ANNUAL REPORT • 2014

UNITED U-LI CORPORATION BERHAD
(510737-H)

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CHAIRMAN'S **STATEMENT**

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 2014.

BUSINESS REVIEW

In financial year 2014, the Group managed to perform despite facing intense business competition and sustained market challenges. Overall performance of the Group's products in the international markets were slightly lower than the previous year. Demand from Middle East markets for the Group's product remained flat, but these were mitigated by increased demand from ASEAN countries. The situation is reversed in the domestic market. A strong performance was achieved as the Group seized opportunities arising from the implementation of various government transformation projects and other private sector investments.

The Group remained focused in enhancing its competitive position through internal process improvements. These efforts have paid dividends and enabled us to weather the difficult business environment and deliver another positive performance. Operations wise, the Group's CSS plants were producing at their highest capacity utilisation rate during the year. Under the circumstances, the additional capacity coming through from our new Nilai plant will definitely enable us to fulfil market requirements even better.

GROUP PERFORMANCE

For the financial year ended 31 December 2014, the Group achieved a revenue of RM172.2 million, a 11.6% increase against the previous financial year. After accounting for tax, profit for the year at RM23.2 million was 40.0% higher compared to the corresponding period last year. This translates into earnings of 17.6 sen per share.

PROSPECTS

We anticipate market conditions will be challenging in 2015.

Growth in the developed economies is forecasted to be relatively subdued in the coming year. We will continue to develop our overseas markets, in particular the Middle East Sector. We anticipate demand to be better from emerging markets, especially ASEAN. This demand is expected to come from new development projects. Under the circumstances, the Group remain optimistic in repeating its success to secure contracts for various projects and expect it to maintain its contribution to the Group in financial year 2015.

In the domestic market, we anticipate the market growth to be small with demand coming from the implementation of new government infrastructure projects and private sector investments in oil and gas, power, property, high rise residential and commercial developments.

CORPORATE GOVERNANCE

The Board is committed to observing the Malaysian Code of Corporate Governance (2012) 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 10 to 19.

There were no sanctions and/or penalties imposed on the Company and its subsidiary companies, Directors or management by the relevant regulatory bodies in 2014.

CORPORATE SOCIAL RESPONSIBILITY

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

During the year, the Group continued to support charitable foundations which are involved in disaster relief programmes. Internally, use of recycled paper where applicable is highly encouraged, and the company practice switching off lighting and airconditioning in the offices when not in use to save energy.

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 2014. No doubt year 2015 will continue to be very challenging but I have confidence in the Group's management capacity and 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.

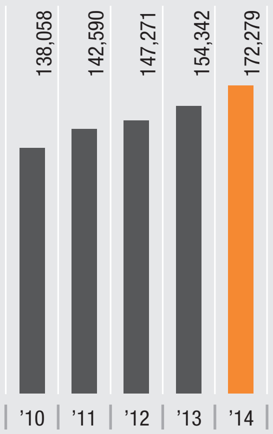
Tan Sri Dato' Wira Abd Rahman Bin Ismail
Chairman

Date : 23 April 2015

5 - YEAR GROUP
FINANCIAL HIGHLIGHTS

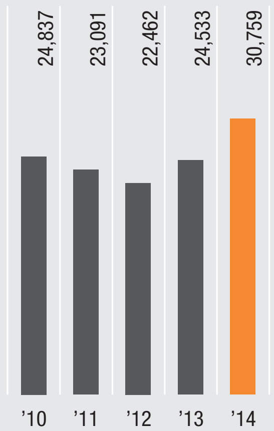
Revenue

(RM'000)



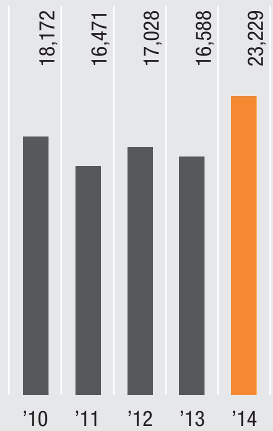
Profit Before Tax

(RM'000)



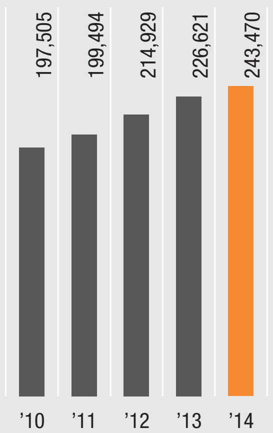
Profit After Tax

(RM'000)



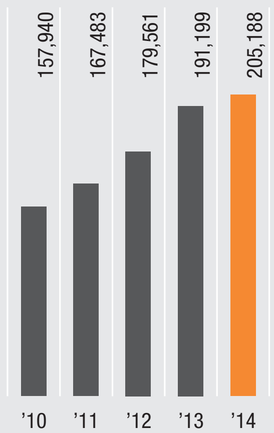
Total Assets

(RM'000)



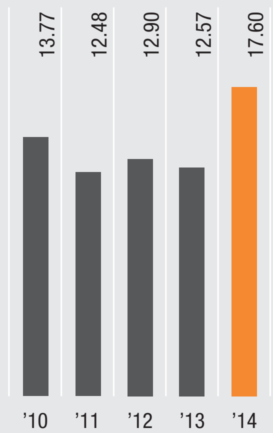
Total Shareholders' Equity

(RM'000)



Basic Earnings Per Share

(sen)



RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000
Revenue	138,058	142,590	147,271	154,342	172,279
Profit Before Tax	24,837	23,091	22,462	24,533	30,759
Profit After Tax	18,172	16,471	17,028	16,588	23,229
Total Assets	197,505	199,494	214,929	226,621	243,470
Total Shareholders' Equity	157,940	167,483	179,561	191,199	205,188
Basic Earnings Per Share (sen)	13.77	12.48	12.90	12.57	17.60

DIRECTORATE & CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri 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
(Senior 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 4170
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) 7851 / 8152

AUDITORS

Baker Tilly Monteiro Heng
Chartered Accountants

AUDIT COMMITTEE

Chim Wai Khuan
- Independent, Non-Executive (Chairman)

Wong Chow Lan
- Independent, Non-Executive Director

Lokman bin Mansor
- Independent, Non-Executive Director

NOMINATION COMMITTEE

Tan Sri Dato' Wira Abd Rahman bin Ismail
- Independent, Non-Executive Director (Chairman)
Chim Wai Khuan
- Independent, Non-Executive Director
Wong Chow Lan
- Independent, Non-Executive Director

REMUNERATION COMMITTEE

Tan Sri Dato' Wira Abd Rahman bin Ismail
- Independent, Non-Executive Director (Chairman)
Dato' Wira Lee Yoon Wah
- Group Managing Director / Chief Executive Officer
Chim Wai Khuan
- Independent, Non-Executive Director
Wong Chow Lan
- Independent, Non-Executive Director

GROUP PRINCIPAL BANKERS

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

Hong Leong 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
Metal Framing Systems
Light Fittings

TAN SRI DATO' WIRA ABD RAHMAN BIN ISMAIL
Independent Non-Executive Chairman

Tan Sri Dato' Wira Abd Rahman bin Ismail, a Malaysian, aged 86, 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 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 four out of five Board Meetings of the Company held in the financial year ended 31 December 2014.

DATO' WIRA LEE YOON WAH
Group Managing Director/Chief Executive Officer

Dato' Wira Lee Yoon Wah, a Malaysian, aged 56, is the Group Managing Director/Chief Executive Officer of ULC. He was appointed to the Board on 21 February 2002. He is a member of the Remuneration Committee. 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 2014.

DATO' LEE YOON KONG
Executive Director

Dato' Lee Yoon Kong, a Malaysian, aged 55, 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' Wira 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 2014.

TEOW LAI SENG
Executive Director

Teow Lai Seng, a Malaysian, aged 53, 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 2014.

CHIM WAI KHUAN
Independent Non-Executive Director

Chim Wai Khuan, a Malaysian, aged 64, 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 practicing 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 Chairman of the Audit Committee of Kumpulan Powernet 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 2014.

WONG CHOW LAN
Independent Non-Executive Director

Wong Chow Lan, a Malaysian, aged 53, 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 is a qualified Chartered Secretary of the Institute of Chartered Secretaries and Administrators since 1992 and 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 all Board meetings of the Company held in the financial year ended 31 December 2014.

LOKMAN BIN MANSOR
Independent Non-Executive Director

Lokman bin Mansor, a Malaysian, aged 55, 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. 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.. 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 2014.

SHARIFF BIN MOHD SHAH
Senior Independent Non-Executive Director

Shariff bin Mohd Shah, a Malaysian, aged 66, is a Senior 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 four out of five Board Meetings of the Company held in the financial year ended 31 December 2014.

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 2012 ('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 2014, 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 fulfil 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 facilities 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 interest not only of the Group, but also of minority shareholders and stakeholders of the Group. The tenure of an Independent Director shall not exceed a cumulative term of 9 years.

The Board has identified Mr. Shariff bin Mohd Shah as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed where it could be inappropriate for the concerns to be dealt with by the Chairman and Managing Director. The Senior Independent Non-Executive Director may be contacted at Tel: +603-5569 5999.

The composition and size of the Board are reviewed from time to time to ensure its appropriateness. The Board is satisfied with its current composition which comprises a balanced mix of skills, knowledge and experience in the business and management fields which are relevant to enable the Board to carry out its responsibilities in an effective and efficient manner.

Clear Roles And Responsibilities

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 facilities 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

The Board assumes, amongst others, the following duties and responsibilities:-

i. reviewing and adopting the overall strategic plans and programmes for the company and group;
ii. overseeing and evaluating the conduct of business of the company and group;
iii. identifying principal risks and ensuring implementation of a proper risk management system to manage such risks;
iv. establishing a succession plan;
v. developing and implementing a shareholder communication policy for the company;
vi. reviewing the adequacy and the integrity of the management information and internal controls systems of the company and group; and
vii. the board delegates certain responsibilities to the various board committees with clearly defined terms of reference to assist the board in discharging its responsibilities;

The following are matters which are specifically reserved for the Board:-

i. approval of corporate plans and programmes;
ii. approval of annual budgets, including major capital commitments;
iii. approval of new ventures;
iv. approval of material acquisition and disposals of undertakings and properties;
v. change to the management and control structure within the company and its subsidiaries ("the Group"), including key policies, delegated authority limits; and
vi. review and update the Whistle-blowing policy;

Code of Ethics and Conduct

The Code of Ethics and Conduct is to be observed by all Directors and employees of the Group, and the core areas of conducts under the Code include the followings:-

i. conflict of interest ;
ii. confidential information;
iii. inside information and securities trading;
iv. protection of assets;
v. business records and control;
vi. compliance to the law;
vii. personal gifts and contribution;
viii. health and safety;
ix. sexual harassment;
x. outside interest;
xi. fair and courteous behavior; and
xii. misconducts.

Appointment and Re-election of Board Members

The Code provides greater clarity on the aspects of which Nominations 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 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 2014, 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. A separate assessment for Independent Director is also undertaken annually.

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 five (5) Board meetings took place.

Details of the attendance of the Directors at the Board meetings held in the financial year ended 31 December 2014 are as follows:

Name of Director	**No. of Meetings Attended**
Tan Sri Dato' Wira Abd Rahman Bin Ismail	4/5
Dato' Wira Lee Yoon Wah	5/5
Dato' Lee Yoon Kong	5/5
Teow Lai Seng	5/5
Chim Wai Khuan	5/5
Wong Chow Lan	5/5
Lokman bin Mansor	5/5
Shariff bin Mohd Shah	4/5

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.

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.

Particulars of the various programmes attended by Board members during financial year ended 31 December 2014 are as follows:

Name of Director	Date and Topic of Seminar / Talk
Tan Sri Dato' Wira Abdul Rahman Bin Ismail	• 12 & 15th September 2014 – Understanding Goods & Services Tax in Malaysia.
Dato' Wira Lee Yoon Wah	• 18th March 2014 – Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers. • 12 & 15th September 2014 – Understanding Goods & Services Tax in Malaysia.
Dato' Lee Yoon Kong	• 18th March 2014 – Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers.
Teow Lai Seng	• 12 & 15th September 2014 – Understanding Goods & Services Tax in Malaysia.
Shariff Bin Mohd Shah	• 18th March 2014 – Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers.
Lokman Bin Mansor	• 18th March 2014 – Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers.
Chim Wai Khuan	• 18th March 2014 – Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers. • 03rd June 2014 – Risk Management & Internal Control Workshop for Audit Committee • 12 & 15th September 2014 – Understanding Goods & Services Tax in Malaysia.
Wong Chow Lan	• 18th March 2014 – Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers. • 12 & 15th September 2014 – Understanding Goods & Services Tax in Malaysia. • 10th October 2014 – Board of Directors Breakfast Series – "Great companies deserve great boards". • 18th November 2014 – Nominating Committee Programme 2 : Effective Board Evaluation.

Directors Remuneration

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Total directors' remuneration	5,698,891	4,027,802	338,200	340,400
Total estimated money value of benefits-in-kind	62,467	84,300	_	_
	5,761,358	4,112,102	338,200	340,400

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 2014	2013
Executive directors:-		
RM500,00 and below	1	1
RM500,001 - RM1,000,000	–	–
RM1,000,001 - RM1,500,000	–	2
RM1,500,001 - RM 2,000,000	–	–
RM2,000,001 - RM2,500,000	2	–
Non-executive directors:-		
RM50,000 and below	4	4
RM50,001 - RM100,000	–	–
RM100,001 - RM150,000	1	1

Company Secretary

The Directors have ready and unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Board is regularly updated and apprised by the Company Secretary. She gives clear and sound advice on the measures to be taken and requirements to be observed by the Company and the Directors arising from new statutes and guidelines issued by the regulatory authorities. The Company Secretary briefs the Board on proposed contents and timing of material announcements to be made to Bursa Malaysia. The Company Secretary also serves notice to the Directors and Principal Officers to notify them of closed periods in accordance with the black-out periods for dealing in the Company's securities pursuant to Chapter 14 of the Bursa Malaysia Main Market Listing Requirements.

The Company Secretary attends and ensures that all Board meetings are properly convened and those accurate and proper records of the proceeding and resolutions passed are taken and maintained in the statutory register at the registered office of the Company. The Company Secretary also facilities timely communication of decisions made and policies set by the Board at Board meetings, to the Senior Management for action. The Company Secretary works closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committee, and between the Non-Executive Directors and Managements.

Board Charter

The roles and functions of the Board, as well as the differing roles between the Executive Directors and Non-Executive Directors are clearly prescribed in the Board Charter of United U-LI Corporation. A summary of the Board Charter is available for reference on the corporate website at www.uli.com.my

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

The 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 2014.

(b) Nomination Committee

Members		**No. of Meetings Attended**
Tan Sri Dato' Wira Abd Rahman Bin Ismail	(Independent, Non-Executive Chairman)-Chairman	1/1
Chim Wai Khuan	(Independent, Non-Executive Director)	1/1
Wong Chow Lan	(Independent, Non-Executive Director)	1/1

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.

Meeting 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;

The Terms of reference of the Nomination Committee are as follows:(cont'd)

- 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;
- 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; and
- to assess and recommend to the Board, the terms of reference of Board Committees and review the adequacy of committee structure of Board Committee.

The Nomination Committee upon its annual assessment carried out for financial year 2014, was satisfied that:

- The size and composition of the Company is optimum with appropriate mix of knowledge, skills, attributes and core competencies;
- The Board has been able to discharge its duties professionally and effectively in consideration of the scale and breadth of the operations;
- All the Directors continue to uphold he highest governance standards in their conduct and that of the Board;
- All the Members of the Board are well qualified to hold their positions as Directors of the Company in view of their respective academic and professional qualifications, and depth of knowledge, skills and experience and their personal qualities;
- The Independent Directors comply with the definition of Independent Directors as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore would be able to function as a check and balance and bring an element of objective to the Board of Directors;
- The following Independent Non-Executive Directors whom has served as an Independent Non-Executive Directors of the Company for cumulative term of more than nine (9) years respectively do not in any way interfere with their exercise of objective judgement or their ability to act in the best interest of the Company:-

  i) Tan Sri Dato' Wira Abd Rahman Bin Ismail;
  ii) Chim Wai Khuan;
  iii) Wong Chow Lan;
  iv) Lokman Bin Mansor;
  v) Shariff Bin Mohd Shah.

- The Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company, as they hold either one or only a few directorship in public listed companies as described below:

  - Holding only one directorship : 7 directors
  - Holding two directorship : 1 director

(c) Remuneration Committee

Members		No. of Meetings Attended
Tan Sri Dato' Wira Abd Rahman Bin Ismail	(Independent, Non-Executive Chairman)-Chairman	1/1
Dato' Wira Lee Yoon Wah	(Group Managing Director/Chief Executive Officer)	1/1
Chim Wai Khuan	(Independent, Non-Executive Director)	1/1
Wong Chow Lan	(Independent, Non-Executive Director)	1/1

Meeting 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.

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.

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 Risk Management And Internal Control of this Annual Report.

Corporate Disclosure

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to the regulators, shareholders and stakeholders. The Board formalized pertinent corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the Listing Requirements, but also setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders.

To augment the process of disclosure, the Board established a dedicated section for corporate information on the Company's website where information on the Company's announcements, financial information, share prices, and the Company's Annual Report may be accessed.

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 fulfil 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.

At the last AGM of the Company, no substantive resolutions were put forth for shareholders' approval, except the routine resolutions pertaining to receiving of audited financial statements, re-appointment and re-election of Directors, payment of dividends and Directors' fees and re-appointment of Auditors. In view thereof, all resolutions were voted on by show of hands by shareholders.

The Board will consider adopting electronic voting to facilitate greater shareholder participation at general meetings,and to ensure accurate and efficient outcomes of the voting process.

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.

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.

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 2014.

This Statement is made in accordance with the resolution of the Board of Directors dated 23 April 2015.

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 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 meeting 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 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.

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 the 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 organizational 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 transfer of senior internal audit staff and providing resigning/ transfer staff an opportunity in expressing their view; 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 2014 amounted to RM16,925.00.

External Audit

i) to consider the appointment, resignation and dismissal of external 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 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 2014, 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	5/5
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.

5. SUMMARY OF ACTIVITIES

The Audit Committee carried out its duties in accordance with its Terms of Reference during the financial year ended 31 December 2014. 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 external auditors the result 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
RISK MANAGEMENT AND INTERNAL CONTROL

Board of Directors' Responsibilities

The Malaysian Code on Corporate Governance requires the Board of Directors ('Board') to establish a sound risk management framework and internal controls system to safeguard shareholders' investment and the Group's assets. The Board recognises the importance of maintaining a sound system of internal control. 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 and strategies. 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 irregularities.

Risk Management Framework

Recommendation 6.1 of Principle 6 in the Malaysian Code on Corporate Governance 2012 states that the Board should establish a sound framework to manage risk. 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.

The Group's Risk Management Framework encompasses Risk Management Units whose members are made of Managers from different subsidiaries and departments within the Group. These Units identifies critical risks faced by the Group.

These critical risks identified are brought to the attention of the Risk Management Committee during Risk Management Meetings for deliberations and decisions. The members of the Risk Management Committee comprise of the Group Managing Director/Chief Executive Officer, two Executive Directors and appointed Senior Management personnel. During the financial year ended 31 December 2014, the Risk Management Committee has met three (3) times.

Based on the assessment of the risk management and 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 2014, the Audit Committee has met five (5) times. The Audit Committee provides assurance to the Board 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.

Conclusion

In addition to the above, the Board has received assurance from the Group Managing Director/Chief Executive Officer, Executive Directors, Group Financial Controller as well as other Managers and Departmental Heads of the subsidiaries that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. Based on this assurance, the Board is of the view that the risk management and internal control system is adequate to meet the needs of the Group in addressing financial, operational and compliance risks and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

Furthermore, the Board and senior management remains committed to continuously strengthen the Group's internal control system by taking into consideration better practices and the fast changing business environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Controls is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

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 2014:

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 2014.

Share Buy-Back

The Company did not make any share buy-back during the financial year ended 31 December 2014.

Non-Audit Fees

Non-audit fees amounting to RM9,000.00 was paid to the External Auditor during the financial year ended 31 December 2014.

Options, Warrants or Convertible Securities Exercised

No options, warrants or convertible securities were issued during the financial year ended 31 December 2014.

Variations in Results for the Financial Year

There was 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 2014.

Utilisation of Proceeds Raised From Corporate Proposals

There were no proceeds raised from corporate proposals during the financial year ended 31 December 2014.

Profit Guarantees

There were no profit guarantees given by the Company during the financial year ended 31 December 2014.

FINANCIAL STATEMENTS

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 2014.

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	23,228,975	8,711,047
Other comprehensive income, net of tax	–	–
Total comprehensive income for the financial year	23,228,975	8,711,047
Net profit for the financial year attributable to:-		
- Owners of the parent	23,228,975	8,711,047
- Non-controlling interests	–	–
	23,228,975	8,711,047
Total comprehensive income for the financial year attributable to:-		
- Owners of the parent	23,228,975	8,711,047
- Non-controlling interests	–	–
	23,228,975	8,711,047

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year was as follows:-

i. a final dividend of 3 sen per ordinary share of RM0.50 each amounting to RM3,960,000/- in respect of the financial year ended 31st December 2013 paid on 22nd July 2014;

ii. a first interim dividend of 2 sen per ordinary share of RM0.50 each amounting to RM2,640,000/- in respect of the financial year ended 31st December 2014 paid on 28th October 2014;

iii. a second interim dividend of 2 sen per ordinary share of RM0.50 each amounting to RM2,640,000/- in respect of the financial year ended 31st December 2014 paid on 15th January 2015; and

iv. a third interim dividend of 6 sen per ordinary share of RM0.50 each amounting to RM7,920,000/- in respect of the financial year ended 31st December 2014 was declared on 26th February 2015 and paid on 16th April 2015. The financial statements for the current financial year do not reflect the dividend. Such dividend will be accounted in equity as an appropriation of retained earnings in the financial year ending 31st December 2015.

The directors do not recommend the payment of any final dividends in respect of the financial year ended 31st December 2014.

RESERVES AND PROVISIONS

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

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 were made out, the directors took reasonable steps to ensure that any current assets, other than debts, which were 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.

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.

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:-

Tan Sri 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 in Malaysia, 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 2014 are as follows:-

	Number of ordinary shares of RM0.50 each			
	At 1.1.2014	**Additions**	**Disposals**	**At 31.12.2014**
The Company				
Direct Interest				
Tan Sri Dato' Wira Abd Rahman bin Ismail	9,000	–	–	9,000
Dato' Wira Lee Yoon Wah	4,251,848	10,000	–	4,261,848
Dato' Lee Yoon Kong	3,867,246	–	–	3,867,246
Teow Lai Seng	9,000	–	–	9,000
Chim Wai Khuan	420,000	80,000	–	500,000
Wong Chow Lan	624	–	–	624
Lokman bin Mansor	9,000	–	–	9,000
Shariff bin Mohd Shah	529,128	–	–	529,128
Deemed Interest				
Tan Sri 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.

DIRECTORS' INTERESTS (Cont'd)

By virtue of their interest in shares in the Company, 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' 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 as disclosed in Note 21(c) to 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.

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: 23rd April 2015

STATEMENTS OF
FINANCIAL POSITION
AS AT 31ST DECEMBER 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	4	66,282,591	63,484,002	–	–
Investment properties	5	409,400	418,300	–	–
Intangible asset	6	8,455	16,910	–	–
Deferred tax assets	7	310,177	718,476	–	–
Investment in subsidiaries	8	–	–	40,933,094	40,933,094
Total Non–current Assets		67,010,623	64,637,688	40,933,094	40,933,094
Current Assets					
Inventories	9	43,703,830	47,370,149	–	–
Trade and other receivables	10	64,203,953	62,453,346	29,258,055	27,273,457
Prepayments		430,382	46,673	–	–
Tax recoverable		–	396,728	–	248,651
Fixed deposits placed with licensed banks		19,680,222	16,818,421	–	–
Cash and bank balances		48,440,869	34,897,518	1,436,093	1,036,823
Total Current Assets		176,459,256	161,982,835	30,694,148	28,558,931
TOTAL ASSETS		243,469,879	226,620,523	71,627,242	69,492,025
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
Retained profits	12	139,187,986	125,199,011	2,621,040	3,149,993
Total Equity		205,187,986	191,199,011	68,621,040	69,149,993
Non–current Liabilities					
Deferred tax liabilities	7	874,763	1,482,471	–	–
Loans and borrowings	13	60,097	109,338	–	–
Total Non–current Liabilities		934,860	1,591,809	–	–
Current Liabilities					
Trade and other payables	14	18,498,316	11,724,019	2,982,152	342,032
Loans and borrowings	13	18,386,944	22,105,684	–	–
Tax payable		461,773	–	24,050	–
Total Current Liabilities		37,347,033	33,829,703	3,006,202	342,032
Total Liabilities		38,281,893	35,421,512	3,006,202	342,032
TOTAL EQUITY AND LIABILITIES		243,469,879	226,620,523	71,627,242	69,492,025

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

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Revenue	15	172,278,509	154,342,143	9,240,000	1,980,000
Cost of sales		(108,112,145)	(99,887,270)	–	–
Gross Profit		64,166,364	54,454,873	9,240,000	1,980,000
Other income		2,144,106	1,982,783	–	–
Administrative expenses		(29,653,037)	(25,872,505)	(528,953)	(513,006)
Other operating expenses		(5,172,323)	(4,871,243)	–	–
Operating Profit	16	31,485,110	25,693,908	8,711,047	1,466,994
Finance costs	17	(726,149)	(1,160,420)	–	–
Profit Before Taxation		30,758,961	24,533,488	8,711,047	1,466,994
Taxation	18	(7,529,986)	(7,945,260)	–	–
Profit for the Financial Year		23,228,975	16,588,228	8,711,047	1,466,994
Other Comprehensive Income, Net of Tax		–	–	–	–
Total Comprehensive Income for the Financial Year		23,228,975	16,588,228	8,711,047	1,466,994
Profit attributable to:-					
Owners of the parent		23,228,975	16,588,228	8,711,047	1,466,994
Non–controlling interests		–	–	–	–
		23,228,975	16,588,228	8,711,047	1,466,994
Total Comprehensive Income attributable to:-					
Owners of the parent		23,228,975	16,588,228	8,711,047	1,466,994
Non–controlling interests		–	–	–	–
		23,228,975	16,588,228	8,711,047	1,466,994
Earnings per share attributable to owners of the parent	19				
- basic (sen)		17.60	12.57		
- diluted (sen)		17.60	12.57		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014

	Note	<--------------- Attributable to Owners of the Parent	*Distributable*	--------------->
		Share Capital RM	Retained Profits RM	Total Equity RM
Group				
Balance at 1st January 2013		66,000,000	113,560,783	179,560,783
Total Comprehensive Income for the Financial Year		–	16,588,228	16,588,228
Transaction with Owners:-				
Dividends	20	–	(4,950,000)	(4,950,000)
Total Transaction with Owners		–	(4,950,000)	(4,950,000)
Balance at 31st December 2013		66,000,000	125,199,011	191,199,011
Total Comprehensive Income for the Financial Year		–	23,228,975	23,228,975
Transaction with Owners:-				
Dividends	20	–	(9,240,000)	(9,240,000)
Total Transaction with Owners		–	(9,240,000)	(9,240,000)
Balance at 31st December 2014		66,000,000	139,187,986	205,187,986
Company				
Balance at 1st January 2013		66,000,000	6,632,999	72,632,999
Total Comprehensive Income for the Financial Year		–	1,466,994	1,466,994
Transaction with Owners:-				
Dividends	20	–	(4,950,000)	(4,950,000)
Total Transaction with Owners		–	(4,950,000)	(4,950,000)
Balance at 31st December 2013		66,000,000	3,149,993	69,149,993
Total Comprehensive Income for the Financial Year		–	8,711,047	8,711,047
Transaction with Owners:-				
Dividends	20	–	(9,240,000)	(9,240,000)
Total Transaction with Owners		–	(9,240,000)	(9,240,000)
Balance at 31st December 2014		66,000,000	2,621,040	68,621,040

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
CASH FLOWS FROM OPERATING ACTIVITIES:-				
Profit before taxation	30,758,961	24,533,488	8,711,047	1,466,994
Adjustments for:-				
Impairment loss on receivables	20,080	471,109	–	–
Inventories written off	207,777	–	–	–
Reversal of impairment loss on receivables	(446,815)	–	–	–
Amortisation of intangible assets	8,455	8,455	–	–
Bad debts recovered	–	(320)	–	–
Bad debts written off	206,206	–	–	–
Depreciation of:–				
- property, plant and equipment	5,566,202	5,243,520	–	–
- investment properties	8,900	8,900	–	–
Dividend income	–	–	(9,240,000)	(1,980,000)
Gain on disposal of property, plant and equipment	(304,061)	(165,194)	–	–
Interest income	(773,159)	(511,816)	–	–
Interest expense	726,149	1,160,420	–	–
Property, plant and equipment written off	285	–	–	–
Unrealised (gain)/loss on foreign exchange	(207,464)	49,192	–	–
	35,771,516	30,797,754	(528,953)	(513,006)
Changes In Working Capital:–				
Inventories	3,458,542	(4,739,680)	–	–
Receivables	(1,706,323)	4,257,815	–	–
Payables	4,134,297	(2,633,817)	2,640,120	48,000
	41,658,032	27,682,072	2,111,167	(465,006)
Interest paid	(699,860)	(1,145,331)	–	–
Interest received	773,159	511,816	–	–
Tax paid	(7,242,789)	(4,465,860)	(99,194)	(38,621)
Tax refunded	371,895	–	371,895	–
Net Operating Cash Flows	34,860,437	22,582,697	2,383,868	(503,627)

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
CASH FLOWS FROM INVESTING ACTIVITIES:-				
Proceeds from disposal of property, plant and equipment	678,111	248,395	–	–
Purchase of property, plant and equipment	(7,741,126)	(18,484,839)	–	–
Repayment from subsidiaries	–	–	4,615,402	5,654,945
Net Investing Cash Flows	(7,063,015)	(18,236,444)	4,615,402	5,654,945
CASH FLOWS FROM FINANCING ACTIVITIES:-				
Dividends paid	(6,600,000)	(4,950,000)	(6,600,000)	(4,950,000)
Interest paid	(26,289)	(15,089)	–	–
Net (repayment)/drawdown of other short term borrowings	(4,310,000)	2,923,000	–	–
Net repayment of finance lease liabilities	(410,017)	(238,265)	–	–
Repayment of term loan	(45,964)	(43,853)	–	–
Net Financing Cash Flows	(11,392,270)	(2,324,207)	(6,600,000)	(4,950,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	16,405,152	2,022,046	399,270	201,318
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	51,715,939	49,693,893	1,036,823	835,505
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	68,121,091	51,715,939	1,436,093	1,036,823
ANALYSIS OF CASH AND CASH EQUIVALENTS:-				
Fixed deposits placed with licensed banks	19,680,222	16,818,421	–	–
Cash and bank balances	48,440,869	34,897,518	1,436,093	1,036,823
	68,121,091	51,715,939	1,436,093	1,036,823

The accompanying notes form an integral part of these 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 23rd April 2015.

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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of 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.

The preparation of financial statements in conformity with MFRSs 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 period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

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

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

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int")

(a) Adoption of Amendments/Improvements to MFRSs and New IC Int

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

Amendments/Improvements to MFRSs	
MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 127	Separate Financial Statements
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 139	Financial Instruments: Recognition and Measurement
New IC Int	
IC Int 21	Levies

The adoption of the above amendments/improvements to MFRSs and new IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:-

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements

Amendments to MFRS 10 introduce an exception to the principle that all subsidiaries shall be consolidated. The Amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement* instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in Amendments to MFRS 12 and MFRS 127.

In addition, Amendments to MFRS 127 also clarify that if a parent is required, in accordance with paragraph 31 of MFRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with MFRS139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendments to MFRS 132 Financial Instruments: Presentation

Amendments to MFRS 132 do not change the current offsetting model in MFRS 132. The Amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The Amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria. This Amendments only impact the presentation in the financial statements but has no impact on the financial results and positions of the Group and of the Company.

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

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

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

Amendments to MFRS 136 Impairment of Assets

Amendments to MFRS 136 clarify that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

Amendments to MFRS 139 Financial Instruments: Recognition and Measurement

Amendments to MFRS 139 provide relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the Amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

IC Int 21 Levies

IC Int 21 addresses the accounting for a liability to pay a government levy (other than income taxes and fine or other penalties that imposed for breaches of the legislation) if that liability is within the scope of MFRS 137 Provisions, Contingent Liabilities and Contingent Assets. This interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers the payment of the levy, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is recognised progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specific minimum threshold is reached. The adoption of IC Int 21 has no significant impact to the financial statements of the Group and of the Company.

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

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") 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
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	1st January 2018
MFRS 15	Revenue from Contracts with Customers	1st January 2017
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1st July 2014
MFRS 2	Share-based Payment	1st July 2014
MFRS 3	Business Combinations	1st July 2014
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1st January 2016
MFRS 7	Financial Instruments: Disclosures	1st January 2016
MFRS 8	Operating Segments	1st July 2014
MFRS 10	Consolidated Financial Statements	1st January 2016
MFRS 11	Joint Arrangements	1st January 2016
MFRS 12	Disclosures of Interests in Other Entities	1st January 2016
MFRS 13	Fair Value Measurement	1st July 2014
MFRS 101	Presentation of Financial Statements	1st January 2016
MFRS 116	Property, Plant and Equipment	1st July 2014/ 1st January 2016
MFRS 119	Employee Benefits	1st July 2014/ 1st January 2016
MFRS 124	Related Party Disclosures	1st July 2014
MFRS 127	Separate financial statements	1st January 2016
MFRS 128	Investments in Associates and Joint Ventures	1st January 2016
MFRS 138	Intangible Assets	1st July 2014/ 1st January 2016
MFRS 140	Investment Property	1st July 2014
MFRS 141	Agriculture	1st January 2016

A brief discussion on the above significant new MFRSs and amendments/improvements to MFRSs 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.

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

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Cont'd)

MFRS 9 Financial Instruments

MFRS 9 introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

Classification and measurement
MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

Impairment
MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

Hedge accounting
MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

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

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Cont'd)

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

Amendments to MFRS 1 relate to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

Amendments to MFRS 2 Share-based Payment

Amendments to MFRS 2 clarify the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 3 clarify that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. It also clarify that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, Amendments to MFRS 3 clarify that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 *Joint Arrangements*) in the financial statements of the joint arrangement itself.

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

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Cont'd)

Amendments to MFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to MFRS 5 introduce specific guidance when an entity reclassifies an asset (or disposal group) from held-for-sale to held-for-distribution to owners (or vice versa), or when held-for-distribution is discontinued.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 provide additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of MFRS 7.

The Amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7) to condensed interim financial statements.

Amendments to MFRS 8 Operating Segments

Amendments to MFRS 8 require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The Amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

Amendments to MFRS 11 Joint Arrangements

Amendments to MFRS 11 clarify that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in MFRS 3 Business Combinations, it shall apply the relevant principles on business combinations accounting in MFRS 3, and other MFRSs, that do not conflict with MFRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/liabilities and recognition of acquisition-related costs as expenses. The Amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

Amendments to MFRS 13 Fair Value Measurement

Amendments to MFRS 13 relate to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The Amendments also clarify that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* or MFRS 9 *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 F*inancial Instruments: Presentation*.

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

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Cont'd)

Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 101 improve the effectiveness of disclosures. The Amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 clarify the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:-

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 provide a practical expedient in accounting for contributions from employees or third parties to defined benefit plans.

If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

However, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by MFRS 119 for the gross benefit (i.e. either based on the plan's contribution formula or on a straight-line basis).

In addition, the Amendments clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to MFRS 124 Related Party Disclosures

Amendments to MFRS 124 clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Amendments to MFRS 127 Separate Financial Statements

Amendments to MFRS 127 allow a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

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

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Cont'd)

Amendments to MFRS 138 Intangible Assets

Amendments to MFRS 138 introduce a rebuttable presumption that the revenue-based amortisation method is inappropriate (for the same reasons as per the Amendments to MFRS 116). This presumption can be overcome only in the limited circumstances:-

- in which the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to MFRS 140 Investment Property

Amendments to MFRS 140 clarify that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both Standards independently of each other.

Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture

With the Amendments, bearer plants would come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Nevertheless, the produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce. Moreover, fair value measurement of the growing produce provides useful information to users of financial statements about future cash flows that an entity will actually realise as the produce will ultimately be detached from the bearer plants and sold separately.

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

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Cont'd)

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These Amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the Amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosures of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures

These Amendments address the following issues that have arisen in the application of the consolidation exception for investment entities:-

- Exemption from presenting consolidated financial statements:- the Amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Consolidation of intermediate investment entities:- the Amendments clarify that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Policy choice for equity accounting for investments in associates and joint ventures:- the Amendments allow a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

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

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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.

From 1st January 2011 the Group has applied MFRS 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 acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; 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.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combinations are expensed as incurred.

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

2.3 Significant Accounting Policies (Cont'd)

(a) Basis of Consolidation (Cont'd)

(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 reserves.

(iv) Loss of Control

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.

(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.

(b) Property, Plant and Equipment and Depreciation

All property, plant and equipment are initially stated at cost. Subsequent to initial recognition, property, plant and equipment are stated at 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(g).

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 lives. 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%

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

2.3 Significant Accounting Policies (Cont'd)

(b) Property, Plant and Equipment and Depreciation (Cont'd)

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) 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 properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of investment properties are provided for the straight line basis to write off the cost of investment properties to their residual value over their estimated useful lives of the investment properties.

Building is depreciated on a straight line basis to write off the cost over its estimated useful lives at an annual rate of 2%.

No depreciation is provided on the freehold land as it has an indefinite useful lives.

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.

(d) 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 useful lives will be amortised on a straight line basis over its estimated economic useful lives 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 yearly at the end of each reporting period.

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

2.3 Significant Accounting Policies (Cont'd)

(e) 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.

(f) 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.

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

2.3 Significant Accounting Policies (Cont'd)

(f) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

Held-to-maturity investments

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

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.

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.

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

2.3 Significant Accounting Policies (Cont'd)

(f) Financial Instruments (Cont'd)

(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.

(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.

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

2.3 Significant Accounting Policies (Cont'd)

(g) 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.

(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. For the purpose of assessing impairments, a assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

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

2.3 Significant Accounting Policies (Cont'd)

(g) Impairment (Cont'd)

(ii) Impairment of Non-financial Assets (Cont'd)

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.

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 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 is recognised in the profit or loss.

(h) Equity Instruments

Instrument classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Distributions of assets to owners of the Company

The Group measures a liability to distribute assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

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

2.3 Significant Accounting Policies (Cont'd)

(i) 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 statements 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 lives 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 lives 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.

(j) 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.

(k) 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.

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

2.3 Significant Accounting Policies (Cont'd)

(k) 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.

(l) 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 measured 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.

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

2.3 Significant Accounting Policies (Cont'd)

(m) 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.

(n) Borrowing Costs

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

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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

2.3 Significant Accounting Policies (Cont'd)

(o) 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.

(p) Segment Reporting

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.

(q) 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.

(r) 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.

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

2.3 Significant Accounting Policies (Cont'd)

(s) Contingencies

(i) 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 not recognised in the statements of financial position and 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.

(ii) Contingent assets

Where it is not probable that there is an outflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow 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 assets unless the probability of inflow of economic benefits is remote.

(t) Fair Value Measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would be use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

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

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:-

(i) Classification of 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.

(ii) 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.

(iii) 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.

The Group reviews the carrying amount of its non-current assets, which include property, plant and equipment, to determine whether there is an indication that those assets have suffered an impairment loss in accordance with relevant accounting policies on the respective category of non-current assets. Independent valuations to determine the carrying amount of these assets will be procured when the need arise.

As at end of reporting period, the directors of the Group are of the opinion that there is no indication that the property, plant and equipment may be impaired.

(iv) 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.

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

(v) 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.

(vi) 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.

(vii) Income taxes

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.

(viii) 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.

(ix) 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	Electrical Installation RM	Plant and Machinery RM	Motor Vehicles RM	Office Equipment RM	Furniture and Fittings RM	Renovation RM	Building under Construction RM	Total RM
Cost											
At 1st January 2013	6,816,000	10,800,000	17,777,809	49,045	48,783,266	6,316,026	2,623,254	431,790	2,536,522	–	96,133,712
Additions	–	4,077,000	9,513,000	–	2,229,470	2,076,519	353,276	136,659	98,915	–	18,484,839
Disposals	–	–	–	–	(147,052)	(581,905)	–	–	–	–	(728,957)
At 31st December 2013	6,816,000	14,877,000	27,290,809	49,045	50,865,684	7,810,640	2,976,530	568,449	2,635,437	–	113,889,594
Additions	–	–	–	6,380	4,131,452	2,936,051	535,807	161,206	624,010	344,220	8,739,126
Disposals/written off	–	–	–	–	(92,120)	(2,305,269)	(882,348)	–	–	–	(3,279,737)
At 31st December 2014	6,816,000	14,877,000	27,290,809	55,425	54,905,016	8,441,422	2,629,989	729,655	3,259,447	344,220	119,348,983
Accumulated Depreciation and Impairment Losses											
At 1st January 2013	–	354,083	807,487	49,044	37,586,514	3,905,541	1,595,696	339,058	1,170,405	–	45,807,828
Depreciation for the financial year	–	243,538	438,711	–	3,105,906	1,031,802	204,300	23,973	195,290	–	5,243,520
Disposals	–	–	–	–	(118,998)	(526,758)	–	–	–	–	(645,756)
At 31st December 2013	–	597,621	1,246,198	49,044	40,573,422	4,410,585	1,799,996	363,031	1,365,695	–	50,405,592
Depreciation for the financial year	–	274,425	459,096	53	3,219,743	1,137,064	237,322	32,923	205,576	–	5,566,202
Disposals/written off	–	–	–	–	(92,117)	(1,931,222)	(882,063)	–	–	–	(2,905,402)
At 31st December 2014	–	872,046	1,705,294	49,097	43,701,048	3,616,427	1,155,255	395,954	1,571,271	–	53,066,392
Net Carrying Amount											
At 31st December 2013	6,816,000	14,279,379	26,044,611	1	10,292,262	3,400,055	1,176,534	205,418	1,269,742	–	63,484,002
At 31st December 2014	6,816,000	14,004,954	25,585,515	6,328	11,203,968	4,824,995	1,474,734	333,701	1,688,176	344,220	66,282,591

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

(a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM8,739,126/- (2013: RM18,484,839/-) of which RM998,000/- (2013: RM Nil) were acquired by means of hire purchase arrangements. Cash payments of RM7,741,126/- (2013: RM18,484,839/-) were used to acquire the property, plant and equipment.

(b) Assets held under finance lease

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

	Group	
	2014 RM	**2013 RM**
Motor vehicles	1,100,780	–

(c) Assets pledged as security

The net carrying amounts of property, plant and equipment pledged as securities for borrowings as disclosed in Note 13 to the financial statement are as follows:-

	Group	
	2014 RM	**2013 RM**
Buildings	2,073,680	2,118,760
Freehold land	6,326,000	6,326,000
	8,399,680	8,444,760

5. INVESTMENT PROPERTIES

	Group	
	2014 RM	**2013 RM**
At cost		
At 1st January/31st December	445,000	445,000
Accumulated depreciation		
At 1st January	26,700	17,800
Depreciation for the financial year	8,900	8,900
At 31st December	35,600	26,700
Net carrying amount	409,400	418,300

5. INVESTMENT PROPERTIES (CONT"D)

As at 31st December 2014, the fair values of the investment properties are RM850,000/- (2013: RM850,000/-). The fair value of the Group's investment properties have been arrived at on the basis of a valuation carried out through internal research and directors' best estimation. The valuation was generally derived using the sales comparison approach, where the sales price of comparable properties is close proximity are adjusted for differences in key attributes such as property size and is therefore recognised under level 3 of the fair value hierarchy.

	Group			
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**
2014				
Investment properties	–	–	850,000	850,000
2013				
Investment properties	–	–	850,000	850,000

There were no transfers between level 1 and level 2 during the current financial year.

Direct operating expenses recognised in profit or loss in respect of investment properties amounted to RM3,929/- (2013: RM3,384/-).

6. INTANGIBLE ASSET

	Group	
	2014 RM	**2013 RM**
Trademark		
At cost		
At 1st January/31st December	89,000	89,000
Accumulated amortisation		
At 1st January	72,090	63,635
Amortisation for the financial year	8,455	8,455
At 31st December	80,545	72,090
Net carrying amount	8,455	16,910

7. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		
	Assets RM	Liabilities RM	Net RM
At 1st January 2013	814,036	(1,436,612)	(622,576)
Recognised in the profit or loss (Note 18)	(95,560)	(45,859)	(141,419)
At 31st December 2013	718,476	(1,482,471)	(763,995)
Recognised in the profit or loss (Note 18)	(408,299)	607,708	199,409
At 31st December 2014	310,177	(874,763)	(564,586)
Presented after appropriate offsetting as follows:-			
At 31st December 2013	718,476	(1,482,471)	(763,995)
At 31st December 2014	310,177	(874,763)	(564,586)

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

Group	Property, plant and equipment RM	Unused tax losses and unabsorbed capital allowances RM	Total RM
Deferred tax assets			
At 1st January 2013	–	814,036	814,036
Recognised in the profit or loss	–	(95,560)	(95,560)
At 31st December 2013	–	718,476	718,476
Recognised in the profit or loss	–	(408,299)	(408,299)
At 31st December 2014	–	310,177	310,177
Deferred tax liabilities			
At 1st January 2013	(1,436,612)	–	(1,436,612)
Recognised in the profit or loss	(45,859)	–	(45,859)
At 31st December 2013	(1,482,471)	–	(1,482,471)
Recognised in the profit or loss	607,708	–	607,708
At 31st December 2014	(874,763)	–	(874,763)

8. INVESTMENT IN SUBSIDIARIES

	Company 2014 RM	2013 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 Subsidiary	Effective Equity Interest 2014 %	2013 %	Principal Activities
United U-LI (M) Sdn. Bhd.	100	100	Manufacturing of and dealing in cable support systems, integrated ceiling systems, steel roof battens and related industrial metal products
United U-LI Steel Bhd. Service Centre Sdn.	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 products
U-LI Goodlite Marketing Sdn. Bhd.	100	100	Trading in electrical lighting and fitting products

9. INVENTORIES

	Group 2014 RM	2013 RM
At cost		
Raw materials	28,609,677	34,229,598
Consumables	1,710,945	1,507,183
Work-in-progress	3,783,651	5,054,389
Finished goods	9,599,557	6,578,979
	43,703,830	47,370,149

During the financial year, the cost of inventories recognised as expenses in the Group amounted to RM95,877,975/- (2013: RM89,527,904/-).

10. TRADE AND OTHER RECEIVABLES

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Trade receivables	(a)	64,088,347	62,592,927	–	–
Less: Allowance for impairment		(272,965)	(2,230,057)	–	–
Trade receivables, net		63,815,382	60,362,870	–	–
Other receivables					
Amount owing by subsidiaries	(b)	–	–	29,258,055	27,273,457
Deposits	(c)	376,552	2,078,087	–	–
Other receivables		12,019	12,389	–	–
		388,571	2,090,476	29,258,055	27,273,457
Total trade and other receivables		64,203,953	62,453,346	29,258,055	27,273,457
Total trade and other receivables		64,203,953	62,453,346	29,258,055	27,273,457
Add: Fixed deposits placed with licensed banks		19,680,222	16,818,421	–	–
Cash and bank balances		48,440,869	34,897,518	1,436,093	1,036,823
Total loans and receivables		132,325,044	114,169,285	30,694,148	28,310,280

(a) Trade receivables

The Group's normal trade credit terms range from 30 to 150 days (2013: 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 2014 RM	Group 2013 RM
Australian Dollar	–	177,505
Brunei Dollar	210,744	297,253
Ringgit Malaysia	53,358,502	49,456,857
Singapore Dollar	8,965,439	9,410,435
US Dollar	1,280,697	1,020,820
	63,815,382	60,362,870

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

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

	Group 2014 RM	Group 2013 RM
Neither past due nor impaired	14,876,831	12,908,312
1 to 30 days past due not impaired	15,037,031	12,003,727
31 to 60 days past due not impaired	12,597,577	11,792,731
61 to 90 days past due not impaired	10,044,402	11,296,656
More than 90 days past due not impaired	11,259,541	12,361,444
	48,938,551	47,454,558
Impaired	272,965	2,230,057
	64,088,347	62,592,927

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.

The Group has trade receivables amounting to RM48,938,551/- (2013: RM47,454,558/-) that are past due but not impaired and are unsecured in nature. These receivables relate to customers whom there is no objective evidence that the receivables are not fully recoverable. No impairment has been made on these amounts as the Group is closely monitoring these receivables and is confident of their eventual recovery.

Receivables that are impaired

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

	Group 2014 RM	Group 2013 RM
Individually impaired		
Trade receivables	272,965	2,230,057
Less: Allowance for impairment	(272,965)	(2,230,057)
	–	–

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Receivables that are impaired (Cont'd)

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

	Group 2014 RM	2013 RM
At 1st January	2,230,057	1,846,521
Allowance for the financial year	20,080	471,109
Reversal of impairment losses	(446,815)	–
Written off during the financial year	(1,530,357)	(87,573)
At 31st December	272,965	2,230,057

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Amount owing by subsidiaries

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

(c) Deposits

(i) Included in the deposits of the Group are deposits paid to suppliers for acquisition of machinery amounting to RM100,000/- (2013: RM193,920/-). The balance of the purchase consideration is disclosed as a capital commitment in Note 23 to the financial statements.

(ii) In the previous financial year, included in the deposits of the Group are deposits paid to suppliers for the acquisition of raw materials amounting to RM1,585,338/-.

11. SHARE CAPITAL

	Group and Company 2014 Number of Shares Unit ('000)	Amount RM ('000)	2013 Number of Shares Unit ('000)	Amount RM ('000)
Ordinary shares of RM0.50 each				
Authorised:-				
At the beginning/end of the financial year	200,000	100,000	200,000	100,000
Issued and fully paid:-				
At the beginning/end of the financial year	132,000	66,000	132,000	66,000

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.

12. RETAINED PROFITS

The entire retained earnings of the Company as at 31st December 2014 may be distributed as dividends under the single tier system.

13. LOANS AND BORROWINGS

		Group	
	Maturity	2014 RM	2013 RM
Current			
Secured:-			
Bankers' acceptance	2015	14,750,000	19,060,000
Revolving credits	2015	3,000,000	3,000,000
Finance lease liabilities	2015	587,983	–
Term loan	2015	48,961	45,684
		18,386,944	22,105,684
Non-current			
Secured:-			
Term loan	2017	60,097	109,338
Total loans and borrowings (Note 14)		18,447,041	22,215,022

(a) Bankers' acceptance and revolving credits

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

(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.

13. LOANS AND BORROWINGS (CONT'D)

(b) Finance lease liabilities

The Group had finance leases for certain items of motor vehicles 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.

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

	Group	
	2014 RM	**2013 RM**
Future minimum lease payments:-		
- not later than one year	597,298	–
- later than one year but not later than five years	–	–
	597,298	–
Less: Future finance charges	(9,315)	–
Present value of finance lease liabilities	587,983	–
Represented by:–		
Current		
- not later than one year	587,983	–
Non–current		
- later than one year but not later than five years	–	–
	587,983	–

(c) Term loan

	Group	
	2014 RM	**2013 RM**
Current		
- not later than one year	48,961	45,684
Non-current		
- later than one year but not later than two years	53,425	50,599
- later than two years but not later than five years	6,672	58,739
	60,097	109,338
	109,058	155,022

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; and

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

14. TRADE AND OTHER PAYABLES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Current				
Trade payables	11,924,600	7,841,900	–	–
Other payables				
Accruals	1,912,271	1,487,929	332,850	332,730
Other payables	4,661,445	2,394,190	2,649,302	9,302
	6,573,716	3,882,119	2,982,152	342,032
Total trade and other payables	18,498,316	11,724,019	2,982,152	342,032
Total trade and other payables	18,498,316	11,724,019	2,982,152	342,032
Add: Loans and borrowings (Note 13)	18,447,041	22,215,022	–	–
Total financial liabilities carried at amortised cost	36,945,357	33,939,041	2,982,152	342,032

The normal trade payables credit terms granted to the Group range from 15 to 120 days (2013: 15 to 120 days).

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

	Group 2014 RM	Group 2013 RM
Ringgit Malaysia	11,851,439	7,738,344
Singapore Dollar	49,722	74,472
US Dollar	23,439	29,084
	11,924,600	7,841,900

15. REVENUE

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

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Sale of goods	172,278,509	154,342,143	–	–
Dividend income	–	–	9,240,000	1,980,000
	172,278,509	154,342,143	9,240,000	1,980,000

16. OPERATING PROFIT

Operating profit has been arrived at:-

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
After charging:-				
Amortisation of intangible assets	8,455	8,455	–	–
Audit fee:-				
- current year	98,000	90,000	26,000	21,000
- prior year	2,360	9,300	–	3,500
Bad debts written off	206,206	–	–	–
Casual wages, bonuses and allowances	10,550,193	8,834,136	–	–
Depreciation of:-				
- property, plant and equipment	5,566,202	5,243,520	–	–
- investment properties	8,900	8,900	–	–
Directors' remuneration	5,698,891	4,027,802	338,200	340,400
Impairment loss on receivables	20,080	471,109	–	–
Unreliased loss on foreign exchange	–	49,192	–	–
Rental of premises:-				
- paid/payable to directors	25,200	25,200	–	–
- others	194,246	161,390	–	–
Rental of office equipment	51,856	29,804	–	–
Staff costs:-				
- salaries, allowances and bonuses	5,942,628	5,358,739	–	–
- Employees' Provident Fund	986,761	894,861	–	–
- SOCSO	104,581	97,325	–	–
- other staff related costs	358,870	333,902	–	–
Property, plant and equipment written off	285	–	–	–
And crediting:-				
Reversal of impairment loss on receivables	(446,815)	–	–	–
Bad debts recovered	–	(320)	–	–
Gain on foreign exchange				
- realised	(68,004)	(684,537)	–	–
- unrealised	(207,464)	–	–	–
Gain on disposal of property, plant and equipment	(304,061)	(165,194)	–	–
Interest income on loans and receivables	(773,159)	(511,816)	–	–

17. FINANCE COSTS

	Group 2014 RM	Group 2013 RM
Interest expenses:-		
- bankers' acceptances and revolving credit	699,860	1,145,331
- term loan	9,656	11,768
- finance lease liabilities	16,633	3,321
	726,149	1,160,420

18. TAXATION

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Income tax:-				
- current year	(7,930,655)	(7,192,583)	–	–
- prior years	201,260	(611,258)	–	–
	(7,729,395)	(7,803,841)	–	–
Deferred taxation (Note 7):-				
- current year	(551,136)	(28,056)	–	–
- prior years	750,545	(113,363)	–	–
	199,409	(141,419)	–	–
	(7,529,986)	(7,945,260)	–	–

Income tax is calculated at the Malaysian statutory rate of 25% of the estimated assessable profit for the fiscal year. The statutory tax rate will be reduced to 24% from current year's rate of 25% with effect from year of assessment 2016.

18. TAXATION (Cont'd)

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		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit before taxation	30,758,961	24,533,488	8,711,047	1,466,994
Tax at applicable tax rate of 25%	(7,689,740)	(6,133,372)	(2,177,762)	(366,749)
Tax effects arising from:-				
- non-deductible expenses	(1,095,941)	(921,056)	(132,238)	(128,251)
- non-taxable income	194,763	23,947	2,310,000	495,000
- utilisation of reinvestment allowances	–	(1,450)	–	–
- lease rental qualified for tax deduction	–	49,052	–	–
- reversal/(origination) of deferred tax assets not recognised in the financial statements	110,641	(237,760)	–	–
- deferred tax recognised in difference tax rate	(1,514)	–	–	–
- prior years	951,805	(724,621)	–	–
Tax expense for the financial year	(7,529,986)	(7,945,260)	–	–

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Property, plant and equipment	234,586	581,202	–	–
Unabsorbed tax losses	2,164,147	2,164,147	–	–
	2,398,733	2,745,349	–	–
Potential deferred tax assets not recognised	575,696	686,337	–	–

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	
	2014 RM	2013 RM
Profit for the financial year, net of tax	23,228,975	16,588,228
Weighted average number of ordinary shares on issue	132,000,000	132,000,000
Basic earnings per share	17.60	12.57

(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	
	2014 RM	2013 RM
Recognised during the financial year:-		
Final gross dividend of 3 sen per ordinary share of RM0.50 less 25% income tax in respect of the financial year ended 31st December 2012	–	2,970,000
First interim gross dividend of 2 sen per ordinary share of RM0.50 less 25% income tax in respect of the financial year ended 31st December 2013	–	1,980,000
Final dividend of 3 sen per ordinary share of RM0.50 each in respect of the financial year ended 31st December 2013	3,960,000	–
First interim dividend of 2 sen per ordinary share of RM0.50 each in respect of the financial year ended 31st December 2014	2,640,000	–
Second interim dividend of 2 sen per ordinary share of RM0.50 each in respect of the financial year ended 31st December 2014	2,640,000	–
	9,240,000	4,950,000

A third interim dividend of 6 sen per ordinary share of RM0.50 each amounting to RM7,920,000/- in respect of the financial year ended 31st December 2014 was declared on 26th February 2015 and paid on 16th April 2015. The financial statements for the current financial year do not reflect the dividend. Such dividend will be accounted in equity as an appropriation of retained earnings in the financial year ending 31st December 2015.

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	
	2014 RM	2013 RM	2014 RM	2013 RM
Dividends received/receivable from a subsidiary - United U-LI (M) Sdn. Bhd.	–	–	9,240,000	1,980,000
Rental of premises paid/payable to directors, namely Dato' Wira Lee Yoon Wah, Dato' Lee Yoon Kong and Datin Wira 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	218,813	207,393	–	–

(c) Key management personnel remuneration

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Short term employee benefits	5,265,053	4,094,945	338,200	340,400
Employees' Provident Fund	874,458	579,564	–	–
	6,139,511	4,674,509	338,200	340,400

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.

21. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

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

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	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive:-				
- salaries	4,484,481	3,128,018	7,500	7,500
- fees	108,000	108,000	108,000	108,000
- other emoluments	820,710	503,884	–	–
	5,413,191	3,739,902	115,500	115,500
- benefits-in-kind	62,467	63,875	–	–
	5,475,658	3,803,777	115,500	115,500
Non-executive:-				
- fees	261,000	261,000	198,000	198,000
- allowances	24,700	26,900	24,700	26,900
	285,700	287,900	222,700	224,900
- benefits-in-kind	–	20,425	–	–
	285,700	308,325	222,700	224,900
Total	5,761,358	4,112,102	338,200	340,400
Total directors' remuneration	5,698,891	4,027,802	338,200	340,400
Total estimated money value of benefits-in-kind	62,467	84,300	–	–
	5,761,358	4,112,102	338,200	340,400

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	
	2014	**2013**
Executive directors:-		
RM500,000 and below	1	1
RM500,001- RM1,000,000	–	-
RM1,000,001- RM1,500,000	–	2
RM1,500,001- RM2,000,000	–	–
RM2,000,001- RM2,500,000	2	–
Non-executive directors:-		
RM50,000 and below	4	4
RM50,001- RM100,000	–	–
RM100,001- RM150,000	1	1

22. FINANCIAL GUARANTEES

The financial guarantees of the Group and of the Company are in respect of the following:-

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Unsecured:-				
Performance guarantees extended to third parties in respect of supplying goods under contracts	7,921,211	1,430,821	–	–
Bank guarantees extended to Tenaga Nasional Berhad	671,000	603,000	–	–
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	–	–	93,860,000	78,460,000

23. CAPITAL COMMITMENTS

	Group 2014 RM	2013 RM
Capital expenditure authorised and contracted for but not provided in the financial statements - purchase of machinery	620,000	459,382

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

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their carrying amounts shown in the statements of financial position.

	Fair value of financial instruments not carried at fair value			Total	
Financial Liabilities	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**fair value RM**	**Carrying amount RM**
2014					
Term loan	–	109,058	–	109,058	109,058
2013					
Term loan	–	155,022	–	155,022	155,022

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 increase 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.

(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			
	2014		2013	
	RM	% of total	RM	% of total
By country:-				
Malaysia	53,447,522	84%	49,456,857	82%
Singapore	8,965,439	14%	9,410,435	16%
Middle East	522,152	1%	1,020,820	2%
Japan	680,509	1%	–	0%
Others	199,760	0%	474,758	1%
	63,815,382	100%	60,362,870	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.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(a) Credit risk (Cont'd)

(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 by cash. 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. At the end of the reporting period, it was not probable that the counterparty to the financial guarantee contract will claim under the contract. Consequently, the fair value for the corporate guarantee is RM Nil.

(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	Carrying amount RM	Contractual undiscounted cash flow RM	On demand or within 1 Year RM	1 to 5 Years RM	More than 5 Years RM
2014					
Group					
Trade and other payables	18,498,316	18,498,316	18,498,316	–	–
Loans and borrowings	18,447,041	18,456,356	18,396,259	60,097	–
	36,945,357	36,954,672	36,894,575	60,097	–
Company					
Other payables and accruals	2,982,152	2,982,152	2,982,152	–	–

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(b) Liquidity risk (Cont'd)

Maturity analysis (cont'd)

Financial Liabilities	Carrying amount RM	Contractual undiscounted cash flow RM	On demand or within 1 Year RM	1 to 5 Years RM	More than 5 Years RM
2013					
Group					
Trade and other payables	11,724,019	11,724,019	11,724,019	–	–
Loans and borrowings	22,215,022	22,215,022	22,105,684	109,338	–
	33,939,041	33,939,041	33,829,703	109,338	–
Company					
Other payables and accruals	342,032	342,032	342,032	–	–

(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"), 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 before tax to a reasonably possible change in the exchange rates of AUD, BND, SGD, USD against the functional currency of the Group, with all the other variables held constant.

		Group	
		2014 RM Profit for the year	**2013 RM Profit for the year**
AUD/RM	- strengthened 3% (2013: 3%)	–	5,325
	- weakened 3% (2013: 3%)	–	(5,325)
BND/RM	- strengthened 3% (2013: 3%)	6,322	8,918
	- weakened 3% (2013: 3%)	(6,322)	(8,918)
SGD/RM	- strengthened 3% (2013: 3%)	267,472	280,079
	- weakened 3% (2013: 3%)	(267,472)	(280,079)
USD/RM	- strengthened 3% (2013: 3%)	37,718	29,752
	- weakened 3% (2013: 3%)	(37,718)	(29,752)

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(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.

Group	Effective Interest Rate %	Within 1 Year RM	1 to 5 Years RM	More than 5 Years RM	Total RM
2014					
Financial Asset					
Fixed deposits placed with licensed banks	2.78	19,680,222	–	–	19,680,222
Financial Liabilities					
Bankers' acceptances	4.43–5.54	14,750,000	–	–	14,750,000
Finance lease liabilities	4.77	587,983	–	–	587,983
Revolving credits	5.01	3,000,000	–	–	3,000,000
Term loan	7.35	48,961	60,097	–	109,058
2013					
Financial Asset					
Fixed deposits placed with licensed banks	2.78	16,818,421	–	–	16,818,421
Financial Liabilities					
Bankers' acceptances	4.62	19,060,000	–	–	19,060,000
Revolving credits	4.65	3,000,000	–	–	3,000,000
Term loan	7.10	45,684	109,338	–	155,022

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 before tax would have been RM178,591/- (2013: RM222,150/-) higher/lower, arising mainly as a result of 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 is exposed to commodity price risk which affects the price of raw materials used in the operations.

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 directors conduct constant survey of the global market price and trend in order to determine the selling price.

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 adjusts 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 2014 and 31st December 2013.

The Group monitors capital using a gearing ratio, which is total debts divided by total capital plus total debts. 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	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Trade and other payables	14	18,498,316	11,724,019	2,982,152	342,032
Loans and borrowings	13	18,447,041	22,215,022	–	–
Total debts		36,945,357	33,939,041	2,982,152	342,032
Equity attributable to owners of the parent		205,187,986	191,199,011	68,621,040	69,149,993
Capital and total debts		242,133,343	225,138,052	71,603,192	69,492,025
Gearing ratio		15.3%	15.1%	4.2%	0.5%

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

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.

There are varying levels of integration between Cable Support Systems reportable segments and the Electrical Lighting and Fittings reportable segments. This integration includes transfer of raw materials and shared distribution services, respectively. Inter-segment pricing is determined on negotiated basis.

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.

2014	Investment Holding RM	Cable Support Systems RM	Electrical Lighting and Fittings RM	Adjustments and Elimination RM	Note	Per Consolidated Financial Statements RM
Revenue						
External customers	-	145,891,452	26,387,057	–		172,278,509
Inter–segment	9,559,200	20,927,836	20,748,717	(51,235,753)	(a)	–
Total revenue	9,559,200	166,819,288	47,135,774	(51,235,753)		172,278,509
Results						
Interest income	–	(702,495)	(70,664)	–		(773,159)
Depreciation on investment properties and property, plant and equipment	–	5,090,361	445,299	39,442	(b)	5,575,102
Interest expense	–	693,169	32,980	–		726,149
Tax expense	42,580	7,023,718	463,688	–		7,529,986
Other non–cash (income)/ expenses	–	(819,685)	303,863	–	(c)	(515,822)
Segment results	8,881,436	30,154,622	1,472,307	(9,749,404)	(d)	30,758,961
Assets						
Additions to property, plant and equipment	–	8,564,348	174,778	–		8,739,126
Deferred tax assets	–	–	310,177	–		310,177
Segment assets	74,892,946	253,123,664	53,358,283	(138,215,191)		243,159,702
Liabilities						
Deferred tax liabilities	122,023	735,076	–	17,664	(e)	874,763
Loans and borrowings	–	18,206,041	241,000	–		18,447,041
Segment liabilities	3,658,969	96,438,492	33,765,673	(96,456,004)		37,407,130

27. OPERATING SEGMENTS (Cont'd)

2013	Investment Holding RM	Cable Support Systems RM	Electrical Lighting and Fittings RM	Adjustments and Elimination RM	Note	Per Consolidated Financial Statements RM
Revenue						
External customers	–	128,156,695	26,185,448	–		154,342,143
Inter–segment	2,299,200	23,124,456	15,002,344	(40,426,000)	(a)	–
Total revenue	2,299,200	151,281,151	41,187,792	(40,426,000)		154,342,143
Results						
Interest income	–	(445,563)	(66,253)	–		(511,816)
Depreciation on investment properties and property, plant and equipment	–	4,603,175	531,089	118,156	(b)	5,252,420
Interest expense	–	1,123,460	36,960	–		1,160,420
Tax expense	88,915	7,230,981	625,364	–		7,945,260
Other non–cash expenses	–	226,294	137,268	–	(c)	363,562
Segment results	1,631,640	22,896,946	2,028,372	(2,023,470)	(d)	24,533,488
Assets						
Additions to property, plant and equipment	–	18,324,080	160,759	–		18,484,839
Deferred tax assets	–	–	718,476	–		718,476
Segment assets	72,749,731	237,402,981	47,202,781	(131,453,446)		225,902,047
Liabilities						
Deferred tax liabilities	122,983	1,341,824	–	17,664	(e)	1,482,471
Loans and borrowings	–	21,639,022	576,000	–		22,215,022
Segment liabilities	1,113,651	94,001,963	29,027,090	(90,203,663)		33,939,041

Note Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

(a) Inter-segment revenues are eliminated on consolidation.

(b) Depreciation charged on the investment properties from a subsidiary company being recognised as property, plant and equipment on consolidation.

27. OPERATING SEGMENTS (Cont'd)

(c) Other material non-cash (income)/expenses consist of the following items as presented in the respective notes to the financial statements:-

	Note	Group 2014 RM	Group 2013 RM
Impairment loss on receivables	10(a)	20,080	471,109
Amortisation of intangible assets	6	8,455	8,455
Bad debts written off		206,206	–
Inventories written off		207,777	–
Reversal of impairment loss	10(a)	(446,815)	–
Gain on disposal of property, plant and equipment		(304,061)	(165,194)
Unrealised (gain)/loss on foreign exchange		(207,464)	49,192
		(515,822)	363,562

(d) The following items are added to/(deducted from) segment profit to arrive at "Profit before taxation" presented in the consolidated statement of comprehensive income:-

	Group 2014 RM	Group 2013 RM
Profit from inter-segment revenue	(10,029,162)	(2,303,228)
Inter-segment expenses	279,758	279,758
	(9,749,404)	(2,023,470)

(e) Deferred tax liabilities are arising from the investment properties from a subsidiary company being recognised as property, plant and equipment on consolidation.

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		Total assets		Capital expenditure	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM
Malaysia	137,170,636	120,835,547	239,307,443	214,599,306	8,739,126	18,484,839
Overseas	35,107,873	33,506,596	3,852,259	10,906,013	–	–
	172,278,509	154,342,143	243,159,702	225,505,319	8,739,126	18,484,839

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 2014 are as follows:-

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Total retained profits of the Company and its subsidiaries				
- realised	165,801,954	151,759,640	2,621,040	3,149,993
- unrealised	(357,122)	(813,187)	–	–
	165,444,832	150,946,453	2,621,040	3,149,993
Less: Consolidation adjustments	(26,256,846)	(25,747,442)	–	–
Total retained profits	139,187,986	125,199,011	2,621,040	3,149,993
Total retained profits as per statements of financial position	139,187,986	125,199,011	2,621,040	3,149,993

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 the United U-LI Corporation Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on page 32 to 88 are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31st December 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 89 has been compiled 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*, issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

On behalf of the Board,

....
DATO' WIRA LEE YOON WAH
Director

....
DATO' LEE YOON KONG
Director

Petaling Jaya

Date: 23rd April 2015

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 32 to 88, and the supplementary information set out on page 89 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 23rd April 2015.

Before me,

....

Commissioner for Oaths
N. Madhavan Nair
B461

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 2014 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 32 to 88

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible 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 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 give a true and fair view of the financial position of the Group and of the Company as at 31st December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

(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 of which we have acted as auditors 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 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) Our audit 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.

Other Reporting Responsibilities

The supplementary information set out on page 89 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	**Heng Fu Joe**
No. AF 0117	No. 2966/11/16 (J)
Chartered Accountants	Chartered Accountant

Kuala Lumpur

Date: 23rd April 2015

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	22	3,379	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	16	3,636	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	22	392	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	19	29	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	12	1,760	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	12	1,852	31.12.2010 Revalued
Unit B21-09, Desa Bistari Apartment, No. 3, Lindang Pantai Jerjak, 11700 Pulau Pinang.	Apartment/ Vacant	700 Sq.ft	Freehold	12	87	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	11.5	234	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	10	14,968	31.12.2010 Revalued

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. (Cont'd)						
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	11	322	31.12.2010 Revalued
Lot No. PT 1481, Jalan Emas 1, Nilai Industrial Estate, 71800 Nilai, Negeri Sembilan Darul Khusus.	Factory/ Vacant	355,564 Sq.ft/ 64,907 Sq.ft	99 years expiring on 19 August 2089	24	13,231	18.10.2012 Acquired
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	22	2,442	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 March 2066	43	3,607	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	8.5	1,152	31.12.2010 Revalued

List of Thirty (30) Largest Securities Account Holders as at 03 April 2015

No.	Names	Shareholdings	%
1.	PEARL DEAL (M) SDN BHD	54,000,000	40.91
2.	HSBC NOMINEES (TEMPATAN) SDN BHD	10,117,600	7.66
3.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD	7,349,100	5.57
4.	DATO' WIRA LEE YOON WAH	4,261,848	3.23
5.	DATO' LEE YOON KONG	3,867,246	2.93
6.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD	3,315,800	2.51
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD	2,910,600	2.21
8.	HSBC NOMINEES (ASING) SDN BHD	2,826,400	2.14
9.	CITIGROUP NOMINEES (ASING) SDN BHD	2,332,400	1.77
10.	UOBM NOMINEES (TEMPATAN) SDN BHD	2,061,800	1.56
11.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	2,056,100	1.56
12.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD	2,022,800	1.53
13.	TEO CHIANG HONG	1,944,400	1.47
14.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD	1,503,400	1.14
15.	LAW JOON JOE VINCENT	1,458,100	1.10
16.	CIMSEC NOMINEES (TEMPATAN) SDN BHD	1,422,000	1.08
17.	GOH THONG BENG	1,205,000	0.91
18.	PUBLIC NOMINEES (TEMPATAN) SDN BHD	1,122,900	0.85
19.	M & A NOMINEE (TEMPATAN) SDN BHD	840,000	0.64
20.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD	643,000	0.49
21.	SAW BEE ANN	627,000	0.48
22.	MAYBANK NOMINEES (ASING) SDN BHD	623,600	0.47
23.	AFFIN HWANG NOMINEES (ASING) SDN BHD	554,000	0.42
24.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	539,400	0.41
25.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD	529,100	0.40
26.	THAM KIN FOONG (JOHN)	500,200	0.38
27.	CHIM WAI KHUAN	500,000	0.38
28.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD	500,000	0.38
29.	CHIA KEE FOO	495,400	0.38
30.	SHARIFF BIN MOHD SHAH	479,128	0.36

Analysis by Size of Shareholdings as at 03 April 2015

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
1 – 99	91	5.95	1,790	0.00
100 – 1,000	369	24.12	110,996	0.08
1,001 – 10,000	666	43.53	3,423,436	2.59
10,001 – 100,000	301	19.67	9,995,384	7.57
100,001 – 6,599,999*	102	6.67	64,468,394	48.84
6,600,000 and above**	1	0.07	54,000,000	40.91
TOTAL	**1,530**	**100.00**	**132,000,000**	**100.00**

* Less than 5% of Issued Holdings
** 5% and above of Issued Holdings

List of Substantial Shareholders (5% and above) as at 03 April 2015

No.	Names of Substantial Shareholders	No. of Shares	%
1.	Pearl Deal (M) Sdn Bhd	54,000,000	40.91
2.	HSBC Nominees (Tempatan) Sdn Bhd	10,117,600	7.66
3.	DB (Malaysia) Nominee (Asing) Sdn Bhd	7,349,100	5.57

Shareholders with holdings of 5% and above as at 03 April 2015

No.	Names of Substantial Shareholders	Direct Interest No. of Shares Hold	%	Deemed Interest No. of Shares Held	%
1.	Pearl Deal (M) Sdn. Bhd. ("PDSB")	54,000,000	40.91	–	–
2.	HSBC Nominees (Tempatan) Sdn Bhd	10,117,600	7.66	–	–
3.	DB (Malaysia) Nominee (Asing) Sdn Bhd	7,349,100	5.57	–	–
4.	Dato' Wira Lee Yoon Wah	4,261,848	3.23	54,000,000#	40.91
5.	Dato' Lee Yoon Kong	3,867,246	2.93	54,000,000#	40.91

Deemed interest through PDSB

Directors' Interest as at 03 April 2015

	No. of Shares Hold	%
The Company		
Direct Interest		
Tan Sri Dato' Wira Abd Rahman bin Ismail	9,000	0.01
Dato' Wira Lee Yoon Wah	4,261,848	3.23
Dato' Lee Yoon Kong	3,867,246	2.93
Teow Lai Seng	9,000	0.01
Chim Wai Khuan	500,000	0.38
Wong Chow Lan	624	0.00
Lokman bin Mansor	9,000	0.01
Shariff bin Mohd Shah	479,128	0.36
Deemed Interest		
Dato' Wira Abd Rahman bin Ismail *	44,556	0.03
Dato' Wira Lee Yoon Wah **	54,000,000	40.91
Dato' Lee Yoon Kong **	54,000,000	40.91

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

NOTICE OF
FIFTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth (15th) Annual General Meeting of the Company will be held at **Glenmarie Ballroom B, Holiday Inn Kuala Lumpur Glenmarie, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan** on **Wednesday, 03rd June 2015** 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 2014 together with the Reports of the Directors and the Auditors thereon.	(Please refer to item 1 of the Explanatory Notes
2.	To approve the payment of Directors' fees for the financial year ended 31st December 2014.	(Ordinary Resolution 1)
3.	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	(Ordinary Resolution 2)
	(b) Shariff Bin Mohd Shah	(Ordinary Resolution 3)
4.	To pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965 " That **Tan Sri Dato' Wira Abd Rahman Bin Ismail** who have attained the age of over seventy (70) years, be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting."	(Ordinary Resolution 4)
5.	To re-appoint Messrs **Baker Tilly Monteiro Heng** as Auditors of the company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	(Ordinary Resolution 5)

6. **AS SPECIAL BUSINESS**

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

a) **<u>Retention of Independent Non-Executive Directors</u>**

"That subject to the passing of Ordinary Resolution 3 and 4 respectively, approval be and is hereby given to retain the following Directors who have served as Independent Non-Executive Directors of the Company for more than nine (9) years in compliance with Malaysia Code on Corporate Governance 2012:

(i) Tan Sri Dato' Wira Abd Rahman Bin Ismail (Ordinary Resolution 6)
(ii) Chim Wai Khuan (Ordinary Resolution 7)
(iii) Wong Chow Lan (Ordinary Resolution 8)
(iv) Lokman Bin Mansor (Ordinary Resolution 9)
(v) Shariff Bin Mohd Shah (Ordinary Resolution 10)

b) **<u>Authority to issue shares pursuant to Section 132D of the Companies Act, 1965</u>** (Ordinary Resolution 11)

"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".

7. **Any Other Business**

To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By Order of the Board
United U-LI Corporation Berhad

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

Petaling Jaya
Date: 12th May 2015

NOTES:

1. A member of the Company is entitled to appoint not more than two (2) proxy to attend and vote at a meeting. 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.

2. A proxy need not be a Member of the Company. 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. 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, 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.

5. 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.

6. 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 SS21/62, 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.

7. 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 27th May 2015 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.

EXPLANATORY NOTES TO THE AGENDA

Item 1 of the Agenda
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.

Item 4 of the Agenda
The proposed Resolution 4 if passed, will enable Tan Sri Dato' Wira Abd Rahman Bin Ismail to continue in office until the next Annual General Meeting.

Item 6 (a) of the Agenda
<u>Retention as Independent Non-Executive Directors of the Company pursuant to the Malaysian Code on Corporate Governance 2012</u>

(i) **Tan Sri Dato' Wira Abd Rahman Bin Ismail**
Tan Sri Dato' Wira Abd Rahman Bin Ismail was appointed to the Board on 21 February 2002 and has, therefore served for more than nine (9) years. As at the date of the notice of the Annual General Meeting, he has served the Company for thirteen (13) years. However, he has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board, therefore, considers him to be independent and believes that he should be retained as Independent Non-Executive Director.

(ii) Chim Wai Khuan
Chim Wai Khuan was appointed to the Board on 21 February 2002 and has, therefore served for more than nine (9) years. As at the date of the notice of the Annual General Meeting, he has served the Company for thirteen (13) years. However, he has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board, therefore, considers him to be independent and believes that he should be retained as Independent Non-Executive Director.

(iii) Wong Chow Lan
Wong Chow Lan was appointed to the Board on 11 April 2000 and has, therefore served for more than nine (9) years. As at the date of the notice of the Annual General Meeting, she has served the Company for fifteen (15) years. However, she has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board, therefore, considers her to be independent and believes that they should be retained as Independent Non-Executive Director.

(iv) Lokman Bin Mansor
Lokman Bin Mansor was appointed to the Board on 21 February 2002 and has, therefore served for more than nine (9) years. As at the date of the notice of the Annual General Meeting, he has served the Company for thirteen (13) years. However, he has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board, therefore, considers him to be independent and believes that he should be retained as Independent Non-Executive Director.

(v) Shariff Bin Mohd Shah
Shariff Bin Mohd Shah was appointed to the Board on 01 October 2003 and has, therefore served for more than nine (9) years. As at the date of the notice of the Annual General Meeting, he has served the Company for twelve (12) years. However, he has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board, therefore, considers him to be independent and believes that he should be retained as Independent Non-Executive Director.

Item 6 (b) of the Agenda
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 11 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 05th June 2014 and which will lapse at the conclusion of the forthcoming Annual General Meeting.

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

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

1. The profile of the Directors who are standing for re-election and re-appointment (as per Ordinary Resolution 2 to 4 as stated above) at the Fifteenth 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

   Section 129(6) of the Companies Act, 1965

   - Tan Sri Dato' Wira Abd Rahman Bin Ismail

   Retention the following directors as Independent Non-Executive Directors of the Company, who have served the Company as board members for a cumulative term of more than nine (9) years pursuant to the Malaysia Code on Corporate Governance 2012

   i) Tan Sri Dato' Wira Abd Rahman Bin Ismail;
   ii) Chim Wai Khuan;
   iii) Wong Chow Lan;
   iv) Lokman Bin Mansor;
   v) Shariff Bin Mohd Shah.

2. The profiles of the above Directors are set out in the Profile of Directors which appear from pages 7 to page 9 of this Annual Report.

3. The details of any interest in the securities of ULICORP and subsidiaries (if any) held by the said Directors are stated on page 30 to 31 of the Financial Statement book of the Annual Report 2014.

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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 Fifteenth (15th) Annual General Meeting of the Company to be held at Glenmarie Ballroom B, Holiday Inn Kuala Lumpur Glenmarie, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 03rd June 2015 at 10.00 a.m. , and at any adjournment thereof, as indicated below: -

		For	Against
ORDINARY BUSINESS			
Resolution 1	Approve the payment of Directors' Fees		
Resolution 2	Re-election of Dato' Lee Yoon Kong as Director		
Resolution 3	Re-election of Shariff Bin Mohd Shah as Director		
Resolution 4	Re-appointment Tan Sri Dato' Wira Abd Rahman Bin Ismail as Director		
Resolution 5	Re-appointment of Messrs Baker Tilly Monteiro Heng as Auditors		
SPECIAL BUSINESS			
Resolution 6	To retain Tan Sri Dato' Wira Abd Rahman Bin Ismail as an Independent Non-Executive Director		
Resolution 7	To retain Chim Wai Khuan as an Independent Non-Executive Director		
Resolution 8	To retain Wong Chow Lan as an Independent Non-Executive Director		
Resolution 9	To retain Lokman Bin Mansor as an Independent Non-Executive Director		
Resolution 10	To retain Shariff Bin Mohd Shah as an Independent Non-Executive Director		
Resolution 11	Authority to issue shares - Section 132D of the Companies Act, 1965		

(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 of the Company is entitled to appoint not more than two (2) proxy to attend and vote at a meeting. 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.
2. A proxy need not be a Member of the Company. 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. 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, 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.
5. 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.
6. 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 SS21/62, 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.
7. 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 27th May 2015 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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ANNUAL
REPORT
2014

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