit or loss is profit earned or loss incurred by each segment with allocation of interest income, depreciation, interest expense, tax expense and other non-cash expenses. There are no significant changes from prior financial year in the measurement methods used to determine reported segment profit or loss.

All the Group's assets are allocated to reportable segments other than deferred tax assets.

All the Group's liabilities are allocated to reportable segments other than deferred tax liabilities.

	Investment Holding RM	Cable Support Systems RM	Electrical Lighting and Fittings RM	Elimination RM	Per Consolidated Financial Statements RM
2011					
Revenue					
External customers	–	114,400,115	28,189,420	–	142,589,535
Inter-segment	5,269,200	20,717,259	17,646,265	(43,632,724)	–
Total revenue	5,269,200	135,117,374	45,835,685	(43,632,724)	142,589,535
Results					
Interest income	–	556,252	–	–	556,252
Depreciation	407	4,341,255	926,662	39,442	5,307,766
Interest expense	–	890,312	61,115	–	951,427
Tax expense	61,164	5,651,045	907,563	–	6,619,772
Other non-cash expenses	37,251	497,372	48,699	–	583,322
Segment profit or loss	4,641,617	20,226,584	3,217,832	(4,986,006)	23,100,027
Assets					
Additions to property, plant and equipment	–	3,002,408	176,335	–	3,178,743
Deferred tax assets	–	–	265,335	–	265,335
Segment assets	78,717,707	206,220,995	45,930,375	(131,366,211)	199,502,866
Liabilities					
Deferred tax liabilities	106,615	3,009,285	–	(2,158)	3,113,742
Loans and borrowings	–	15,890,243	1,169,585	–	17,059,828
Segment liabilities	1,430,297	93,114,172	29,628,320	(90,120,424)	34,052,365

Notes
to the Financial Statements (Cont'd)

27. OPERATING SEGMENTS (CONT'D)

Measurement of Reportable Segments (Cont'd)

	Investment Holding RM	Cable Support Systems RM	Electrical Lighting and Fittings RM	Elimination RM	Per Consolidated Financial Statements RM
2010					
Revenue					
External customers	–	111,851,092	26,206,427	–	138,057,519
Inter-segment	4,279,200	20,775,169	17,198,857	(42,253,226)	–
Total revenue	4,279,200	132,626,261	43,405,284	(42,253,226)	138,057,519
Results					
Interest income	–	366,945	–	–	366,945
Depreciation	4,905	4,187,598	961,804	39,442	5,193,749
Interest expense	–	1,002,711	78,893	–	1,081,604
Tax expense	55,147	5,607,029	1,003,223	–	6,665,399
Other non-cash expenses	–	104,500	15,951	–	120,451
Segment profit or loss	3,672,869	21,273,789	3,908,864	(4,018,502)	24,837,020
Assets					
Additions to property, plant and equipment	–	6,613,756	658,360	–	7,272,116
Deferred tax assets	–	–	1,127,973	–	1,127,973
Segment assets	82,172,296	197,185,557	44,160,878	(126,013,995)	197,504,736
Liabilities					
Deferred tax liabilities	98,451	1,794,635	227,090	(2,158)	2,118,018
Loans and borrowings	–	17,089,898	1,356,044	–	18,445,942
Segment liabilities	1,545,339	92,779,940	30,044,091	(84,804,214)	39,565,156

Notes
to the Financial Statements (Cont'd)

27. OPERATING SEGMENTS (CONT'D)

Other non-cash expenses

	Group 2011 RM	Group 2010 RM
Impairment loss on receivables	234,749	7,496
Amortisation of intangible assets	8,455	8,455
Bad debts written off	302,867	–
Deposit written off	37,251	–
Revaluation decrease on property, plant and equipment	–	104,500
	583,322	120,451

Geographical Segments

The Group's business segments operate substantially from Malaysia. In determining the geographical segments of the Group, revenues are based on the country in which the customer is located.

	Revenue 2011 RM	Revenue 2010 RM	Total assets 2011 RM	Total assets 2010 RM	Capital expenditure 2011 RM	Capital expenditure 2010 RM
Malaysia	98,971,010	106,468,103	186,268,748	181,541,069	3,178,743	7,172,116
Overseas	43,618,525	31,589,416	9,087,032	11,465,497	–	–
	142,589,535	138,057,519	195,355,780	193,006,566	3,178,743	7,172,116

28. SIGNIFICANT EVENT

On 9th June 2011, the Company entered into a Memorandum of Understanding ("MOU") with Legrand France, SA ("Legrand") for the proposed disposal of the entire equity interest in its wholly owned subsidiaries, United U-LI (M) Sdn. Bhd., United U-LI Steel Service Centre Sdn. Bhd. and Cable Tray Industries (Malaysia) Sdn. Bhd. ("the Proposal") for a cash consideration of RM200 million. However, on 11th October 2011, the Company and Legrand had mutually terminated the MOU as both parties were unable to agree on the definitive terms of the Proposal.

Supplementary Information on the Disclosure of Realised and Unrealised Profits or Losses

On 25th March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20th December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits of the Group and the Company as at 31st December 2011 are as follows:-

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Total retained profits of the Company and its subsidiaries				
- realised	111,953,919	104,820,162	9,075,505	12,512,084
- unrealised	2,898,022	1,451,754	-	-
	114,851,941	106,271,916	9,075,505	12,512,084
Less: Consolidation adjustments	(25,982,741)	(25,962,971)	-	-
Total retained profits	88,869,200	80,308,945	9,075,505	12,512,084
Total retained profits as per statements of financial position	88,869,200	80,308,945	9,075,505	12,512,084

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

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

Statement By Directors

We, **DATO' WIRA LEE YOON WAH** and **DATO' LEE YOON KONG**, being two of the directors of **United U-LI Corporation Berhad**, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 26 to 80 are properly drawn up in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31st December 2011 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

The supplementary information set out on page 81 has been compiled in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

DATO' WIRA LEE YOON WAH
Director

DATO' LEE YOON KONG
Director

Petaling Jaya

Date: 19th April 2012

Statutory Declaration

I, **CHOONG CHEE YEONG**, being the officer primarily responsible for the financial management of **United U-LI Corporation Berhad**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 26 to 80, and the supplementary information set out on page 81 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, l960.

CHOONG CHEE YEONG

Subscribed and solemnly declared by
the abovenamed at Petaling Jaya
in the state of Selangor Darul Ehsan
on 19th April 2012

Before me,

Commissioner for Oaths
KARAM SINGH
B226

Independent Auditors' Report to the Members of United U-LI Corporation Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of United U-LI Corporation Berhad, which comprise the statements of financial position as at 31st December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 26 to 80.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31st December 2011 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia we also report the followings:-

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in a form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comments made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Independent Auditors' Report (Cont'd)

Other Reporting Responsibilities

The supplementary information set out on page 81 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

BAKER TILLY MONTEIRO HENG
No. AF 0117
Chartered Accountants

HENG JI KENG
No. 578/05/12 (J/PH)
Partner

Kuala Lumpur

Date: 19th April 2012

Properties of The Group

Company/ Location	Description/ Existing use	Land Area/ Built-up Area	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Revaluation/ Acquisition
United U-LI (M) Sdn. Bhd.						
Lot 5 (PT7907) Jalan Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan.	Factory/ Factory used	43,666 Sq.ft/ 36,881 Sq.ft	99 years expiring on 11 October 2091	19	3,544	31.12.2010 Revalued
No. 33, Jalan Kartunis U1/47, Temasya Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan.	Semi-Detached Factory/ Office used	9,601 Sq.ft/ 8,392 Sq. ft	Freehold	13	3,684	31.12.2010 Revalued
No. 29, Jalan Taming 7, Taman Taming Jaya Industrial Park, 43300 Balakong, Selangor Darul Ehsan.	Terrace Factory/ Store	2,000 Sq.ft/ 2,550 Sq.ft	Freehold	19	398	31.12.2010 Revalued
No. 43, Jalan Kamunting 1, Bukit Sentosa, 48300 Serendah, Selangor Darul Ehsan.	Terrace Factory/ Vacant	1,600 Sq.ft/ 1,300 Sq.ft	Freehold	16	30	31.12.2010 Revalued
No. 25, Jalan Taming 5, Taman Taming Jaya, 43300 Seri Kembangan, Selangor Darul Ehsan.	Terrace Factory/ Store	13,500 Sq.ft/ 13,120 Sq.ft	Freehold	9	1,790	31.12.2010 Revalued
No. 27, Jalan Taming 5, Taman Taming Jaya, 43300 Seri Kembangan, Selangor Darul Ehsan.	Terrace Factory/ Store	13,500 Sq.ft/ 14,806 Sq.ft	Freehold	9	1,888	31.12.2010 Revalued
Unit B21-09, Desa Bistari Apartment, No. 3, Lindang Pantai Jerjak, 11700 Pulau Pinang.	Apartment/ Vacant	-/700 Sq.ft	Freehold	9	95	31.12.2010 Revalued
No. 102, Jalan Perigi Nanas 8/10, Section 12 (Phase 1B), Pulau Indah Industrial Park, West Port, 42920 Port Klang, Selangor Darul Ehsan.	Terrace Factory/ Vacant	2,400 Sq.ft/ 3,300 Sq.ft	99 years expiring on 30 March 2097	8.5	239	31.12.2010 Revalued
Lot 7, Jalan 6/1, Kawasan Perindustrian Seri Kembangan, 43300 Seri Kembangan, Selangor Darul Ehsan.	Factory/ Factory used	185,718 Sq.ft/ 163,500 Sq.ft	84 years expiring on 10 January 2089	7	15,785	31.12.2010 Revalued
Lot No. 120, Floor No. L23, Type S3, Resort Suites @ Pyramid Tower, Bandar Sunway, Selangor Darul Ehsan.	Condominium/ Vacant	-/456 Sq.ft	99 years expiring on 21 February 2102	8	350	31.12.2010 Revalued

Properties of The Group (Cont'd)

Company/ Location	Description/ Existing use	Land Area/ Built-up Area	Tenure	Age of Building (years)	Net Book Value RM'000	Date of Revaluation/ Acquisition
Gabung Mekar Sdn. Bhd.						
Lot 17045, Jalan Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan.	Factory/ Factory used	38,118 Sq.ft/ 37,428 Sq.ft	99 years expiring on 11 October 2091	19	2,363	31.12.2010 Revalued
United U-LI Goodlite Sdn. Bhd.						
No. 44, Jalan Cetak, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan.	Factory/ Factory used	131,282 Sq.ft/ 96,022 Sq.ft	99 years expiring on 20-Mar-66	40	3,827	31.12.2010 Revalued
United U-LI Building Materials Sdn. Bhd.						
1, Jalan Seroja 54, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim.	Workshop/ Warehouse	9,408 Sq.ft/ 11,287 Sq.ft	Freehold	5.5	1,173	31.12.2010 Revalued

Shareholders' Information

LIST OF TOP 30 SHAREHOLDERS AS AT 16 APRIL 2012

No.	Name of Shareholders	No. of Shares Held	%
1	Pearl Deal (M) Sdn. Bhd.	54,000,000	40.91
2	Dato' Lee Yoon Kong	3,858,246	2.93
3	Dato' Wira Lee Yoon Wah	3,709,248	2.81
4	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged securities for Tan Yok Hua	2,504,000	1.90
5	Teo Chiang Hong	1,921,400	1.46
6	Law Joon Hoe Vincent	1,458,100	1.10
7	Chia Kee Foo	1,140,000	0.86
8	Tham Kin Foong (John)	1,080,000	0.82
9	Public Nominees (Tempatan) Sdn Bhd Pledged Securities for TAS Link Sdn Bhd	1,065,000	0.81
10	AFFIN Nominees (Tempatan) Sdn Bhd Pledged Securities for Tan Tien Sang	947,500	0.72
11	Lew Yick Koon	925,000	0.70
12	Liau Choon Hwa & Sons Sdn Bhd	923,100	0.70
13	AIBB Nominees (Tempatan) Sdn Bhd Pledged Securities for Yeoh Poh Choo	900,000	0.68
14	CIMB Commerce Trustee Berhad Exempt an for Employees Provident Fund	719,000	0.54
15	Dato' Wira Low Siew Kin	670,000	0.51
16	Maybank Securities Nominees (Asing) Sdn Bhd Pledged Securities for Ng Chay Hoe	630,000	0.48
17	Dato Wira' Lee Yoon Wah	542,600	0.41
18	Yeoh Poh Choo	539,700	0.41
19	Shariff Bin Mohd Shah	529,000	0.40
20	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Liau Thai Min	527,300	0.40
21	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities for Liau Thai Min	527,200	0.40
22	Seow Nam Yaw	523,000	0.40
23	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Tan Tien Sang	496,000	0.38
24	HSBC Nominees (Asing) Sdn Bhd Exempt an for Credit Suisse Securities (USA) LLC	490,000	0.37
25	Chen Hoi Sow	454,000	0.34
26	CIMB Commerce Trustee Berhad Exempt an for EPF Investment for Member Savings Scheme	451,900	0.34
27	Lim Teck Ling	448,600	0.34
28	Yeow Li Choo	440,000	0.33
29	Chim Wai Khuan	420,000	0.32
30	Tan Yok Hua	401,100	0.30

Shareholders'
information (Cont'd)

Distribution of Shareholdings as at 16 April 2012

Size of Shareholdings	No of Shareholders	%	No. of Shares Held	%
Less than 1,000	337	14.30	35,590	0.03
1,000 - 10,000	1,262	53.54	7,114,032	5.39
10,001 - 100,000	631	26.77	21,052,184	15.95
100,001 and above	127	5.39	103,798,194	78.63
Total	2,357	100.00	132,000,000	100.00

SHAREHOLDERS WITH HOLDINGS OF 5% AND ABOVE AS AT 16 APRIL 2012

No.	Name	Direct Interest No. of Shares Held	%	Deemed Interest No. of Shares Held	%
1	Pearl Deal (M) Sdn. Bhd. ("PDSB")	54,000,000	40.91	–	–
3	Dato' Wira Lee Yoon Wah	4,251,848	3.22	54,000,000#	40.91
4	Dato' Lee Yoon Kong	3,867,246	2.93	54,000,000#	40.91

Deemed interest through PDSB

Notice of Twelfth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the **Twelfth (12th) Annual General Meeting** of the Company will be held at **Ivory 12 Room, Holiday Villa Subang, 9 Jalan SS12/1, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan** on Wednesday, **30th May 2012** at **10:00 a.m.** for the following purposes: -

AGENDA

AS ORDINARY BUSINESS

1. To receive and consider the Reports and Financial Statements for the financial year ended **31st December 2011** together with the Reports of the Directors and the Auditors thereon.	(Please refer to Note No 7)
2. To approve the payment of a Final Dividend of 5 (Five) sen per ordinary share less 25% Income Tax for the financial year ended **31st December 2011** on 132,000,000 ordinary shares of RM0.50 each amounting to dividend payable of **RM4,950,000.00**.	Resolution 1
3. To approve the payment of Directors' fees for the financial year ended **31st December 2011**.	Resolution 2
4. To re-elect the following Directors who are retiring in accordance with Article 89 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-	
(a) Dato' Lee Yoon Kong	Resolution 3
(b) Shariff Bin Mohd Shah	Resolution 4
(c) Lokman Bin Mansor	Resolution 5
5. To re-appoint Messrs **Baker Tilly Monteiro Heng** as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Resolution 6

AS SPECIAL BUSINESS

6. To consider and if thought fit, to pass, the following resolutions:

Ordinary Resolution No 1
Re-appointment of director

"That pursuant to Section 129(6) of the Companies Act, 1965, **Dato' Wira Abd Rahman Bin Ismail** be re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."	Resolution 7

Ordinary Resolution No 2
Authority to issue shares pursuant to section 132D of the Companies Act, 1965

"That subject always to the Companies Act, 1965, the Articles of Association of the Company and approvals and requirements of the relevant governmental/regulatory authorities (where applicable), the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue new ordinary shares of RM0.50 each in the Company, from time to time and upon such terms and conditions and for such purpose and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to the resolution does not exceed 10% of the issued and paid up share capital for the time being of the Company And That such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company"	Resolution 8

Notice of
Twelfth Annual General Meeting (Cont'd)

AS SPECIAL BUSINESS (CONTINUED)

6. To consider and if thought fit, to pass, the following resolutions: (Continued)

Special Resolution
Proposed Amendments to the Articles of Association of the Company

"That the amendments to the Articles of Association of the Company as set out in Appendix 1 attached in the Annual Report for the financial year ended 31st December 2011 be and are hereby approved And That the Directors and Secretary of the Company be and are hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments to the Articles of Association of the Company." Resolution 9

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, the Final Dividend of **5 (Five)** sen per ordinary share less 25% Income Tax for the financial year ended **31st December 2011**, if approved, will be paid to the shareholders on the **3rd July 2012**. The entitlement date of the said dividend shall be **12th June 2012**.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

a. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on **12th June 2012** in respect of transfers; and

b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

KOAY SOO NGOH (Maicsa 0856746)
FOO LI LING (Maicsa 7019557)
Company Secretaries

Date 7th May 2012

Notice of
Twelfth Annual General Meeting (Cont'd)

NOTES:

Appointment of Proxy / Proxies

1. A Member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and vote on his behalf. Where a Member appoints two (2) or more proxies, the proxies shall not be valid unless the Member specifies the proportion of his shareholding to be represented by each proxy.

2. A proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the Member to speak at the Meeting.

3. The Instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal, or the hand of its attorney duly authorised. An instrument appointing a proxy to vote at a Meeting shall be deemed to include the power to demand a poll on behalf of the appointer.

4. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

   Where a Member of the Company is an exempt authorised nominee as defined under SICDA, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy together with the power of attorney (if any) shall be deposited at the Registered Office of the Company at 62C, Jalan SS 21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan at least forty-eight (48) hours before time appointed for holding the Meeting or any adjournment thereof.

General Meeting Record of Depositors

6. For purpose of determining who shall be entitled to attend this Meeting, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 24th May 2012 pursuant to Article 47 (f) and paragraph 7.16(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements. A Depositor whose name appears as such Record of Depositors shall be entitled to attend this Meeting.

   Item 1 of the Agenda - To receive and consider the Reports and Financial Statements for the financial year ended 31st December 2011 together with the Reports of the Directors and the Auditors thereon.

7. This item is meant for discussion only as the provision of Section 169 (1) of the Companies Act, 1965 does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

Notice of
Twelfth Annual General Meeting (Cont'd)

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 7 - Re-appointment of director

The proposed Resolution 7 if passed, will enable Dato' Wira Abd Rahman Bin Ismail to continue in office until the next Annual General Meeting.

Resolution 8 - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The Company continues to consider opportunities to broaden the operating base and earnings potential of the Company. The proposed Resolution 8 if passed, will authorise the directors to issue shares up to 10% of the issued and paid-up capital of the Company for the time being and for such purposes as the directors consider would be in the best interest of the Company.

The purpose for the renewal of a general mandate is to avoid any delay and costs in convening a general meeting and to specifically approve such an issue of shares for any possible fund raising activities (excluding placing of shares) for the purpose of funding future investment projects, additional working capital etc.

This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting of the Company.

As at the date of this notice, no new shares of the Company were issued pursuant to the mandate granted to the directors at the last Annual General Meeting held on 25th May 2011 and which will lapse at the conclusion of the forthcoming Annual General Meeting.

Resolution 9 – Proposed Amendments to the Articles of Association of the Company

The proposed Amendments are to streamline the Company's Articles of Association to be aligned with the recent amendments to the Bursa Malaysia Securities Berhad Main Market Listing Requirements which took effect on 3rd January 2012.

Statement Accompanying Notice of Twelfth Annual General Meeting

(Pursuant to paragraph 8.27(2) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements)

1. The Directors who are standing for re-election and re-appointment at the Twelfth Annual General Meeting of the Company are as follows:-

   Article 89 of the Company's Articles of Association

   - Dato' Lee Yoon Kong
   - Shariff Bin Mohd Shah
   - Lokman Bin Mansor

   Section 129 of the Companies Act, 1965

   - Dato' Wira Abd Rahman Bin Ismail

2. The profiles of the above Directors are set out in the Profile of Directors which appear from pages 6 to 8 of this Annual Report.

Appendix 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

Article No	Existing Article	New Article	Rationale
2		"An exempt authorized nominee" means an authorized nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA .	Pursuant to Paragraph 7.21(2) of the Main Market Listing Requirements
62 (a)	A Member shall be entitled to be present and to vote on any question either personally or by proxy, or as proxy for another Member at any general meeting on a show of hands, or upon a poll and to be reckoned in a quorum in respect of any fully paid-up shares and any share upon which call due and payable to the Company shall have been paid. The proxy need not be a Member of the Company, a qualified legal practitioner, an approved Company auditor or a person approved by the Registrar. No Member shall be entitled to vote or be recognized in a quorum in respect of any shares upon which any call or other sum so due and payable shall be unpaid.	62 (a) A Member of the Company who is entitled to attend and vote at a meeting of the Company, or at a meeting of any class of Members of the Company shall be entitled to appoint a proxy to attend and vote instead of the Member at the meeting. 62 (b) A proxy need not be a Member. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. 62 (c) A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. 62 (d) No member shall be entitled to vote or be recognized in a quorum in respect of any shares upon which any call or other sum so due and payable shall be unpaid.	Pursuant to Paragraph 7.21A (1) of the Main Market Listing Requirements Pursuant to Paragraph 7.21A (1) of the Main Market Listing Requirements Pursuant to Paragraph 7.21A (2) of the Main Market Listing Requirements

Appendix
1 (Cont'd)

62 (b)	A Member may appoint more than one proxy to attend at the same meeting. Where a Member appoints two or more proxies, the proxies shall not be valid unless the Member specifies the proportion of his shareholding to be represented by each proxy. Where a Member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.	62 (e) A Member may appoint not more than two proxy to attend at the same meeting. 62 (f) Where a Member appoints two proxies, the appointments shall not be valid unless the Member specifies the proportion of his shareholding to be represented by each proxy. 62 (g) Where a Member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. 62 (h) Where a Member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.	Pursuant to Paragraph 7.21(1) of the Main Market Listing Requirements

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UNITED U-LI CORPORATION BERHAD
(Company No. 510737-H)
Incorporated in Malaysia

FORM OF PROXY

I/We ....
of ....
(address)
being a member/members of UNITED U-LI CORPORATION BERHAD, hereby appoint (Name of Proxy/Proxies/ Corporate Representative) ....

or failing him ....
(name)
of ....
(address)
or failling the abovenamed proxy/proxies/corporate representative, the Chairman of the meeting, as my/our proxy to vote for me/us on my our behalf at the Twelfth (12th) Annual General Meeting of the Company to be held at Ivory 12 Room, Holiday Villa Subang, 9, Jalan SS12/1, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan. on Wednesday, 30th May 2012 at 10:00 a.m., and at any adjournment thereof, as indicated below:-

		For	Against
ORDINARY BUSINESS			
Resolution 1	Approve the payment of Final Dividend		
Resolution 2	Approve the payment of Directors' Fees		
Resolution 3	Re-election of Dato' Lee Yoon Kong as director		
Resolution 4	Re-election of Shariff Bin Mohd Shah as director		
Resolution 5	Re-election of Lokman Bin Mansor as director		
Resolution 6	Re-appointment of Baker Tilly Monteiro Heng as Auditors		
SPECIAL BUSINESS			
Resolution 7	Re-appointment of Dato' Wira Abd Rahman Bin Ismail as director		
Resolution 8	Authority to issue shares - Section 132D of the Companies Act, 1965		
Resolution 9	Amendments to the Articles of Association of the Company		

(if you wish to instruct your proxy how to vote, insert a tick in the appropriate box. Subject to any voting instructions so given, the proxy will vote, or may abstain from voting on any resolution as he may think fit.

If the member is an individual or joint shareholder:

Signature

No. of shares held:

Date:

If the member is a corporation:

The Common Seal of..
was hereunto affixed in accordance with its
Articles of Association in the presence of

Seal

Signature Director Director/Secretary

No. of shares held:

Date:

NOTES TO FORM PROXY: -

1. A Member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and vote on his behalf. Where a Member appoints two (2) or more proxies, the proxies shall not be valid unless the Member specifies the proportion of his shareholding to be represented by each proxy.
2. A proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the Member to speak at the Meeting.
3. The Instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal, or the hand of its attorney duly authorised. An instrument appointing a proxy to vote at a Meeting shall be deemed to include the power to demand a poll on behalf of the appointer.
4. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a Member of the Company is an exempt authorised nominee as defined under SICDA, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy together with the power of attorney (if any) shall be deposited at the Registered Office of the Company at 62C, Jalan SS 21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan at least forty-eight (48) hours before time appointed for holding the Meeting or any adjournment thereof.
6. For purpose of determining who shall be entitled to attend this Meeting, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 24th May 2012 pursuant to Article 47 (f) and paragraph 7.16(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements. A Depositor whose name appears as such Record of Depositors shall be entitled to attend this Meeting.

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AFFIX
STAMP

The Company Secretary
UNITED U-LI CORPORATION BERHAD (510737-H)
62C, Jalan SS 21/62,
Damansara Utama,
47400 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.

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United U-LI Corporation Berhad
510737-H

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Temasya Industrial Park, Seksyen U1,
40150 Selangor Darul Ehsan
Malaysia

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