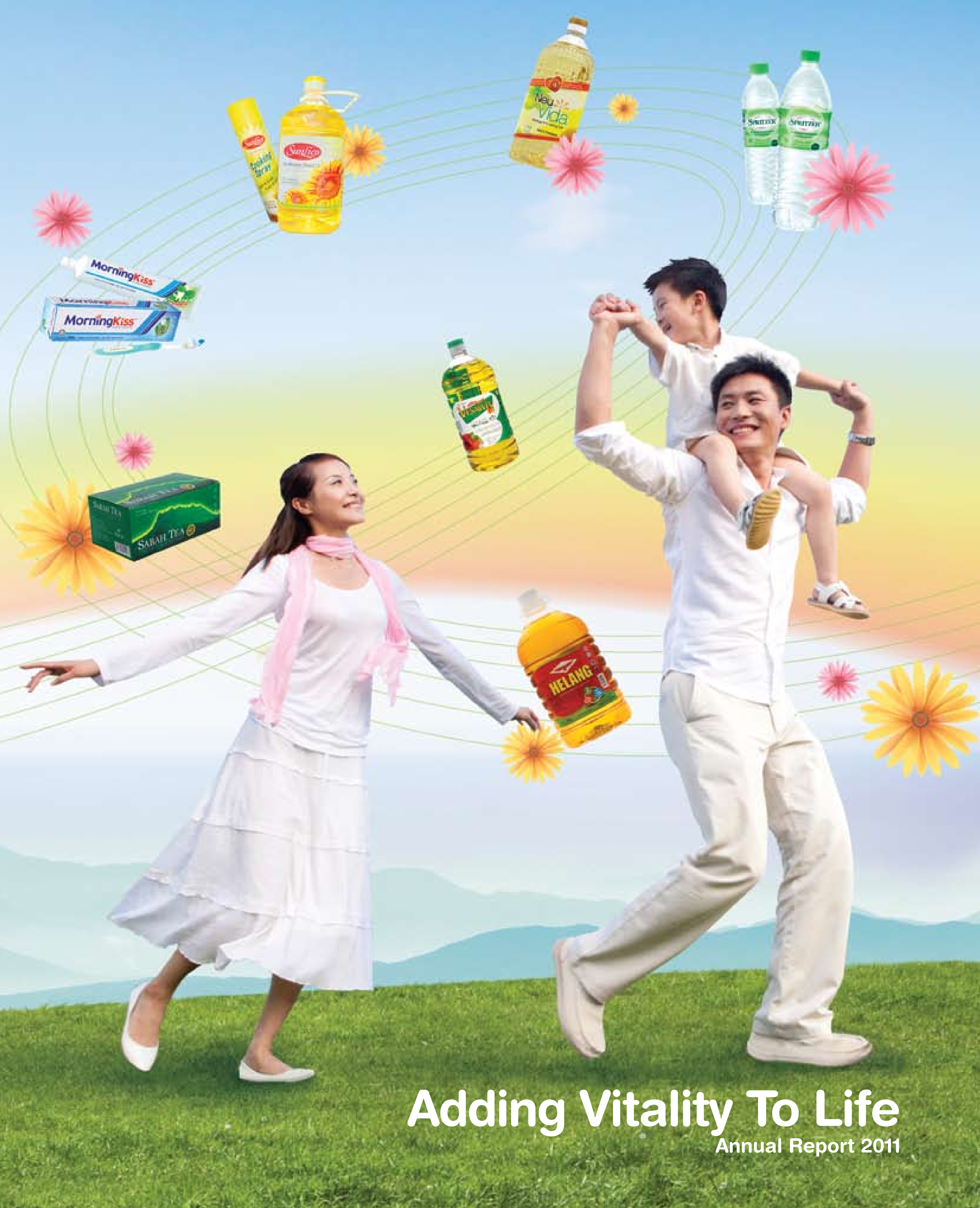
YEE LEE CORPORATION BHD (13585-A)
(INCORPORATED IN MALAYSIA)



Adding Vitality To Life

Annual Report 2011

Cover Rationale

Today, our brands touches every part of our consumer's lives, each synonymous with quality and affordability. We offer a level of convenience to make you fresh and energetic everyday - adding vitality to your life.

Contents

Notice of Thirty-Ninth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth (39th) Annual General Meeting ("**AGM**") of Yee Lee Corporation Bhd ("**YLC**" or "**Company**") will be held at Gopeng Hall, Level 3, Kinta Riverfront Hotel & Suites, B-1-1, Kinta Riverfront, Jalan Lim Bo Seng, 30000 Ipoh, Perak Darul Ridzuan on Wednesday, June 27, 2012 at 11.00 a.m. for the transaction of the following business:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended December 31, 2011 and the Reports of the Directors and Auditors thereon. **Resolution 1**

2. To declare a first and final dividend of 2.5 sen per share, less 25% income tax in respect of the financial year ended December 31, 2011. **Resolution 2**

3. To approve the payment of Directors' fees in respect of the financial year ended December 31, 2011. **Resolution 3**

4. To re-elect the following Directors who retire by rotation in accordance with Article 85 of the Company's Articles of Association and, being eligible, offer themselves for re-election:-

   (i) Y.B. Mohd Adhan bin Kechik **Resolution 4**
   (ii) Lim Ee Young **Resolution 5**

5. To re-appoint the following Directors who retire in accordance with Section 129(6) of the Companies Act, 1965 ("**Act**") and, to hold office until the conclusion of the next AGM of the Company:-

   (i) Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff **Resolution 6**
   (ii) Thang Lai Sung **Resolution 7**

6. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 8**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:-

7. Authority to issue shares pursuant to Section 132D of the Act

   "THAT pursuant to Section 132D of the Act, the Articles of Association of the Company and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares of the Company, from time to time, upon such terms and conditions, for such purposes and to such persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued does not exceed ten per cent (10%) of the total issued share capital of the Company for the time being, and that such authority shall continue to be in force until the conclusion of the next AGM of the Company." **Resolution 9**

Notice of Thirty-Ninth Annual General Meeting

8. Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transaction of a Revenue or Trading Nature ("**Proposed Shareholders' Mandate**")

   "THAT approval be and is hereby given to the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations as set out in Section 2.4 of the Circular to Shareholders in relation to Proposed Shareholders' Mandate dated June 5, 2012 subject to the following:- **Resolution 10**

   (i) the transactions are carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

   (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year with a breakdown of the aggregate value of the recurrent transactions based on the following information:-

   (a) the type of the recurrent transactions made; and

   (b) the names of the related parties involved in each type of the recurrent transactions and their relationships with the Company.

   AND THAT such approval shall continue to be in force until:-

   (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed by the shareholders of the Company in a general meeting, the authority is renewed;

   (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

   (iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

   whichever is the earlier.

   AND THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may deemed necessary or expedient to give full effect to the Proposed Shareholders' Mandate."

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

Notice of Thirty-Ninth Annual General Meeting

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a first and final dividend of 2.5 sen per share, less 25% income tax in respect of the financial year ended December 31, 2011, subject to the approval of the shareholders at the 39th AGM will be paid on August 8, 2012 to Depositors whose names appear in the Record of Depositors at the close of business on July 25, 2012.

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

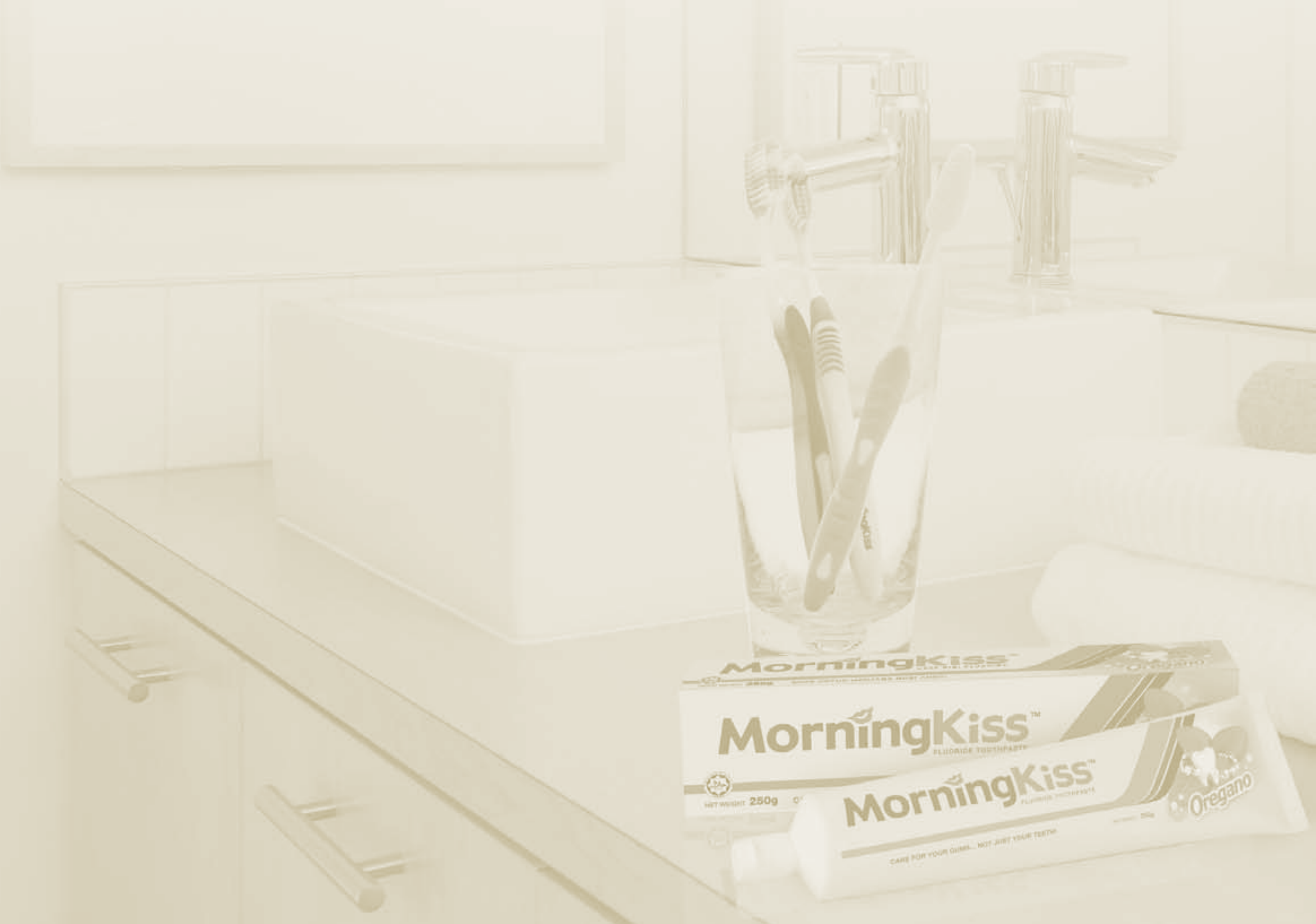
(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on July 25, 2012 in respect of transfers; and

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

By Order of the Board

YAP SIN KHEONG (MIA 22814)
TAN BOON TING (MAICSA 7056136)
Company Secretaries

Ipoh, Perak Darul Ridzuan
June 5, 2012



Notice of Thirty-Ninth Annual General Meeting

Notes:-

1. Appointment of Proxy

(i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Act shall not apply to the Company.

(ii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an attorney.

(iii) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

(iv) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 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 hold.

(v) The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan not less than forty-eight (48) hours before the time appointed for holding the meeting.

(vi) Only a depositor whose name appears on the Record of Depositors as at June 20, 2012 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his behalf.

2. Explanatory Notes on Special Business

(i) The proposed Resolution 9, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming AGM, the authority to allot and issue ordinary shares of the Company up to an amount not exceeding ten per cent (10%) of the Company's total issued share capital for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.
As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on June 29, 2011 which will lapse at the conclusion of the forthcoming AGM.

(ii) The proposed Resolution 10, if passed, will authorise the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business.

Please refer to the Circular to Shareholders in relation to Proposed Shareholders' Mandate dated June 5, 2012 for further information on Resolution 10.

Statement Accompanying Notice of Thirty-Ninth Annual General Meeting

pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of individuals who are standing for election as Directors

No individual is seeking new election as a Director at the forthcoming 39th AGM of the Company.

Corporate Information

BOARD OF DIRECTORS

Chairman
Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff, DSIS, DSPN, JSM, DJN, SMS, KMN, PPT, PJK
Independent Non-Executive Director

Deputy Chairman
Group Managing Director
Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP
Executive Director

Group Chief Executive Officer
Lim Ee Young
Executive Director

Thang Lai Sung
Executive Director

Chok Hooa @ Chok Yin Fatt, PMP
Executive Director

Sow Yeng Chong
Non-Independent Non-Executive Director

Y.B. Mohd Adhan bin Kechik, SMK
Independent Non-Executive Director

Lee Kee Hong
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Y.B. Mohd Adhan bin Kechik

Members
Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff
Sow Yeng Chong
Lee Kee Hong

NOMINATION COMMITTEE

Chairman
Lee Kee Hong

Members
Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff
Y.B. Mohd Adhan bin Kechik

REMUNERATION COMMITTEE

Chairman
Chok Hooa @ Chok Yin Fatt

Members
Y.B. Mohd Adhan bin Kechik
Lee Kee Hong

COMPANY SECRETARIES

Yap Sin Kheong (MIA 22814)
Tan Boon Ting (MAICSA 7056136)

STOCK EXCHANGE LISTING

Listed on Main Market of
Bursa Malaysia Securities Berhad
Stock Code : 5584
Stock Name : YEELEE

REGISTERED OFFICE

Lot 85, Jalan Portland, Tasek Industrial Estate,
31400 Ipoh, Perak Darul Ridzuan.
Telephone number : 05-2911055, 05-2912055
Facsimile number : 05-2919962, 05-2910862
E-mail : info@yeelee.com.my
Website : www.yeelee.com.my

SHARE REGISTRARS

Sectrars Services Sdn Bhd (92781-X)
28-1, Jalan Tun Sambanthan 3, Brickfields,
50470 Kuala Lumpur.
Telephone number : 03-22746133
Facsimile number : 03-22741016

AUDITORS

Messrs. Deloitte KassimChan (AF 0080)
Chartered Accountants
87, Jalan Sultan Abdul Jalil,
30450 Ipoh, Perak Darul Ridzuan.
Telephone number : 05-2531358
Facsimile number : 05-2530090

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
RHB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
CIMB Bank Berhad

Corporate Structure

YEE LEE CORPORATION BHD

- 100% Yee Lee Edible Oils Sdn Bhd
- 100% Yee Lee Trading Co Sdn Bhd
  - 100% Mini Motors Sdn Bhd
- 100% Yee Lee Marketing Sdn Bhd
- 100% Yee Lee Palm Oil Industries Sdn Bhd
  - 100% Palker Sdn Bhd
  - 100% Sementra Plantations Sdn Bhd
- 100% South East Asia Paper Products Sdn Bhd
- 100% Canpac Sdn Bhd
  - 100% Good Cans Sdn Bhd
  - 100% Canpac Vietnam Pte, Ltd
- 100% Intanwasa Sdn Bhd
  - 100% Desa Tea Sdn Bhd
  - 100% Sabah Tea Sdn Bhd
  - 100% Sabah Tea Resort Sdn Bhd
- 32.35% Spritzer Bhd

Financial Highlights

	2011	2010	2009	2008	2007
INCOME STATEMENT (RM'000)					
Revenue	767,650	757,721	703,042	694,147	507,902
Profit before interest, taxes and depreciation	39,347	47,794	41,234	39,198	29,249
Profit before tax	21,456	31,833	26,714	22,821	13,132
Profit attributable to owners of the Company	19,301	24,433	20,147	17,399	10,313
STATEMENT OF FINANCIAL POSITION (RM'000)					
Total assets [a]	556,724	552,252	497,245	418,528	414,500
Total liabilities [a]	286,918	298,885	264,857	236,971	248,436
Share capital	87,786	87,786	62,704	62,704	62,704
Total equity [a]	269,806	253,367	232,388	181,557	166,064
Borrowings	161,606	175,004	158,733	136,710	168,372
Deposits, cash and bank balances	27,653	29,266	31,581	14,485	13,439
Net cash generated from operating activities	35,370	18,672	18,482	60,744	8,408
Cash and cash equivalents	16,219	19,169	24,850	3,661	(281)
FINANCIAL INDICATORS					
Revenue growth (%)	1.31	7.78	1.28	36.67	19.97
Return on equity (%)	7.15	9.64	8.67	9.58	6.21
Net debt to equity ratio (%) [b]	49.65	57.52	54.72	67.32	93.30
Basic earnings per share (sen) [c]	10.99	13.92	11.47	9.91	5.87
Net dividend paid per share (sen)	1.88	4.75	4.75	3.74	2.73
Net assets per share (RM) [c]	1.54	1.44	1.32	1.03	0.95
Interest cover (times)	3.60	5.01	4.57	3.17	2.28
Share price as at 31 Dec (RM)	0.84	0.92	1.39	0.97	1.10
Company market capitalisation (RM'000)	147,480	161,525	87,159	60,823	68,974

Notes:-

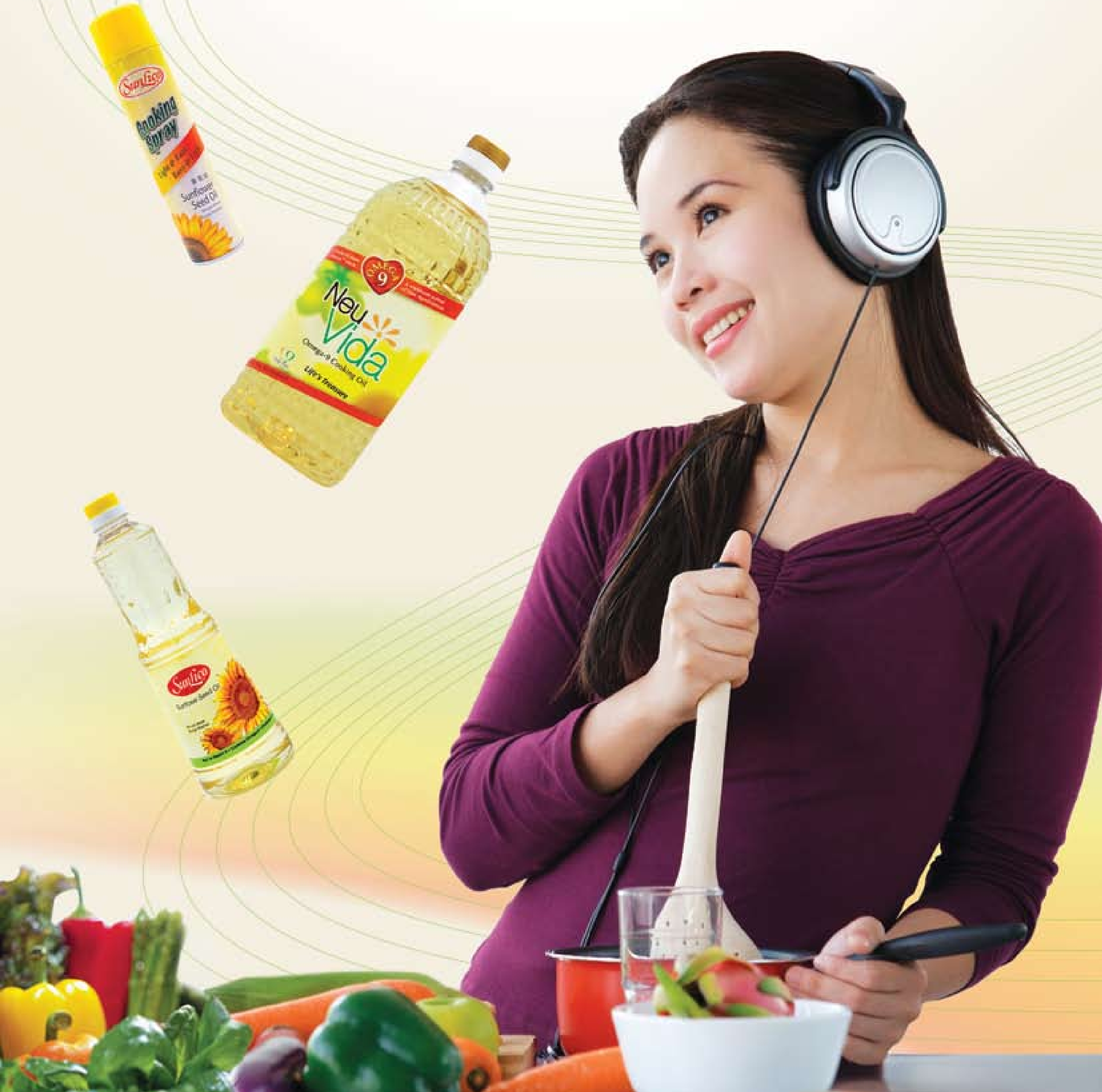
[a] The total assets, liabilities and equity in 2009 has been restated to be consistent with the Group's revaluation policy on properties upon adoption of the amendments to FRS 117 Leases.

[b] Based on net debt (being total borrowings less cash and cash equivalents) expressed as a percentage of total equity attributable to shareholders of the company.

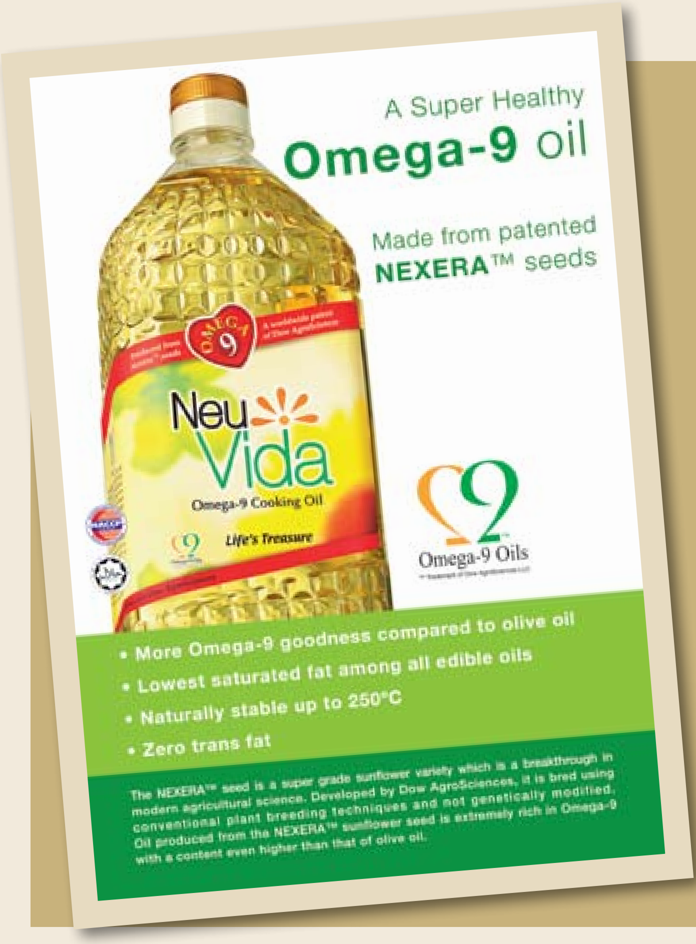
[c] The comparative basic earnings per share and net assets per share have been restated to take into account the effect of:-
(i) bonus issue on the basis of one new ordinary share for every three existing ordinary share held in FY2010.
(ii) share split involving subdivision of every one existing ordinary share of RM1.00 each into two ordinary shares of RM0.50 each in FY2010.

A Taste of Vitality

We have products which tickle your taste buds, satisfy your hunger pangs and refreshes your system whenever and wherever you are. From cooking oil to beverages, there's always a Yee Lee product just right for you.



Chairman's Statement



On behalf of the Board of Directors, I am pleased to present the Annual Report of Yee Lee Corporation Bhd. for the financial year ended December 31, 2011.

FINANCIAL PERFORMANCE

Despite the challenging and uncertainties in the global economies, the Group managed to achieve higher revenue of RM767.65 million in this year, representing a sales growth of 1.31% over the previous year. This is our highest revenue achievement in history. In fact the Group has experienced consecutive years of growth in revenue since year 2002 with annual compounded rate of 12.5%. However, the Group recorded a lower pre-tax profit of RM21.46 million in this year as compared to RM31.83 million in 2010. Profit attributable to shareholders was RM19.30 million (2010: RM24.43 million) whilst the earnings per share ended at 10.99 sen (2010: 13.92 sen).

REVIEW OF OPERATIONS

MANUFACTURING

Packaging Division

Our Group packaging division comprises of aerosol can division and corrugated carton boxes division. This division remains the main contributor to the Group's performance especially the aerosol can division. Despite achieving a 5.5% in sales growth, this division recorded a lower pre-tax profit of RM15.72 million in this year as compared to RM20.11 million in 2010. The performance of this division was affected by increase in raw materials cost coupled with resistance by customers to absorb price increase due to stiff price competitions among manufacturers. The devaluation of Dong currency was also adversely affected the profitability of the aerosol can division in Vietnam. As a result, this division's pre-tax profit decreased by 23.8%. Besides solely competing in price, the division is differentiating itself from other competitors by providing better services, innovative design, quality and prompt delivery to their customers. Steps have been taken such as new investment with new engineering technologies in production lines to increase production capacities and efficiencies whilst minimising the production waste to enhance on its profitability.

On the positive side, the corrugated carton division performed better in this year. It managed to achieve a higher pre-tax profit of RM0.96 million in this year on the back of 7.3% growth in sales revenue. The Malaysian Corrugated Carton Manufacturers' Association had announced a price increase of corrugated carton boxes and its related products by 10% in the second quarter of this year. This has enabled the corrugated carton manufacturers to maintain their profit margin by passing on the increase in paper price to their customers. The division had invested into a new printing line and is expected to be in operation by end of June 2012. With this new line, the division will be able to enter new market segments which demand for high quality colourful printed carton boxes.

Palm Oil Refinery and Mill Division

On average, the crude palm oil ("CPO") price increased by 19.2% from RM2,701 per MT in 2010 to RM3,219 per MT this year. The firmer CPO prices were supported by positive sentiments related to world supply tightness of vegetable oils. The average price of palm kernel in 2011 rose by 27.1% or RM470 per MT to RM2,206 per MT from RM1,736 per MT in previous year due to tight domestic supply and firmer lauric oil prices in the world

Chairman's Statement

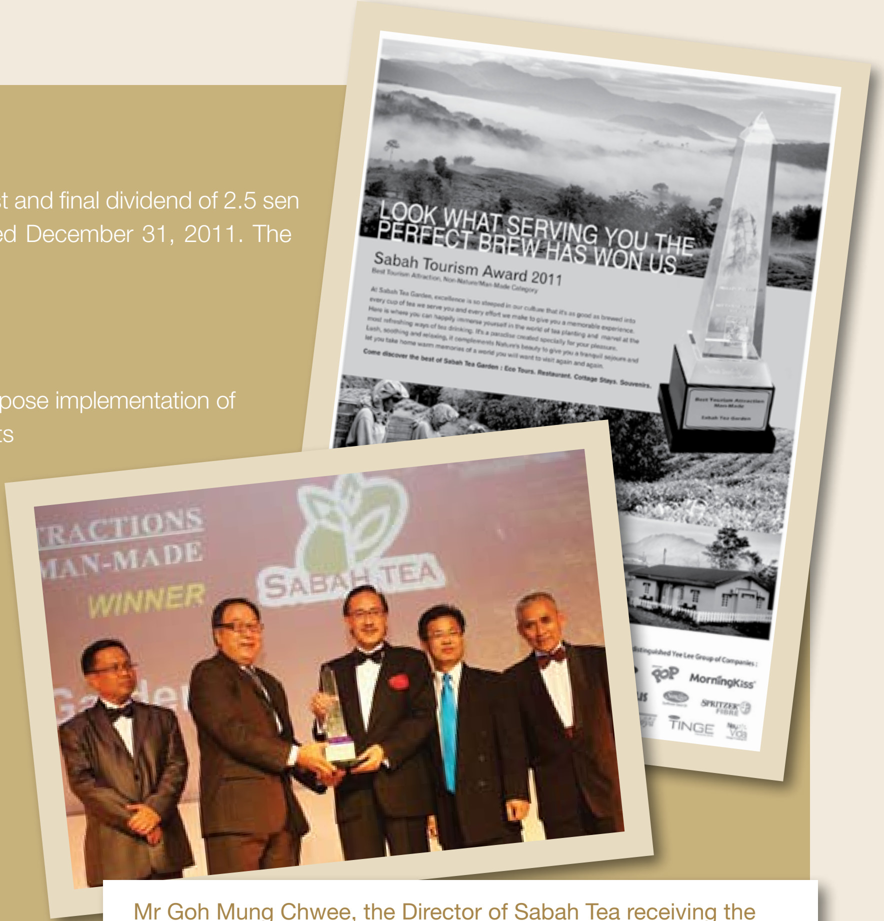
DIVIDENDS

The Board of Directors is pleased to recommend a first and final dividend of 2.5 sen (2010: 2.5 sen) per share, less tax for the year ended December 31, 2011. The dividend, if approved, will be paid on August 8, 2012.

CORPORATE DEVELOPMENTS

On May 2, 2012, the Company had announced to propose implementation of an Executives' Share Option Scheme of up to 10% of its issued and paid-up share capital. This proposal is subject to the approval of Bursa Malaysia Securities Bhd and the shareholders of the Company at the forthcoming Extraordinary General Meeting.

On May 15, 2012, Intanwasa Sdn Bhd, a wholly-owned subsidiary of the Company, had incorporated a wholly-owned subsidiary company, Sabah Tea Resort Sdn Bhd with paid-up share capital of RM2.00. The intended principal activities of this company are resort and tourist attraction management and selling of tourism products, packages and services.



Mr Goh Mung Chwee, the Director of Sabah Tea receiving the Award from Datuk Masidi Manjun, Tourism Minister.

market. Our palm oil mill production of CPO and palm kernel have increased by 6.3% and 2.7% respectively in this year as a result of increase in FFB supplies arising from higher FFB yield coupled with improvement in OER. The actions taken by the Government under the Economic Transformation Programme to improve on the quality of fresh fruit bunches ("FFB") supplies have benefited palm oil mill with improvement in OER. Together with increase in sales of bulks oils and cooking oils, this division recorded higher revenue of RM107.54 million in this year as compared to RM79.92 million in 2010. However, this division suffered losses of RM3.55 million in this year mainly due to lower profit margin in our palm oil refinery.

All Malaysian palm oil refineries have to absorb the increase in packaging and production cost over the years as the control ceiling price of palm based cooking oils has not been revised since the implementation of the Government subsidy scheme. The change in the palm oil export tax by the Indonesian Government by widening the tax gap between processed products and CPO has further eroded their profit margin. Our palm oil refinery was not spare as well. Besides improving on production efficiencies and yield, this division will undertake further internal cost saving measures to improve its profit margin.

TRADING

Trading Division

Malaysian economy achieved a lower GDP growth of 5.1% in year 2011 on the backdrop of uncertainties surrounding the global economy arising from the financial crisis in EURO zone. Although domestic private consumption was the main driver of domestic growth, consumers were cautious and selective on their spending in view of the global economy instability. This has resulted in 4.6% drop in trading division's revenue. The discontinuance of distributing Dutch Lady products during the year had also contributed to the drop in revenue. Throughout the year 2011, the trading division had implemented several initiatives to promote brand building and create awareness among consumers with an aim to increase sales via brand loyalty and to capitalise on increase in market demand upon recovery of the economy. Correspondingly, this division's pre-tax profit dropped by 46.6%. Besides launching of new products such as Oregano toothpaste, Spritzer Summer Mini Cola and varieties of MorningKiss toothbrush, Sabah Tea and Kizz detergent during the year, the trading division had also successfully secured several distributorships of well known brands such as Red Bull

Chairman's Statement

and Kellogg's to boost its revenue. With its expanded warehouses and efficient distribution channels, the division is confident of securing more potential distributorships to enhance its products range and profitability.

PLANTATION

Plantation Division

The production of our oil palm plantation increased by 16.8% in this year arising from better weather conditions and recovery in FFB yield after experienced declining yield in last year. With higher FFB yield coupled with better control over its plantation costs, this division recorded an improvement in pre-tax profit by 83.1% from RM0.77 million in 2010 to RM1.41 million this year.

Our tea plantation has won the Sabah Tourism Award 2011 for the best tourism attraction man-made category for its Sabah Tea Garden. The number of visitors to our tea plantation had increased by 21.3% after the refurbishment of its cottages and upgrading of facilities. This has created the opportunity for the tea plantation to attract more visitors to the plantation and create awareness among visitors of our tea quality and brand. Together with aggressive marketing activities being carried out throughout the year, the tea plantation was able to achieve a substantial sales growth of 66.8%. As a result, the tea plantation managed to turnaround in this year with pre-tax profit of RM0.80 million.

Future Prospects

The Board expects 2012 to be another challenging year due to many uncertainties in the global economy. Going forward, the Group will continue to focus on its core business with emphasis on productivity, efficiency and cost saving measures to enhance on its profitability. The Malaysian Government is in the process of introducing new measures and incentives to ensure the long-term competitiveness of the local palm oil industry in the world market. Once implemented, our palm oil refinery's profit margin is expected to be improved.

Acknowledgement

On behalf of the Board, I would like to extend my appreciation and gratitude to the management and employees for their commitment and dedication. In addition, I would like to thank our shareholders, financiers, suppliers, business associates, customers, consumers and other parties involved for their continued support.

Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff
Chairman

A Daily Dose of Vitality

MorningKiss has been taking care of the entire family's oral needs - ensuring your teeth and gums are well-protected and shine, bright and white with every single smile. MorningKiss toothpaste only uses natural antiseptics like Tea Tree Oil and Oregano which is better and safer.

Corporate Social Responsibility

13 – 16 January, 2011
18th FDI/MDA International Scientific Convention and Trade Exhibition

MorningKiss once again co-sponsored this dental convention organised by the Malaysian Dental Association. The convention welcomed thousands of guests for this year's theme of 'Clinical Dentistry: Today and Beyond'. The event, held at the Kuala Lumpur Convention Centre, was officiated by the Honorable Secretary General of the Ministry of Health, Yang Berbahagia Dato' Sri Dr. Hj. Mohd Nasir Bin Mohd Ashraf.

01 July, 2011
Ear Thermometers Donation to Mercy Malaysia

Held at Yee Lee Trading in Kuala Lumpur, the Group lent a shoulder of support to Mercy Malaysia by donating 168 units of ear thermometers for use in providing medical relief and to sustain the health requirements of the communities in need. This generous donation amounting to RM20,000 is another example of the Group's commitment to ensure the betterment of their surrounding communities.

21 August 2011
Poi Lam High School Ipoh Food Fair & 56th School Anniversary

A total of RM260,000 was raised during this year's edition of the Poi Lam High School Ipoh Food Fair. This event, coupled with the school's 56th Anniversary drew over a hundred participating stalls, manned by parents, students and public alike. Funds raised contributed to school's facility upgrades and continuing education.

27 – 28 August, 2011
Penang Lohas Expo

Over 2,000 visitors visited this Expo to learn more on ways to promoting a healthier and sustainable lifestyle. Yee Lee sponsored goods-in-kind to the value of RM6,500. Funds raised amounted to RM23,000, which was donated to SJK Keng Koon and JKKK Simpang Ampat.

22 September, 2011
Jamuan Teh Malaysia

Sabah Tea once again sponsored Jamuan Teh Malaysia to raise awareness and funds for the Breast Cancer Welfare Association Malaysia and the National Cancer Society Malaysia. All contributions garnered will go directly towards public education on the importance of early detection and preventative measures to minimize the threat of cancers.

09 October, 2011
Sabah Tea Peztfree – KRI 12km Run 2011

Yee Lee Group, this year sponsored goods-in-kind to the values of RM32,675 for the KRI 12km Run 2011. The scenic run through Taman Rekreasi Sultan Abdul Aziz (Polo Ground) raised fund of RM9,600 for the National Cancer Society Malaysia (NCSM). Around 1,350 participated to jointly create cancer awareness amongst the public.

13 – 17 October, 2011
A Climb Beyond Disabilities

Yee Lee Group sponsored an amount of RM30,000 for the 'Climb Beyond Disabilities' event at Mt Kinabalu. As the participants were steadily ascending their way up the mountain, they were comforted in the knowledge that funds raised were going directly to different OKUs, some of which included the blind, spastic, those with Downs Syndrome and others of varying forms of disabilities.

05 – 06 November, 2011
Public Dental Screening

Held at Ipoh Parade, Ipoh, this Oral Health Awareness Campaign is a community project to ensure the dental health of all at large. With a theme of 'Towards a Lifetime of Oral Wellness', this campaign was launched by Datuk Heng Seai Kie, Deputy Minister of Women, Family and Community Development.

12 November, 2011
Charity Visit to Handicap Children's Welfare Home, Ipoh

Yee Lee Recreation and Sports club gathered together to distribute essential goods and donate cash, to underprivileged children as part of their ongoing commitment to lessen the burden of those in need.

Family Day & Paintball Games

Yee Lee Recreation & Sports Club has been particularly busy this year, arranging both Family Day and Paintball Games for all staff. Family Day this year saw 133 staff and their families enjoy a fun-filled day at The Lost World of Tambun, Ipoh. Whilst an outing of fun, team-building, strategy and competition was the measure of the day for paintball games, with a total of 8 teams and 40 participants scheming and shoting each other to find the eventual winner.

Discovering Vitality

It's not until you sip a cup of hot Sabah Tea, that you truly feel the health benefits of its consumption. With its pure natural one source tea cultivation and 100% pesticide-free, there's really no other healthy alternative than drinking Sabah Tea.

Directors' Profile

Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff, DSIS, DSPN, JSM, DJN, SMS, KMN, PPT, PJK
Independent Non-Executive Chairman

Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff, aged 76, a Malaysian and was appointed to the Board on March 2, 1993. He is a qualified Professional Chartered Town Planner and a Professional Landscape Architect from University of Newcastle-upon-Tyne, England. He was honoured by the University of Newcastle-upon-Tyne, England with the Honorary Degree of Doctor in Civil Law in May 1993. He is a Fellow of the Royal Town Planning Institute London, Fellow of Malaysian Institute of Planners and Fellow of Institute of Landscape Architects Malaysia.

He had served in various State and Federal Governments before retiring in 1993. He was a member of the Advisory Board of the City of Kuala Lumpur (Dewan Bandaraya Kuala Lumpur) until December 2004. Over the years and through his involvement as a director of several public listed companies, he has accumulated vast experiences in various sectors namely, property and housing development, hotel management, banking and finance and expressway management.

He was a director of Public Bank Berhad, Public Investment Bank Bhd and Public Islamic Bank Bhd.

Currently, he is a director of Public Mutual Bhd. He is also a member of the Audit Committee and Nomination Committee of the Company.

Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP
Deputy Chairman
Group Managing Director

Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP aged 67, a Malaysian and was appointed to the Board on January 10, 1973. He is one of the founders of Yee Lee Group of Companies.

He has more than 42 years of experience in the trading and manufacturing of edible oils and consumer products industry.

He is the President of Perak Chinese Chamber of Commerce and Industry; and Perak Basketball Association, Deputy President of the Associated Chinese Chambers of Commerce and Industry of Malaysia, Honorary President of Malaysian Basketball Association and Chairman of Poi Lam High School (Suwa). He is also the Honorary President of Perak Hock Kean Association and Malaysia-China Chamber of Commerce, Perak Branch. He is the Chairman of Spritzer Bhd, a Director of other public companies which are not listed on the Bursa Malaysia Securities Berhad including Yee Lee Organization Bhd.

He is the father of Lim Ee Young, a director of the Company and the spouse of Datin Chua Shok Tim @ Chua Siok Hoon. He is also a director and major shareholder of Yee Lee Organization Bhd. Both Datin Chua Shok Tim @ Chua Siok Hoon and Yee Lee Organization Bhd are major shareholders of the Company.

Lim Ee Young
Executive Director
Group Chief Executive Officer

Lim Ee Young, aged 40, a Malaysian and was appointed to the Board on December 3, 2002. He graduated with a Bachelor of Business (Accounting) from University of Ballarat, Australia and Master of Business Administration from University of Bath, United Kingdom. He is a Chartered Accountant of the Malaysian Institute of Accountants and a member of CPA Australia.

He joined Yee Lee Corporation Bhd as a Management Trainee in 1993. Since 1993 until to date, he has been involved in the accounts, marketing and administration functions of Yee Lee Group. He is presently involved in the management of several related companies and business expansion projects. He has been promoted to Group Chief Executive Officer of the Company with effect from March 1, 2011.

He is the son of Dato' Lim A Heng @ Lim Kok Cheong, a member of the Board and Datin Chua Shok Tim @ Chua Siok Hoon. He is also a director and shareholder of Yee Lee Organization Bhd. Both Datin Chua Shok Tim @ Chua Siok Hoon and Yee Lee Organization Bhd are major shareholders of the Company.

Thang Lai Sung
Executive Director

Thang Lai Sung, aged 74, a Malaysian and was appointed to the Board on January 10, 1973. He is one of the founders of Yee Lee Group of Companies.

He has more than 36 years of experience in the edible oils industry, having managed his own business in edible oil retailing for ten years from 1965 to 1974. He is actively involved in social and community services. Presently, he is in charge of the general affairs of Yee Lee Group.

He was the Assistant Secretary-General of Poi Lam High School (Suwa), Perak for over ten years. Currently he is the Vice President of Poi Lam High School (Suwa), Perak and Perak Basketball Association, the Secretary-General of Perak Chinese Chamber of Commerce and Industry, the Vice President of Perak Han Kang Kong Hoey and a director of Yee Lee Organization Bhd.

Directors' Profile

Chok Hooa @ Chok Yin Fatt, PMP

Executive Director

Chok Yin Fatt, aged 65, a Malaysian and was appointed to the Board on April 30, 1990. He graduated with a Bachelor Degree in Business Studies from Curtin University of Technology, Australia and Master in Business Administration from University of Strathclyde, United Kingdom. He is a Chartered Accountant of the Malaysian Institute of Accountants, fellow members of CPA Australia and Malaysian Institute of Chartered Secretaries and Administrators and a member of the Malaysian Institute of Certified Public Accountants.

He has extensive experience in the field of financial management, accounting and corporate secretarial functions. He was attached to UAC Berhad from 1974 to 1982. In 1982, he joined Yee Lee Corporation Bhd as Chief Accountant and was promoted to the Board as an Executive Director in 1990.

He is a Director of OKA Corporation Bhd and Spritzer Bhd, and other public companies which are not listed on the Bursa Malaysia Securities Berhad including Yee Lee Organization Bhd. He is also the Chairman of the Remuneration Committee of the Company.

Y.B. Mohd Adhan bin Kechik, SMK

Independent Non-Executive Director

Y.B. Mohd Adhan bin Kechik, aged 57, a Malaysian and was appointed to the Board on March 2, 1993. He graduated with a Bachelor of Laws (Honours) Degree and Master of Laws Degree from University of Malaya.

He is a lawyer by profession. Currently, he is practising as a partner at Messrs. Adhan & Yap. Prior to setting up his own private practice in Kota Bharu, Kelantan in 1984, he was attached to the Legal and Judicial Department for five years serving in the Magistrate Court, High Court, Public Trustee's office and Attorney General's office before being appointed the Legal Adviser to the Ministry of Transport in 1983. He also served the State Government of Kelantan for four years as Menteri Besar's political secretary from 1986 to 1990. He is an elected State Assemblyman of Kelantan for Kemahang from 1995 to 1999 and Bukit Bunga since 2004.

He is a director of Spritzer Bhd, the Chairman of the Audit Committee, a member of the Nomination Committee and Remuneration Committee of the Company.

Lee Kee Hong

Independent Non-Executive Director

Lee Kee Hong, aged 64, a Malaysian and was appointed to the Board on March 2, 1993. He was involved in the senior management of several public listed companies between 1970 and 1990. Currently, he runs his own private business.

He is the Chairman of the Nomination Committee, a member of the Audit Committee and Remuneration Committee of the Company.

Sow Yeng Chong

Non-Independent Non-Executive Director

Sow Yeng Chong, aged 55, a Malaysian and was appointed to the Board on December 3, 2007. He has a wide working experience in the field of accounting and corporate finance. He started his career in 1981 as an Audit Assistant with Payne Davies & Co. and subsequently worked as an Accountant of Far East Marble & Handicraft Sdn Bhd. He was employed by Yee Lee Corporation Bhd Group from 1985 to 1997 in various capacities and his last position being Group Financial Controller. He was a remisier with TA Securities Holdings Bhd from 1997 to 2009. He is currently employed by Spritzer Bhd Group as Group Financial Controller and Joint Company Secretary.

He is a director of Kumpulan Belton Berhad, a member of the Malaysian Institute of Accountants and a certified member of the Financial Planning Association of Malaysia. He is also a member of the Audit Committee of the Company.

Note:-

Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of the Company and have not been convicted for any offence within the past ten years. Other than the permitted recurrent related party transactions as disclosed in the Circular to Shareholders on Proposed Shareholders' Mandate, none of the Directors have any conflict of interest with the Company.

Audit Committee Report

COMPOSITION

The Board is pleased to present the Report of the Audit Committee for the financial year ended December 31, 2011 in accordance with Paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirement**") ("**Bursa Securities**").

The Audit Committee comprises four (4) members of the Board of which all are Non-Executive Directors with majority of them being Independent Directors. They are as follows:-

Chairman
Y.B. Mohd Adhan bin Kechik
Independent Non-Executive Director

Members
Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff
Independent Non-Executive Chairman

Sow Yeng Chong
Non-Independent Non-Executive Director

Lee Kee Hong
Independent Non-Executive Director

TERMS OF REFERENCE

Membership

The Audit Committee shall be appointed by the Board of Directors ("**Board**") from amongst their members and shall compose of no fewer than three members. At least one member of the Audit Committee:-

(i) must be a member of the Malaysian Institute of Accountants; or
(ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience; and
    (a) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
    (b) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
(iii) fulfills such other requirements as prescribed or approved by Bursa Securities.

Mr. Sow Yeng Chong is a member of the Malaysian Institute of Accountants. In this respect, the Company is in compliance with Paragraph 15.09(1)(c)(i) of the Listing Requirements.

No alternate director shall be appointed as a member of the Audit Committee.

All members of the Audit Committee including the Chairman will hold office only as long as they serve as directors of the Company. Should any member of the Audit Committee cease to be a director of the Company, his membership in the Audit Committee would cease forthwith.

The members of the Audit Committee shall elect a Chairman from amongst their number who is an independent director.

The Board shall review the term of office and performance of the Audit Committee and each of its members at least once every three years, to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

Audit Committee Report

Membership (Cont'd)

If a member of the Audit Committee ceases to be a member resulting in the number being reduced to less than three, the Board shall within three months of that event, appoint such new members to make up the minimum number.

Duties and Responsibilities

All the Audit Committee members are able to effectively discharge their functions, duties and responsibilities in accordance with the terms of reference of the Audit Committee and to support the Board for ensuring Corporate Governance of the Group which include the following:-

(i) Financial Reporting
Review and recommend the quarterly results and annual financial statements, prior to the approval by the Board, focusing particularly on:-
- changes in or implementation of major accounting policies and practices;
- significant and unusual events;
- compliance with accounting standards and other legal requirements; and
- the going concern assumption.

(ii) Internal Auditor
- review the adequacy of the scope, functions, competency and resources of the internal audit functions; and
- review the internal audit plan, audit reports and follow up on the recommendations contained in such reports.

(iii) External Auditor
- review the external auditors' audit plan, scope of their audits and audit reports;
- review with the external auditors, their evaluation of the system of internal controls; and
- review the performance of the external auditors and make recommendation to the Board on their appointment and remuneration.

(iv) Related Party Transactions
- review any related party transactions and conflict of interest situations that may arise including any transaction, procedure or course of conduct that raises a question of management integrity within the Group.

(v) Other Matters
- assessing processes and procedures for the purpose of compliance with all laws, regulations and rules, directives and guidelines established by the relevant regulatory bodies; and
- perform any other functions as the Audit Committee considers appropriate or as authorised by the Board.

Authority

The Audit Committee shall have the authority to:-

(i) obtain the necessary resources required to perform its duties.

(ii) have full and unrestricted access to any information and documents relevant to its activities. All employees of the Group are required to comply and co-operate with any request made by the Audit Committee.

(iii) convene meetings with the external auditors, the internal auditors or both without the presence of Executive Director, Management or other employees of the Group, unless specifically invited by the Audit Committee. Meetings with the external auditors are held as and when necessary, and at least twice a year.

(iv) seek independent professional advice as it considers necessary.

Audit Committee Report

Meetings

The Audit Committee shall meet at least four times annually and additional meetings may be called at any time at the Chairman's discretion. An agenda shall be sent to all members of the Audit Committee and any persons that may be invited to attend. The External and Internal Auditors and other members of senior management will be invited to attend these meetings upon invitation by the Chairman of the Audit Committee. The Company Secretary shall record, prepare and circulate the minutes of meetings and ensure that the minutes are properly kept.

The Audit Committee held four meetings during the financial year ended December 31, 2011. The attendance of the Audit Committee members is as follows:-

Audit Committee Members	Attendance
Y.B. Mohd Adhan bin Kechik	4/4
Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff	4/4
Sow Yeng Chong	4/4
Lee Kee Hong	4/4

SUMMARY OF ACTIVITIES

During the financial year, the Audit Committee carried out the following activities:-

(i) reviewed and approved the Internal Audit Plan, strategy and scope of work.

(ii) reviewed the internal and external auditors' reports and considered the major findings by the auditors and management responses thereto.

(iii) reviewed the Audit Planning Memorandum of the external auditors prior to the commencement of their audit engagement.

(iv) reviewed the unaudited quarterly financial results and audited financial statements of the Company and of the Group prior to the submission to the Board for approval.

(v) reviewed the recurrent related party transactions entered into by the Company and the Group to ascertain that the transactions are conducted at arm's length and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

Audit Committee Report

SUMMARY OF ACTIVITIES OF THE GROUP INTERNAL AUDIT DEPARTMENT

The Group Internal Audit Department ("**GIAD**") continues to adopt a risk-based approach, and prepares its audit strategy and plan based on risk profiles of the business units of the Group. The GIAD would conduct activities in accordance with its annual internal audit plan and also undertakes special reviews and investigations at the request of the senior management. Its audit functions include:-

- providing reasonable assurance in relation to the adequacy, efficiency and effectiveness of the internal control systems;
- independent assessment and systematic review of the operational efficiency of the Group members;
- identifying and evaluating potential risk areas;
- assessing the reliability of systems and the reported information; and
- ensuring compliance with the Group's policies/guidelines and with legislation.

During the year, the GIAD had performed its roles with impartiality, proficiency and due professional care. The scope of audit encompassed assets management, cash collections and disbursements, credit policy, inventory, purchasing and sales, operations, risk management, internal quality pertaining to ISO 9001:2008 compliance and HACCP audit. The management is responsible for ensuring that corrective actions are taken to overcome the reported weaknesses within an appropriate time frame. Audit reports incorporating the audit findings and recommendations to overcome systems and control weaknesses are presented to the management concerned, and thereafter to the Audit Committee for appraisal and review.

The internal audit function is performed in-house with selected areas being outsourced, but within supervision of the in-house Head of GIAD. The total cost incurred for both in-house and outsourced internal audit function had amounted to RM201,000.00 and RM49,000.00 respectively for the financial year ended December 31, 2011.

Statement on Corporate Governance

Yee Lee Corporation Bhd adheres to high standards of corporate governance practices under the leadership of the Board of Directors ("**Board**"), as guided by the Malaysian Code of Corporate Governance ("**Code**"). It is being fully applied as a fundamental part of discharging the directors' responsibilities to protect and enhance shareholders' value.

Set out below are the corporate governance principles and best practices that were applied during the financial year ended December 31, 2011.

THE BOARD OF DIRECTORS

Composition

The Group is led by an effective Board with wide and varied technical, financial and commercial experience. The Board currently has eight members, comprising four Executive Directors and four Non-Executive Directors of whom three are independent. The role of Chairman is held by an Independent Non-Executive Director. This Board composition complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") to have at least one third of the Board consisting of Independent Directors.

The profile of each Director is presented on pages 17 and 18 of the Annual Report.

Board Balance

The Board meetings are presided by the Chairman. There is a clear division of responsibilities between the Chairman and the Group Managing Director to ensure a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Group Managing Director has the overall responsibilities over organisational effectiveness and the implementation of Board policies and decisions.

The Executive Directors are generally responsible for making and implementing policies and decisions of the Board, overseeing operations as well as managing development and implementation of business and corporate strategies. The Independent Non-Executive Directors are independent of management and free from any business relationship which could materially interfere with their independent judgement. Their presence ensure that issues of strategies, performance and resources proposed by the management are objectively evaluated with their judgement.

The Board is satisfied with the existing number and composition of the Directors which fairly reflects the investment of minority shareholders in the Company.

Board Meetings

The Board has committed to meet at least four times a year, usually before the announcement of quarterly results to Bursa Securities, with additional meetings convened when necessary.

During the financial year ended December 31, 2011, four Board Meetings were held and the attendance is as follows:-

Directors	Attendance
Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff	4/4
Dato' Lim A Heng @ Lim Kok Cheong	4/4
Thang Lai Sung	3/4
Chok Hooa @ Chok Yin Fatt	4/4
Lim Ee Young	4/4
Y.B. Mohd Adhan bin Kechik	4/4
Lee Kee Hong	4/4
Sow Yeng Chong	4/4

Statement on Corporate Governance

Supply of Information

The Board is provided with an agenda, reports and other relevant information prior to Board Meetings, covering various aspects of the Group's operations. This is issued on a timely manner to enable the Board to participate actively in the overall management of the Company and to effectively discharge their duties and responsibilities.

All Directors have access to the advice and services of the Company Secretaries to assist them in carrying out their duties.

Directors' Training

The Board acknowledges that continuous education is vital in keeping them abreast with developments in the market place and with new statutory and regulatory requirements, besides enhancing professionalism and knowledge in enabling them to discharge their roles in an effective manner.

Relevant training programmes were arranged to facilitate knowledge building for Directors. The Directors may also attend additional training courses according to their individual needs, to equip themselves for the discharge of their responsibilities as directors of a public listed company and in the Board Committees on which they serve.

All the Directors have attended development and training programmes during the year. The conferences, seminars and training programmes attended by the Directors, collectively or individually were as follows:-

- Sustainability programme for consumer products, finance, technology and closed end funds sectors
- The Securities Commission's New Corporate Governance Blueprint – What does it mean for your Company
- Sharpening the Corporate Planning Roadmap & Structuring Fraud Prevention and Detection Framework
- Malaysia's Competitive Strength and Resilience
- 2012 Budget Proposals – Tax Changes and its Impact on Businesses
- FMM Leadership Luncheon Talk – Managing a Competitive Global Business
- How to protect your important data
- Neuromarketing – Understand the "Buy Buttons" in your Customer's Brain
- Impact of the debt crisis in USD and Europe on the Malaysian Economy and the Region
- Highlights of 2012 Budget and its implications on business
- Update on Malaysian Economy & the Government Transformation program
- How to conduct effective performance appraisal
- The General Manager as Decision Maker
- The General Manager as Strategist and Implementer
- Enterprise Risk Management

Re-election and Appointments of Directors

In accordance with the Company's Articles of Association, all newly appointed Directors are subject to re-election by shareholders at the first annual general meeting after their appointments. The Articles also provide that one third of the remaining Directors be subject to re-election by rotation at each annual general meeting provided always that all Directors shall retire from office once at least in each three years but shall be eligible for re-election.

Directors who are of or over the age of seventy years shall retire at the conclusion of the next annual general meeting unless they are re-appointed as Directors in accordance with Section 129(6) of the Companies Act, 1965 ("**Act**"). Presently, there are two Directors of the Company, namely Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff and Thang Lai Sung who are subject to such retirement and re-appointment.

The Board has empowered the Nomination Committee to consider and make recommendations to the Board for the continuation in service of those Directors who are due for retirement and recommendation of new Directors, if required to enhance the composition of the Board.

Statement on Corporate Governance

Re-election and Appointments of Directors (Cont'd)

As an integral element of the process of appointing new Directors, the Nomination Committee will ensure that Directors undergo an orientation programme to familiarise themselves with the Group's business, which include visits to the Group's various offices and factory premises and meetings with senior management. This is to facilitate their understanding of the Group's activities and to assist them in effectively discharging their duties.

DIRECTORS' REMUNERATION

The details of the remuneration for the Directors of the Company paid or payable by the Company and its subsidiary companies for the financial year under review are as follows:-

	Salaries RM'000	Fees RM'000	Bonus RM'000	Others RM'000	Total RM'000
Executive Directors	1,555	114	319	57	2,045
Non-Executive Directors	-	58	-	31	89

Directors' remuneration are broadly categorised into the following bands:-

	Number of Directors	
Range of remuneration	Executive Directors	Non-Executive Directors
RM1 to RM50,000	-	4
RM200,001 to RM250,000	1	-
RM450,001 to RM500,000	1	-
RM550,001 to RM600,000	1	-
RM750,001 to RM800,000	1	-

Directors' fees are subject to the approval by shareholders at the forthcoming 39th Annual General Meeting of the Company.

BOARD COMMITTEES

The following Committees have been established to assist the Board in discharging its responsibilities:-

(i) Audit Committee

The Audit Committee consists of four members, comprising all Non-Executive Directors. Its composition and terms of reference are set out in the Audit Committee Report on pages 19 to 22 of this Annual Report.

(ii) Nomination Committee

The Nomination Committee has three members comprising exclusively Non-Executive Directors, all of whom are Independent Directors.

The Nomination Committee is responsible for assessing the performance of the existing Directors and identifying, nominating, recruiting, appointing and orientating new Directors. It assists the Board in reviewing the required mix of skills and experience of the Directors.

Meetings of the Nomination Committee are held as and when required, and at least once a year. The Members met once in the financial year ended December 31, 2011.

Statement on Corporate Governance

BOARD COMMITTEES (CONT'D)

(iii) Remuneration Committee

The Remuneration Committee has three members comprising two Independent Non-Executive Directors and one Executive Director.

The Remuneration Committee is responsible for setting the policy framework and makes recommendation to the Board on all elements of remuneration and terms of employment of Executive Directors and senior management. Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting decisions in respect of his individual remuneration.

Meetings of the Remuneration Committee are held as and when necessary, and at least once a year. The Members met once in the financial year ended December 31, 2011.

SHAREHOLDERS

Dialogue between the Company and Investors

Shareholders are kept well informed of the development and performance of the Group through annual reports, press release, Company's website, quarterly results and other announcements to Bursa Securities. The Annual Report contains all the necessary disclosures in addition to facts and figures about the Group.

The Company values dialogues with its shareholders, potential investors, institutional investors and analyst and is willing to meet up with anyone to explain or clarify any information disclosed in its Annual Report or announcements released to Bursa Securities. The Board has identified Y.B. Mohd Adhan bin Kechik, SMK, an Independent Non-Executive Director, to whom any concern may be conveyed. Shareholders may also contact the Company Secretaries for information at all times.

General Meetings

Notices of Annual and Extraordinary General Meetings of the Company are distributed to shareholders within a reasonable and sufficient time frame. Adequate time is given during the general meetings to allow shareholders to seek clarifications or ask questions on pertinent and relevant matters.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board ensures that shareholders are provided with a balanced and meaningful evaluation of the Company's and the Group's financial performance and position and its future prospects through the issuance of Annual Audited Financial Statements, quarterly results and corporate announcements on significant development.

This assessment is primarily provided in the Annual Report through the Chairman's Statement disclosed in the Annual Report. The Directors' Responsibility Statement for the Annual Audited Financial Statements of the Company and the Group is set out on page 27 of the Annual Report. The quarterly results announcements also reflect the Board's commitment to give regular updated assessments on the Company's and the Group's performance.

Statement on Corporate Governance

ACCOUNTABILITY AND AUDIT (CONT'D)

Internal Control

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments. Details of the Group's internal control system are set out in the Statement on Internal Control on pages 29 and 30 of the Annual Report.

Relationship with Auditors

The Company maintains a professional and transparent relationship with the internal auditors in seeking their professional advice on the Group's system of internal controls and with the external auditors in ensuring compliance with the accounting standards. The Audit Committee has explicit authority to communicate directly with internal and external auditors.

Further details on the Audit Committee in relation to the external auditors are set out in the Audit Committee Report on pages 19 to 22 of the Annual Report.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Company has complied with the best practices of the Code throughout the financial year ended December 31, 2011 and implemented the enterprise risk management system at various subsidiary companies. For the financial year under review, the Board is satisfied that any risks arising from its business operations have been adequately addressed with its existing system of internal control in place. The Board will continuously assess the adequacy of the Group's system of internal control and make improvement and enhancement to the system as and when necessary.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Act to prepare the financial statements for each financial year which give a true and fair view of the financial position of the Company and of the Group and the financial performance and cash flows for that year. The Directors consider that in preparing the financial statements for the financial year ended December 31, 2011, the Company and the Group have adopted applicable approved Financial Reporting Standards in Malaysia, which are consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Company and of the Group to enable them to ensure that the financial statements are drawn up in accordance with the provisions of the Act. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Additional Compliance Information

The following information is provided in accordance with Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as set out in Appendix 9C thereto.

1. Utilisation of Proceeds Raised from Corporate Proposals

The Company did not raise any funds from any corporate proposals during the financial year.

2. Share Buy-Back

No share buy-back scheme was in place during the financial year.

3. Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year.

4. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR Programme during the financial year.

5. Sanctions and/or Penalties

There were no material sanctions and/or penalties imposed on the Company and its subsidiary companies, Directors or management by the relevant regulatory bodies during the financial year.

6. Non-Audit Fees

The details of the statutory audit and non-audit fees paid/payable in year 2011 to the external auditors are disclosed in Note 8 to the Financial Statements on page 66.

7. Variation in Results

There was no variance between the financial results in the Annual Audited Financial Statements 2011 and the unaudited financial results for the year ended December 31, 2011.

8. Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

9. Material Contracts

There was no material contract which has been entered into by the Group, involving the Directors' and major shareholders' interests, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Statement on Internal Control

Introduction

The Board of Directors (“**Board**”) of Yee Lee Corporation Bhd is pleased to provide the following Statement on Internal Control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”). The Board is committed to fulfilling its responsibility of maintaining a sound system of internal control in the Group in compliance with the Principles and Best Practices provision in relation to internal controls as stipulated in the Malaysian Code on Corporate Governance.

Board Responsibilities

The Board has remained committed towards maintaining a sound internal control and risk management system to ensure good corporate governance, to safeguard the shareholders’ investments and the Group’s assets. The Board affirms its overall responsibility for reviewing the adequacy, integrity and effectiveness of those systems. The system of internal control is designed to manage and minimise rather than to eliminate the risk of failure in achieving the Group’s business objectives. Hence, the internal control system can only provide reasonable, but not absolute assurance against material misstatement, operational failures, fraud, losses or breach of laws or regulations.

Enterprise Risk Management Framework

The Board recognises that having a formal risk management framework in place is essential to ensure proper management of the risks that may impede the achievement of the Group’s objectives. There is an established policy, structured framework, consistent approaches and methodologies for identifying, analysing, evaluating, measuring, monitoring and reporting on the significant risks which can affect the achievement of the organisation’s goals.

The Risk Management Department plays an important role in assisting the members of the Group to have a good understanding of the various risks affecting their enterprises, and enable them to manage a risk once it has been identified and defined. The effectiveness of the risk management is monitored and evaluated by all levels of management on an ongoing basis. The Group’s risk management framework provides for regular review and reporting. The reports include an assessment of the degree of risk, and an evaluation of the effectiveness of the risk mitigating and treatment measures. Such reports are compiled by the Risk Assessor and presented by him to the Risk Management Advisory Committee.

The Risk Management Advisory Committee will provide direction and counsel to the risk management process, evaluate and approve actions to mitigate key risks and advising the Board on risk related matters. The Audit Committee will review a summary of significant risks being submitted by the Risk Management Department. It monitors the effectiveness of the Group’s risk management system, and advises the Board accordingly.

Statement on Internal Control

Internal Audit Function

The Group Internal Audit Department (GIAD)'s authority, scope and responsibilities are governed by an Internal Audit Charter. The GIAD reports functionally to the Audit Committee, and administratively to the Group Managing Director, Group Chief Executive Officer and Group General Manager. It is constantly upgrading its audit approach, maintaining a competent audit team and expanding its scope to encompass risk-based plans. Significant findings and corrective measures in respect of any non-compliance are highlighted to the Audit Committee.

Its mission is to provide objective and independent assurance of the Group's system of internal controls as well as reviewing the adequacy and effectiveness of risk management, governance and control processes which were being established to manage risks and operations. It also monitors compliance with policies, guidelines, laws and regulations. Any internal control weaknesses and the appropriate audit recommendations would be discussed and reported to the management for corrective/ preventive actions. This is to improve operations, enable accurate reporting, proper safeguarding of assets and promoting economic yet effective utilisation of resources. The GIAD had embarked on an expansion plan to strengthen its workforce, and is committed in giving value-added services to the Group and performing the audit function in accordance with the International Professional Practices Framework on Internal Auditing.

Review of Effectiveness

For the year under review and up to the date of issuance of the financial statements, the Board is of the view that the system of internal controls and risk management is sufficient and effective to safeguard the Group's interest and business operations.

Review of the Statement by External Auditors

This Statement on Internal Control has been reviewed by the External Auditors for inclusion in the Annual Report of the Group for the financial year ended December 31, 2011 in accordance with Paragraph 15.23 of the Listing Requirements.

Directors' Report

The directors of **YEE LEE CORPORATION BHD**. have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2011.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 15 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit for the year attributable to owners of the Company	19,301	3,987

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

A first and final dividend of 2.5 sen per share, less tax, proposed in respect of ordinary shares in the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year.

The directors proposed a first and final dividend of 2.5 sen per share, less tax, in respect of the current financial year. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

Directors' Report

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER FINANCIAL INFORMATION

Before the income statements, the statements of comprehensive income and the statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is 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 their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

Directors' Report

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Y. Bhg. Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff, DSIS, DSPN, JSM, DJN, SMS, KMN, PPT, PJK
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP
Mr. Thang Lai Sung
Mr. Chok Hooa @ Chok Yin Fatt, PMP
Mr. Lim Ee Young
Y.B. Mohd Adhan bin Kechik, SMK
Mr. Lee Kee Hong
Mr. Sow Yeng Chong

In accordance with Article 85 of the Company's Articles of Association, Y.B. Mohd Adhan bin Kechik, SMK and Mr. Lim Ee Young retire by rotation and, being eligible, offer themselves for re-election.

In accordance with Section 129 of the Companies Act, 1965, Y. Bhg. Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff, DSIS, DSPN, JSM, DJN, SMS, KMN, PPT, PJK and Mr. Thang Lai Sung retire and, being eligible, offer themselves for re-appointment.

DIRECTORS' INTERESTS

The shareholdings in the Company and in the holding company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM0.50 each			
	Balance as of 1.1.2011	**Bought**	**Sold**	**Balance as of 31.12.2011**
Shares in the Company				
Registered in the name of directors				
Y. Bhg. Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff	3,378,664	-	-	3,378,664
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	3,743,600	-	-	3,743,600
Mr. Thang Lai Sung	23,332	-	-	23,332
Mr. Chok Hooa @ Chok Yin Fatt	131,532	5,000	-	136,532
Mr. Lim Ee Young	211,400	-	-	211,400
Y.B. Mohd Adhan bin Kechik	46,664	-	-	46,664
Mr. Lee Kee Hong	23,332	-	-	23,332
Mr. Sow Yeng Chong	56,000	-	-	56,000
Deemed interest by virtue of shares held by a company in which a director has interest				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	97,913,956	-	-	97,913,956
Deemed interest by virtue of shares held by immediate family members of the directors				
Y. Bhg. Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff	140,000	-	-	140,000
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	1,079,400	-	-	1,079,400
Mr. Lim Ee Young	14,000	-	-	14,000

Directors' Report

DIRECTORS' INTERESTS (CONT'D)

	Number of ordinary shares of RM1.00 each			
	Balance as of 1.1.2011	Bought	Sold	Balance as of 31.12.2011
Shares in the holding company, Yee Lee Organization Bhd.				
Registered in the name of directors				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	2,751	-	-	2,751
Mr. Thang Lai Sung	1,716	-	-	1,716
Mr. Lim Ee Young	25,879	-	-	25,879
Mr. Lee Kee Hong	19,800	-	-	19,800
Deemed interest by virtue of shares held by companies in which a director has interest				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	7,799,820	-	-	7,799,820
Deemed interest by virtue of shares held by immediate family members of a director				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	138,668	9,930	-	148,598

By virtue of his interest in the shares of the holding company, Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong is also deemed to have an interest in the shares of all the subsidiary companies to the extent that the holding company has interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and certain companies in which certain directors of the Company are also directors and/or shareholders as disclosed in Note 21 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

HOLDING COMPANY

The immediate and ultimate holding company of the Company is Yee Lee Organization Bhd., a company incorporated in Malaysia.

Directors' Report

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

Y. BHG. DATO' LIM A HENG @ LIM KOK CHEONG, JSM, DPMP, JP
Group Managing Director

MR. CHOK HOOA @ CHOK YIN FATT, PMP
Executive Director

Ipoh,
April 13, 2012

Independent Auditors' Report

to the Members of Yee Lee Corporation Bhd.

Report on the Financial Statements

We have audited the financial statements of Yee Lee Corporation Bhd., which comprise the statements of financial position of the Group and of the Company as of December 31, 2011 and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 46 to 105.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is 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 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 the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity'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 entity's internal control. 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Report on Other Legal and Regulatory Requirements

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

(a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;

(b) we have considered the accounts and auditors' report of the subsidiaries, of which we have not acted as auditors, as mentioned in Note 15 to the financial statements, being accounts that have been included in the financial statements of the Group;

(c) we are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company 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 as required by us for these purposes; and

(d) the auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any adverse comment made under Section 174 (3) of the Act.

Independent Auditors' Report

to the Members of Yee Lee Corporation Bhd.

Other Reporting Responsibilities

The supplementary information set out in Note 37 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 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 towards any other person for the contents of this report.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

YEOH SIEW MING
Partner - 2421/05/13(J/PH)
Chartered Accountant

April 13, 2012

Income Statements

For the Year Ended December 31, 2011

	Note	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
Revenue	5	767,650	757,721	4,486	4,856
Investment revenue	7	719	759	-	-
Other gains and losses	8	5,763	4,911	-	-
Share of profit of an associated company	16	2,628	3,965	-	-
Changes in inventories of finished goods, trading merchandise and work-in-progress		(142)	10,257	-	-
Raw materials and consumables used	8	(314,485)	(246,602)	-	-
Purchase of finished goods and trading merchandise		(301,929)	(374,739)	-	-
Employee benefits expense	8	(43,812)	(41,603)	-	-
Depreciation of property, plant and equipment	12	(10,472)	(9,862)	-	-
Finance costs	9	(8,026)	(6,769)	(64)	(56)
Other expenses	8	(76,438)	(66,205)	(388)	(405)
Profit before tax		21,456	31,833	4,034	4,395
Income tax expense	10	(2,155)	(7,400)	(47)	(38)
Profit for the year attributable to owners of the Company		19,301	24,433	3,987	4,357
Earnings per share					
Basic (sen)	11	10.99	13.92		
Diluted (sen)	11	10.99	13.92		

The accompanying Notes form an integral part of the Financial Statements.

Statements of Comprehensive Income

For the Year Ended December 31, 2011

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit for the year	19,301	24,433	3,987	4,357
Other comprehensive income/(loss):				
Exchange differences on translating foreign operations	473	(1,357)	-	-
Loss on revaluation of available-for-sale financial assets	(4)	(6)	-	-
Gain arising on revaluation of investments in subsidiary companies	-	-	5,577	33,839
Share of other comprehensive income of associated company	(39)	938	-	-
Total other comprehensive income/(loss) for the year	430	(425)	5,577	33,839
Total comprehensive income attributable to owners of the Company	19,731	24,008	9,564	38,196

Statements of Financial Position

As of December 31, 2011

	Note	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	227,777	229,763	-	-
Investment properties	13	9,454	10,134	-	-
Investments in subsidiary companies	15	-	-	217,154	211,577
Investment in an associated company	16	46,203	44,670	29,471	29,471
Other investments	17	11	15	-	-
Goodwill on consolidation	18	1,612	1,612	-	-
Total non-current assets		285,057	286,194	246,625	241,048
Current assets					
Inventories	19	74,278	79,944	-	-
Trade and other receivables	20	154,405	149,535	13,700	14,057
Current tax assets	10	4,945	2,146	357	291
Other assets	22	7,826	5,167	4	3
Deposits, cash and bank balances	23	27,653	29,266	5	37
		269,107	266,058	14,066	14,388
Non-current assets classified as held for sale	14	2,560	-	-	-
Total current assets		271,667	266,058	14,066	14,388
Total assets		556,724	552,252	260,691	255,436
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	24	87,786	87,786	87,786	87,786
Reserves	25	54,893	54,463	136,352	130,775
Retained earnings	25	127,127	111,118	24,921	24,226
Total equity		269,806	253,367	249,059	242,787
Non-current liabilities					
Borrowings	26	12,082	16,900	-	-
Deferred tax liabilities	28	20,852	21,785	-	-
Total non-current liabilities		32,934	38,685	-	-
Current liabilities					
Trade and other payables	29	89,952	86,839	9,857	11,506
Borrowings	26	149,524	158,104	1,615	1,000
Current tax liabilities	10	149	2,079	-	-
Other liabilities	30	14,359	13,178	160	143
Total current liabilities		253,984	260,200	11,632	12,649
Total liabilities		286,918	298,885	11,632	12,649
Total equity and liabilities		556,724	552,252	260,691	255,436

The accompanying Notes form an integral part of the Financial Statements.

Statement of Changes In Equity

For the Year Ended December 31, 2011

		Attributable to Owners of the Company							
			Non-distributable Reserves					Distributable	
The Group	Note	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Translation Reserve RM'000	Capital Reserves RM'000	Reserve - Retained Earnings RM'000	Total Equity RM'000
Balance as of January 1, 2010		62,704	52	55,067	1	(341)	161	114,745	232,389
Profit for the year		-	-	-	-	-	-	24,433	24,433
Other comprehensive income/(loss) for the year		-	-	-	(6)	(1,357)	938	-	(425)
Total comprehensive income for the year		-	-	-	(6)	(1,357)	938	24,433	24,008
Payment of dividend	31	-	-	-	-	-	-	(2,978)	(2,978)
Bonus issue	24	25,082	-	-	-	-	-	(25,082)	-
Expenses relating to bonus issue exercise	25	-	(52)	-	-	-	-	-	(52)
Balance as of December 31, 2010		87,786	-	55,067	(5)	(1,698)	1,099	111,118	253,367
Profit for the year		-	-	-	-	-	-	19,301	19,301
Other comprehensive income/(loss) for the year		-	-	-	(4)	473	(39)	-	430
Total comprehensive income for the year		-	-	-	(4)	473	(39)	19,301	19,731
Payment of dividend	31	-	-	-	-	-	-	(3,292)	(3,292)
Balance as of December 31, 2011		87,786	-	55,067	(9)	(1,225)	1,060	127,127	269,806

The accompanying Notes form an integral part of the Financial Statements.

Statement of Changes In Equity

For the Year Ended December 31, 2011

The Company	Note	Share Capital RM'000	← Non-distributable Reserves Share Premium RM'000	→ Investment Revaluation Reserve RM'000	Distributable Reserve Retained Earnings RM'000	Total Equity RM'000
Balance as of January 1, 2010		62,704	52	122,018	22,847	207,621
Profit for the year		-	-	-	4,357	4,357
Other comprehensive income for the year		-	-	33,839	-	33,839
Total comprehensive income for the year		-	-	33,839	4,357	38,196
Payment of dividend	31	-	-	-	(2,978)	(2,978)
Bonus issue	24	25,082	-	(25,082)	-	-
Expenses relating to bonus issue exercise	25	-	(52)	-	-	(52)
Balance as of December 31, 2010		87,786	-	130,775	24,226	242,787
Profit for the year		-	-	-	3,987	3,987
Other comprehensive income for the year		-	-	5,577	-	5,577
Total comprehensive income for the year		-	-	5,577	3,987	9,564
Payment of dividend	31	-	-	-	(3,292)	(3,292)
Balance as of December 31, 2011		87,786	-	136,352	24,921	249,059

The accompanying Notes form an integral part of the Financial Statements.

Statement of Cash Flows

For the Year Ended December 31, 2011

	Note	The Group 2011 RM'000	The Group 2010 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		19,301	24,433
Adjustments for:			
Depreciation of property, plant and equipment		10,472	9,862
Finance costs		8,026	6,769
Income tax expense recognised in income statements		2,155	7,400
Allowance for slow moving inventories		1,353	1,730
Bad debts written off		313	391
Allowance for doubtful debts		227	434
Property, plant and equipment written off		64	480
Tax penalty		12	-
Inventories written off		3	10
Share of profit of an associated company		(2,628)	(3,965)
Allowance for slow moving inventories no longer required		(1,891)	-
Investment revenue recognised in income statements		(719)	(759)
Allowance for doubtful debts no longer required		(682)	(1,727)
Unrealised (gain)/loss on foreign exchange		(112)	259
Gain on disposal of property, plant and equipment - net		(34)	(132)
Gain on disposal of investment properties - net		-	(90)
		35,860	45,095
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		6,329	(15,896)
Trade and other receivables		(4,497)	(20,843)
Other assets		1,337	(1,249)
Increase/(Decrease) in:			
Trade and other payables		2,963	16,579
Other liabilities		1,180	(499)
Cash Generated From Operations		43,172	23,187
Tax refunded		1,735	2,274
Tax paid		(9,537)	(6,789)
Net Cash Generated From Operating Activities		35,370	18,672

The accompanying Notes form an integral part of the Financial Statements.

Statement of Cash Flows

For the Year Ended December 31, 2011

	Note	The Group 2011 RM'000	2010 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Dividends received from an associated company		1,056	1,056
Interest received		579	615
Proceeds from disposal of property, plant and equipment		251	329
Rental from investment properties received		139	143
Grant received from government in respect of property, plant and equipment		134	-
Dividends received from quoted shares		1	1
Purchase of property, plant and equipment	33(a)	(7,439)	(17,031)
Deposits paid for acquisition of land		(3,872)	-
Proceeds from disposal of investment properties		-	1,290
Proceeds from disposal of unquoted investment		-	247
Acquisition of additional shares in associated company		-	(5,625)
Purchase of investment properties		-	(4,994)
Net Cash Used In Investing Activities		(9,151)	(23,969)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from trust receipts		330	-
Proceeds from term loans		284	10,318
Finance costs paid		(8,026)	(6,848)
Repayment of hire-purchase payables		(7,293)	(3,294)
Repayment of bankers' acceptances		(5,539)	(3,581)
Dividend paid		(3,292)	(2,978)
Repayment of revolving credits		(3,000)	(3,000)
Repayment of term loans		(2,712)	(2,083)
Proceeds from bankers' acceptances		-	11,466
Bonus issue expenses paid		-	(52)
Net Cash Used In Financing Activities		(29,248)	(52)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,029)	(5,349)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		19,169	24,850
Effect of exchange rate changes on the balance of cash held in foreign currencies		79	(332)
CASH AND CASH EQUIVALENTS AT END OF YEAR	33(b)	16,219	19,169

The accompanying Notes form an integral part of the Financial Statements.

Statement of Cash Flows

For the Year Ended December 31, 2011

	Note	The Company 2011 RM'000	2010 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		3,987	4,357
Adjustments for:			
Finance costs		64	56
Income tax expense recognised in income statements		47	38
Dividend income		(4,486)	(4,856)
		(388)	(405)
Movements in working capital:			
(Increase)/Decrease in other assets		(1)	-
Increase/(Decrease) in:			
Other payables		(1)	-
Other liabilities		17	12
Cash Used In Operations		(373)	(393)
Dividends received		4,373	4,757
Net Cash Generated From Operating Activities		4,000	4,364
CASH FLOWS FROM/(USED) IN INVESTING ACTIVITIES			
Repayment from/(Advances granted to) subsidiary company - net		357	(103)
Acquisition of additional shares in associated company		-	(5,625)
Net Cash From/(Used In) Investing Activities		357	(5,728)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Dividend paid		(3,292)	(2,978)
(Repayment to)/Advances received from subsidiary company - net		(1,648)	4,498
Finance costs paid		(64)	(56)
Bonus issue expenses paid		-	(52)
Net Cash (Used In)/From Financing Activities		(5,004)	1,412
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(647)	48
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		37	(11)
CASH AND CASH EQUIVALENTS AT END OF YEAR	33(b)	(610)	37

The accompanying Notes form an integral part of the Financial Statements.

Notes to the Financial Statements

1. GENERAL INFORMATION

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

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 15.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

The registered office and principal place of business of the Company are located at Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan, Malaysia.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on April 13, 2012.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs")

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

2.1 Adoption of new and revised Financial Reporting Standards ("FRSs") and IC Interpretations ("IC Int.")

During the financial year, the Group and the Company adopted all new and revised FRSs and IC Int. issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for accounting periods beginning on or after March 1, 2010. The adoption of these new and revised FRSs and IC Int. have not resulted in material changes to the Group's and the Company's accounting policies.

Notes to the Financial Statements

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs") (CONT'D)

2.2 Standards and IC Int. in issue but not yet effective

At the date of authorisation for issue of these financial statements, the FRSs, IC Int. and amendments to FRSs and IC Int. which were in issue but not yet effective are as listed below:

FRS and IC Int.		Effective for annual periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters)	January 1, 2012
FRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Transfers of Financial Assets)	January 1, 2012
FRS 7	Financial Instruments: Disclosures (Amendments relating to Mandatory Effective Date of FRS 9 (International Financial Reporting Standards ("IFRS") 9 issued by International Accounting Standards Board ("IASB") in November 2009 and October 2010 respectively) and Transition Disclosures)	March 1, 2012
FRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Financial Liabilities)	January 1, 2013
FRS 9	Financial Instruments (IFRS 9 issued by the IASB in November 2009)	January 1, 2015*
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)	January 1, 2015*
FRS 10	Consolidated Financial Statements	January 1, 2013
FRS 11	Joint Arrangements	January 1, 2013
FRS 12	Disclosure of Interests in Other Entities	January 1, 2013
FRS 13	Fair Value Measurement	January 1, 2013
FRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)	July 1, 2012
FRS 112	Income Taxes (Amendments relating to Deferred tax: Recovery of Underlying Assets)	January 1, 2012
FRS 119	Employee Benefits (2011)	January 1, 2013
FRS 124	Related Party Disclosure (Revised)	January 1, 2012
FRS 127	Separate Financial Statements (2011)	January 1, 2013
FRS 128	Investments in Associates and Joint Ventures (2011)	January 1, 2013
FRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)	January 1, 2014
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendments relating to Prepayments of a Minimum Funding Requirement)	July 1, 2011
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2011
IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013

* Effective for annual periods beginning on or after January 1, 2015 immediately upon the issuance of Amendments to FRS 9 (IFRS 9 issued by IASB on November 2009 and October 2010 respectively) and FRS 7 relating to "Mandatory Effective Date of FRS 9 and Transition Disclosures" on March 1, 2012.

Notes to the Financial Statements

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs") (CONT'D)

2.2 Standards and IC Int. in issue but not yet effective (Cont'd)

The directors anticipate that the above mentioned Standards and IC Int. that are relevant to the operations of the Group and of the Company will be adopted in the annual financial statements of the Group and of the Company when they become effective. Apart from additional disclosures as required by FRS 7, FRS 9, and FRS 101, the adoption of these Standards and IC Int. will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

In addition, on November 19, 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework") in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on January 1, 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after January 1, 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for the Construction of Real Estate* are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also includes those entities that consolidates, equity accounts or proportionately consolidates an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after January 1, 2012.

Accordingly, the Group and the Company which are not Transitioning Entities will be required to apply MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") in their financial statements for the financial year ending December 31, 2012, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's and the Company's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis except for certain non-current assets and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The principal accounting policies are set out below:

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiary companies controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the Company owns, directly or indirectly through subsidiary companies, more than one half of the voting rights of the said company.

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies in line with those used by other members of the Group.

All significant intragroup transactions, balances and income and expenses are eliminated in full on consolidation. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Business Combinations

The acquisitions of subsidiary companies are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from sale of goods is recognised when the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the
Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Rendering of services

Revenue from provision of tourism related services are recognised when the services are provided.

Dividend revenue

Dividend income represents gross dividends from quoted and unquoted investments and is recognised when the shareholder's rights to receive payment is established.

Interest income

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

Rental income is accrued on a time basis, by reference to the agreements entered.

Employee Benefits

Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. 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 such as sick leave are recognised when the absences occur.

Defined contribution plans

The Group makes statutory contributions to approved provident funds and the contributions are charged to income statement as incurred. The approved provident funds are defined contribution plans. Once the contributions have been paid, there are no further payment obligations.

Foreign Currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Company, and also the presentation currency for the consolidated financial statements.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign Currencies (Cont'd)

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the entity (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in income statement in the year in which they arise except for exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, the exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, assets and liabilities of the foreign incorporated subsidiary of the Group are expressed in Ringgit Malaysia using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the translation reserve of the Group. Such exchange differences are recognised in income statement in the year in which the foreign incorporated subsidiary is disposed of.

The closing rate per unit of Ringgit Malaysia used in the translation of functional currency of the subsidiary company (foreign currency) is as follows:

Foreign currency	2011 RM	2010 RM
United States Dollar	0.3158	0.3244

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which require a substantial period of time to get them ready for their intended use, are capitalised and included as part of the cost of the related assets. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income are recognised as income or as a deduction against the related expenses in income statements in the period in which they become receivable.

Government grants related to assets are deducted against the carrying amount of the assets.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in income statements because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability of the Group and of the Company for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The tax effects of unutilised reinvestment allowance are only recognised upon actual realisation.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in income statements, except when they relate to items that are recognised outside income statements (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside income statements, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the interest of the acquirer in the net fair value of the identifiable assets, liabilities and contingent liabilities over cost of the acquiree.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment

Land and buildings are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising from the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in income statement, in which case the increase is credited to income statement to the extent of the decrease previously charged to income statement. A decrease in carrying amount arising from the revaluation of such land and buildings are charged to income statement to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings are charged to income statement. On subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when the asset is derecognised.

Buildings, electricity and water supply system, plant and machinery, motor vehicles, furniture, fixtures and equipment and renovations are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land, plantation development expenditure and capital work-in-progress are not depreciated. Capital work-in-progress comprises contractors' payments and directly attributable costs incurred in preparing these assets for their intended use. Depreciation on assets under construction commences when the assets are ready for their intended use.

Leasehold land is amortised over the lease period ranging from 19 to 87 years. Depreciation of other property, plant and equipment is computed on the reducing balance method to write off the cost of the various property, plant and equipment over their estimated useful lives at the following annual rates:

Buildings	2% to 10%
Electricity and water supply system	10%
Plant and machinery	2% to 33%
Motor vehicles	10% to 20%
Furniture, fixtures and equipment	10% to 20%
Renovations	10%

The estimated useful lives, residual values and depreciation method of property, plant and equipment are reviewed at each year end, with the effect of any changes in estimates accounted for prospectively.

All direct expenses incurred for plantation development and attributable overheads, including depreciation of property, plant and equipment which are principally used for newly planted areas and finance costs on funds borrowed to finance newly planted areas are capitalised up to the maturity period as plantation development expenditure. Subsequent replanting costs and all other expenditure incurred subsequent to maturity are charged to the income statements as and when incurred.

New planting costs are not amortised as the useful life of the plantation assets is effectively maintained through a regular systematic programme of replanting which results in replanting costs in an accounting period approximating the depreciation that would have been charged. Replanting costs are thus regarded as substitutes for amortisation and are taken to represent the cost of a continuous rejuvenation process for the plantation assets.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment (Cont'd)

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statements.

Property, Plant and Equipment Under Hire-Purchase Arrangements

Assets acquired under hire-purchase arrangements which transfer substantially all of the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding hire-purchase obligations are recorded at their fair values or, if lower, at the present value of the minimum hire-purchase payments of the assets at the inception of the respective arrangements.

Finance costs, which represent the differences between the total hire-purchase commitments and the fair values of the assets acquired, are charged to income statement over the term of the relevant hire-purchase period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases, other than leasehold properties classified as investment property, are classified as operating leases. Property interest held under an operating lease to earn rentals or for capital appreciation or both is classified as investment property.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Investment Properties

Investment properties, which are properties held to earn rentals and/ or for capital appreciation, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived by reference to market evidence of transaction prices for similar properties. Gain or loss arising from changes in the fair values of investment properties are included in income statement in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Gain or loss on the retirement or disposal of an investment property is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in income statement in the year in which the retirement or disposal arise.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments in Subsidiary Companies

Investments in subsidiary companies, which are eliminated on consolidation, are classified as available-for-sale assets and are stated at fair value, with any resultant fair value changes recognised in equity under investments revaluation reserve account, except for impairment losses. When these investments are derecognised, the cumulative fair value gain previously recognised directly in equity is reclassified to income statement.

The fair values of the subsidiary companies are determined based on valuation technique as disclosed in Note 15.

Investments in Associated Company

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in income statement.

When a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Investment in associated company is stated at cost less accumulated impairment losses.

Goodwill

Goodwill acquired in a business combination is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses. Goodwill arising on consolidation represents the excess of cost of business combination over the interest of the Group in the net fair values of the identifiable assets, liabilities and contingent liabilities recognised of the acquiree at the date of the combination.

Goodwill is not amortised. Instead, it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Goodwill (Cont'd)

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units of the Group expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss is recognised immediately in the consolidated income statements and any impairment loss recognised for goodwill is not subsequently reversed.

On disposal of an entity or operation, the goodwill associated with the entity or operation disposed of is included in the carrying amount of the entity or operation when determining the gain or loss on disposal.

Any excess of the interest of the Group in the net fair values of the acquiree's identifiable assets, liabilities and contingent liabilities over cost of acquisition (previously known as negative goodwill) is reassessed and is recognised immediate to income statements.

The Group's policy for goodwill arising on the acquisition of an associate is described at Investments in Associated Company policy above.

Non-Current Asset Held for Sale

Non-current asset (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current asset (or disposal group) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Impairment of Assets excluding Goodwill

At the end of each reporting period, the Group and the Company review the carrying amounts of their assets (other than inventories, financial assets and investment properties which are dealt with in their respective policies) to determine if there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statements, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of Assets excluding Goodwill (Cont'd)

An impairment loss is only reversed to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. A reversal is recognised immediately in the income statements, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined principally on the "First-in, First-out" and "Weighted Average" methods. Cost of trading merchandise, raw materials, consumables, factory supplies and goods-in-transit comprise the original purchase price plus cost incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress comprise the cost of raw materials, direct labour and a proportion of production overheads. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Research and Development Costs

Research costs relating to the original and planned investigation undertaken with the prospect of gaining new technical knowledge and understanding, are recognised as an expense when incurred.

Development costs represent costs incurred in the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems, or services prior to the commencement of commercial production or use. Development costs are charged to income statement in the year in which it is incurred except where a clearly-defined project is undertaken and it is probable that the development costs will give rise to future economic benefits. Such development costs are recognised as an intangible asset and amortised on a straight-line method over the life of the project from the date of commencement of commercial operation.

Provisions

Provisions are recognised when the Group and the Company has a present obligation (legal or constructive) as a result of past event and it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments

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

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets and financial liabilities classified as at fair value through profit or loss ("FVTPL"), which are initially measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income and expense is recognised on an effective interest basis for debt instruments other than those financial assets and financial liabilities classified as at FVTPL.

(a) Financial assets

Financial assets of the Group and of the Company are classified into 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at FVTPL. All AFS assets are measured at fair value at the end of the reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in the income statements. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to the income statements.

Dividends on AFS equity instruments are recognised in the income statements when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in the income statements are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial assets (Cont'd)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(iii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

AFS investments are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the AFS investments, the estimated future cash flows of the investments have been affected. For unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the investments below their costs is considered to be objective evidence of impairment. When an AFS investment is considered to be impaired, cumulative gains or losses previously recognised in investments revaluation reserve are reclassified to the income statements even though the investment has not been derecognised. Impairment losses of AFS investments previously recognised in the income statements are not reversed through the income statements. Any increase in fair value subsequent to an impairment loss is recognised in investments revaluation reserve.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is 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 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 is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are debited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statements.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial assets (Cont'd)

(iii) Impairment of financial assets (Cont'd)

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 was recognised, the previously recognised impairment loss is reversed through the income statements to the extent that the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(iv) Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise their retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(b) Financial liabilities and equity instruments

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

(iii) Financial liabilities

Financial liabilities of the Group and of the Company, including borrowings, are classified into "other financial liabilities" category, and are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(iv) Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statements of comprehensive income immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of comprehensive income depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Statement of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents consists of cash and bank balances, deposits with licensed banks, bank overdrafts and highly liquid investments which are readily convertible to cash with insignificant risks of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies of the Group and of the Company, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

(a) Fair Value Estimation on Investments in Subsidiary Companies

The Company holds unquoted shares in subsidiary companies that are not traded in an active market. The Company used the Free Cash Flow to Equity valuation technique by estimating free cash flow to equity for financial years 2012 to 2016 and discounting these cash flows at an appropriate discount rate.

(b) Estimated Useful Lives of Property, Plant and Equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

Notes to the Financial Statements

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(c) Recoverability of Receivables

The Group makes allowance for doubtful receivables based on an assessment of the recoverability of trade and other receivables. An allowance is established for trade or other receivable when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of transactions. The identification of doubtful receivables requires use of judgement and estimates with reference to the ageing profile and collection patterns. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful receivables expenses in the period in which such estimate has been changed.

(d) Allowance for Slow Moving Inventories

The Group makes allowance for slow moving inventories based on an assessment of the recoverability of the inventories through sales and recycling for alternative uses. Allowance is applied to inventories where events or changes in circumstances indicate that the costs may not be recoverable.

The identification of slow moving inventories requires use of judgement and estimates.

Where the expectation is different from the original estimate, such difference will impact the carrying value of the inventories and slow moving inventories expenses in the period in which such estimate has been changed.

5. REVENUE

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sale of goods	765,809	756,435	-	-
Tourism related services	1,841	1,286	-	-
Dividend income:				
Subsidiary companies	-	-	3,430	3,800
Associated company	-	-	1,056	1,056
	-	-	4,486	4,856
	767,650	757,721	4,486	4,856

6. SEGMENT REPORTING

Information reported to the chief operating decision maker and senior management of the Group for the purpose of resources allocation and assessment of performance focuses on the business operations of the Group.

The Group is organised into the following operating divisions:
- manufacturing (includes cooking oils, margarine, shortening, corrugated paper cartons, crude palm oil, kernel and general line tin cans)
- trading (includes edible oils, kernel and other consumer products)
- plantation (includes tea and palm oil)
- others (includes tourism related services and investment holding)

Notes to the Financial Statements

6. SEGMENT REPORTING (CONT'D)

Inter-segment sales are charged at cost plus a percentage of profit mark-up.

The Group 2011	Manufacturing RM'000	Trading RM'000	Plantation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	243,698	522,067	174	1,711	-	767,650
Inter-segment sales	257,808	31	7,507	4,674	(270,020)	-
Total revenue	501,506	522,098	7,681	6,385	(270,020)	767,650
Results						
Segment results	15,882	7,034	2,137	4,812	(3,730)	26,135
Finance costs						(8,026)
Share of profit of an associated company						2,628
Investment revenue						719
Profit before tax						21,456
Income tax expense						(2,155)
Profit for the year						19,301
Other information						
Capital additions	6,230	3,802	1,266	70	(534)	10,834
Depreciation and amortisation charges	6,871	2,639	828	334	-	10,672
Allowance for doubtful debts	46	181	-	-	-	227
Consolidated Statement of Financial Position						
Assets						
Segment assets	330,799	214,592	48,748	285,878	(377,580)	502,437
Investment in an associated company						46,203
Unallocated corporate assets						8,084
Consolidated total assets						556,724
Liabilities						
Segment liabilities	46,957	117,679	16,399	24,894	(101,618)	104,311
Unallocated corporate liabilities						182,607
Consolidated total liabilities						286,918

Notes to the Financial Statements

6. SEGMENT REPORTING (CONT'D)

The Group

2010	Manufacturing RM'000	Trading RM'000	Plantation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	209,007	547,350	77	1,287	-	757,721
Inter-segment sales	235,842	39,527	4,824	4,926	(285,119)	-
Total revenue	444,849	586,877	4,901	6,213	(285,119)	757,721
Results						
Segment results	24,078	9,147	445	4,954	(4,746)	33,878
Finance costs						(6,769)
Share of profit of an associated company						3,965
Investment revenue						759
Profit before tax						31,833
Income tax expense						(7,400)
Profit for the year						24,433
Other information						
Capital additions	9,581	9,067	1,144	524	-	20,316
Additions to investment properties	-	4,994	-	-	-	4,994
Depreciation and amortisation charges	6,471	2,432	602	357	-	9,862
Allowance for doubtful debts	296	137	-	1	-	434
Consolidated Statement of Financial Position						
Assets						
Segment assets	312,394	204,018	47,799	255,536	(317,539)	502,208
Investment in an associated company						44,670
Unallocated corporate assets						5,374
Consolidated total assets						552,252
Liabilities						
Segment liabilities	49,345	101,559	17,163	27,302	(95,352)	100,017
Unallocated corporate liabilities						198,868
Consolidated total liabilities						298,885

Notes to the Financial Statements

6. SEGMENT REPORTING (CONT'D)

Geographical segments

Information on the operations of the Group and analysis of the carrying amounts of segment assets by geographical segment has not been provided as the operations of the Group outside Malaysia is less than 10% of its total segment assets.

The capital additions of the Group by geographical segment is as follows:

	2011 RM'000	2010 RM'000
Malaysia	10,411	19,786
Vietnam	423	530
	10,834	20,316

The analysis of the segment revenue of the Group from external customers by geographical area based on the geographical location of its customers has not been provided as the export sales of the Group is less than 10% of its total revenue.

7. INVESTMENT REVENUE

	The Group	
	2011 RM'000	2010 RM'000
Interest income from fixed and short-term deposits	316	246
Interest received on:		
Advances granted to ultimate holding company	253	259
Advances granted to other related companies	10	110
Rental income from investment properties	139	143
Dividend income from quoted shares	1	1
	719	759

Notes to the
Financial Statements

8. OTHER GAINS AND LOSSES, OTHER EXPENSES, RAW MATERIALS AND CONSUMABLES USED AND EMPLOYEE BENEFITS EXPENSE

Included in other gains and losses and other expenses are the following:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Allowance for doubtful debts no longer required	682	1,727	-	-
Unrealised gain/(loss) on foreign exchange	112	(259)	-	-
Gain on disposal of property, plant and equipment - net	34	132	-	-
Rental income:				
Premises	24	24	-	-
Motor vehicles	13	21	-	-
Bad debts recovered	5	17	-	-
Gain on disposal of investment properties	-	90	-	-
Rental expense - premises	(2,083)	(1,582)	-	-
Realised (loss)/gain on foreign exchange - net	(785)	36	-	-
Directors' remuneration:				
Directors of the Company:				
Fees	(172)	(173)	(114)	(114)
Other emoluments	(1,698)	(1,289)	(41)	(42)
Directors of the subsidiary companies:				
Fees	(59)	(58)	-	-
Other emoluments	(1,823)	(1,362)	-	-
Bad debts written off	(313)	(391)	-	-
Auditors' remuneration:				
Statutory audit:				
Current year	(303)	(329)	(39)	(39)
Prior year	(6)	(10)	-	-
Non-audit services	(25)	(160)	-	-
Hire of machinery	(239)	(202)	-	-
Allowance for doubtful debts	(227)	(434)	-	-
Property, plant and equipment written off	(64)	(480)	-	-
Research and development expenses	(23)	(30)	-	-
Lease rental	(3)	(3)	-	-

Included in raw materials and consumables used are subsidy received and receivable from the Government by a subsidiary company under the Cooking Oil Price Stabilization Scheme amounted to RM62,082,873 (2010: RM39,197,811).

Included in employee benefits expense and directors' remuneration are the following:

	The Group	
	2011 RM'000	2010 RM'000
Contributions to EPF:		
Employee benefits expense	3,881	3,314
Directors' remuneration	295	237
Rental of hostel:		
Employee benefits expense	115	118

Notes to the Financial Statements

9. FINANCE COSTS

	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
Interest on:				
Bankers' acceptances	4,456	3,553	-	-
Revolving credits	752	730	27	40
Bank overdrafts	735	670	27	6
Term loans	909	613	-	-
Hire-purchase	586	559	-	-
Trust receipts	1	-	-	-
Bank charges and commitment fees	607	670	10	10
	8,046	6,795	64	56
Less: Hire-purchase interest capitalised under plantation development expenditure (Note 12)	(20)	(26)	-	-
	8,026	6,769	64	56

10. INCOME TAX EXPENSE

	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
Income tax:				
Current year:				
Malaysian	3,054	6,660	49	42
Foreign	112	569	-	-
	3,166	7,229	49	42
Prior year:				
Malaysian	(78)	(309)	(2)	(4)
	3,088	6,920	47	38
Deferred tax (Note 28):				
Relating to origination and reversal of temporary differences	185	872	-	-
Relating to crystallisation of deferred tax liability on revaluation surplus of land and buildings and investment properties	(299)	(392)	-	-
Prior years	(819)	-	-	-
	(933)	480	-	-
	2,155	7,400	47	38

The Group's and the Company's income tax rate remained at 25% for the year of assessment 2011 except for its foreign subsidiary company.

Notes to the Financial Statements

10. INCOME TAX EXPENSE (CONT'D)

The total income tax expense for the year can be reconciled to the accounting profit as follows:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before tax	21,456	31,833	4,034	4,395
Tax at the applicable statutory income tax rate of 25% (2010: 25%)	5,364	7,958	1,009	1,099
Tax effects of:				
Expenses that are not deductible in determining taxable profit	630	974	49	57
Loss not available for offset against future taxable profit	5	-	-	-
Utilisation of reinvestment allowances	(1,262)	(331)	-	-
Share of profit of an associated company	(657)	(991)	-	-
Temporary differences arising from property, plant and equipment	(504)	106	-	-
Utilisation of tax losses and unabsorbed agricultural and tax capital allowances previously not recognised as deferred tax assets	(200)	-	-	-
Income that is not taxable in determining taxable profit	(36)	-	(1,009)	(1,114)
Unutilised tax losses and unabsorbed agricultural and tax capital allowances not recognised as deferred tax assets	-	305	-	-
Effect of difference in tax rate of a subsidiary operating in other jurisdictions	(288)	(312)	-	-
Prior years:				
Income tax	(78)	(309)	(2)	(4)
Deferred tax	(819)	-	-	-
Income tax expense recognised in income statements	2,155	7,400	47	38

As of December 31, 2011, the Company has Section 108 tax credit and tax-exempt accounts balances of approximately RM5,747,249 and RM29,244,886 (2010: RM6,844,564 and RM25,844,886) respectively. The tax-exempt accounts arose from claims for abatement of statutory income for exports under Section 37(1) of the Promotion of Investment Act, 1986, reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967 and chargeable income waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999. The tax-exempt accounts are available for distribution as tax-exempt dividends to the shareholders of the Company.

As of December 31, 2011, certain subsidiary companies have Section 108 tax credit and tax-exempt accounts balances of approximately RM15,988,548 and RM12,938,706 (2010: RM19,817,431 and RM15,759,075) respectively. The tax-exempt accounts arose from abatement of statutory income for exports under Section 37(1) of the Promotion of Investment Act, 1986, reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967 and chargeable income waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999. The tax-exempt accounts are available for distribution as tax-exempt dividends to the shareholder of the subsidiary companies.

Notes to the Financial Statements

10. INCOME TAX EXPENSE (CONT'D)

Current tax assets and liabilities

The Group	2011 RM'000	2010 RM'000
Current tax assets		
Tax refund receivable	4,945	2,146
Current tax liabilities		
Income tax payable	149	2,079

The Company	2011 RM'000	2010 RM'000
Current tax assets		
Tax refund receivable	357	291

11. EARNINGS PER ORDINARY SHARE

The basic and diluted earnings per share are calculated as follows:

Basic/Fully Diluted

	The Group	
	2011 RM'000	2010 RM'000
Profit for the year attributable to owners of the Company	19,301	24,433

	2011 Shares '000	2010 Shares '000
Number of ordinary shares in issue as of January 1	175,572	62,704
Bonus issue (Note 24)	-	25,082
Effect of subdivision of shares (Note 24)	-	87,786
Weighted average number of ordinary shares in issue	175,572	175,572

Basic/Fully Diluted

	The Group	
	2011	2010
Basic/Fully Diluted earnings per ordinary share (sen)	10.99	13.92

Notes to the Financial Statements

12 PROPERTY, PLANT AND EQUIPMENT

The Group
2011

	Cost except as otherwise stated								
	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Currency translation reserve RM'000	Reclassified to non-current assets classified as held for sale RM'000	Reclassification RM'000	Adjustment* RM'000	At end of year RM'000
Freehold land:									
At valuation	34,640	-	-	-	-	-	-	-	34,640
At cost	-	69	-	-	-	-	-	-	69
Long-term leasehold land and improvements:									
At valuation	48,914	-	-	-	-	-	-	-	48,914
Short-term leasehold land and improvements:									
At valuation	15,760	-	-	-	-	(2,000)	-	-	13,760
Buildings:									
At valuation	54,194	-	-	-	-	(887)	-	-	53,307
At cost	2,481	679	-	-	-	-	8,765	-	11,925
Electricity and water supply system	77	149	-	-	-	-	-	-	226
Plant and machinery	104,713	4,495	-	-	172	-	5,958	(134)	115,204
Plant and machinery under hire-purchase	7,225	-	-	-	-	-	(3,473)	-	3,752
Motor vehicles	13,103	241	(1,561)	(87)	12	-	2,654	-	14,362
Motor vehicles under hire-purchase	5,941	1,519	-	-	-	-	(2,654)	-	4,806
Furniture, fixtures and equipment	14,334	1,449	-	(35)	21	-	42	-	15,811
Plantation development expenditure	6,483	656	-	-	-	-	-	-	7,139
Renovations	1,429	188	-	-	-	-	-	-	1,617
Capital work-in-progress	9,971	1,389	-	-	-	-	(11,292)	-	68
Total	319,265	10,834	(1,561)	(122)	205	(2,887)	-	(134)	325,600

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

The Group
2011

	Accumulated depreciation								
	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Currency translation reserve RM'000	Reclassified to non-current assets classified as held for sale RM'000	Reclassification RM'000	Adjustment RM'000	At end of year RM'000
Freehold land:									
At valuation	-	-	-	-	-	-	-	-	-
At cost	-	-	-	-	-	-	-	-	-
Long-term leasehold land and improvements:									
At valuation	711	712	-	-	-	-	-	-	1,423
Short-term leasehold land and improvements:									
At valuation	440	438	-	-	-	(120)	-	-	758
Buildings:									
At valuation	2,157	1,310	-	-	-	(887)	-	-	2,580
At cost	141	256	-	-	-	-	-	-	397
Electricity and water supply system	20	18	-	-	-	-	-	-	38
Plant and machinery	64,558	5,028	-	-	49	-	1,452	-	71,087
Plant and machinery under hire-purchase	2,682	120	-	-	-	-	(1,452)	-	1,350
Motor vehicles	9,257	1,060	(1,344)	(36)	4	-	1,230	-	10,171
Motor vehicles under hire-purchase	2,279	648	-	-	-	-	(1,230)	-	1,697
Furniture, fixtures and equipment	6,871	963	-	(22)	5	-	-	-	7,817
Plantation development expenditure	-	-	-	-	-	-	-	-	-
Renovations	386	119	-	-	-	-	-	-	505
Capital work-in-progress	-	-	-	-	-	-	-	-	-
Total	89,502	10,672	(1,344)	(58)	58	(1,007)	-	-	97,823

* Adjustment relates to Government grant received by a subsidiary company during the financial year for the purchase of plant and machinery.

Notes to the Financial Statements

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

The Group
2010

	Cost except as otherwise stated							
	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Currency translation reserve RM'000	Reclassification RM'000	Revaluation RM'000	At end of year RM'000
Freehold land:								
At valuation	34,640	-	-	-	-	-	-	34,640
Long-term leasehold land and improvements:								
At valuation	48,914	-	-	-	-	-	-	48,914
Short-term leasehold land and improvements:								
At valuation	15,760	-	-	-	-	-	-	15,760
Buildings:								
At valuation	54,960	-	-	-	-	(766)	-	54,194
At cost	-	1,457	-	-	-	1,024	-	2,481
Electricity and water supply system	148	6	-	(77)	-	-	-	77
Plant and machinery	99,340	3,787	(564)	(1,220)	(682)	4,052	-	104,713
Plant and machinery under hire-purchase	8,768	2,646	-	-	-	(4,189)	-	7,225
Motor vehicles	12,591	178	(969)	(22)	(39)	1,364	-	13,103
Motor vehicles under hire-purchase	6,555	750	-	-	-	(1,364)	-	5,941
Furniture, fixtures and equipment	13,649	797	(5)	(153)	(9)	55	-	14,334
Plantation development expenditure	5,887	597	-	(1)	-	-	-	6,483
Renovations	1,106	323	-	-	-	-	-	1,429
Capital work-in-progress	392	9,775	-	-	-	(196)	-	9,971
Total	302,710	20,316	(1,538)	(1,473)	(730)	(20)	-	319,265

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

The Group
2010

	Accumulated depreciation							
	At beginning of year RM'000	Charge for the year RM'000	Disposals RM'000	Written off RM'000	Currency translation reserve RM'000	Reclassification RM'000	Revaluation RM'000	At end of year RM'000
Freehold land:								
At valuation	-	-	-	-	-	-	-	-
Long-term leasehold land and improvements:								
At valuation	-	711	-	-	-	-	-	711
Short-term leasehold land and improvements:								
At valuation	-	440	-	-	-	-	-	440
Buildings:								
At valuation	935	1,242	-	-	-	(20)	-	2,157
At cost	-	141	-	-	-	-	-	141
Electricity and water supply system	54	14	-	(48)	-	-	-	20
Plant and machinery	57,855	3,911	(433)	(744)	(150)	4,119	-	64,558
Plant and machinery under hire-purchase	6,016	785	-	-	-	(4,119)	-	2,682
Motor vehicles	8,591	941	(907)	(106)	(12)	750	-	9,257
Motor vehicles under hire-purchase	2,143	886	-	-	-	(750)	-	2,279
Furniture, fixtures and equipment	6,071	898	(1)	(95)	(2)	-	-	6,871
Plantation development expenditure	-	-	-	-	-	-	-	-
Renovations	288	98	-	-	-	-	-	386
Capital work-in-progress	-	-	-	-	-	-	-	-
Total	81,953	10,067	(1,341)	(993)	(164)	(20)	-	89,502

Notes to the
Financial Statements

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

The Group	**Net book value 2011 RM'000**	**2010 RM'000**
Freehold land:		
At valuation	34,640	34,640
At cost	69	-
Long-term leasehold land and improvements:		
At valuation	47,491	48,203
Short-term leasehold land and improvements:		
At valuation	13,002	15,320
Buildings:		
At valuation	50,727	52,037
At cost	11,528	2,340
Electricity and water supply system	188	57
Plant and machinery	44,117	40,155
Plant and machinery under hire-purchase	2,402	4,543
Motor vehicles	4,191	3,846
Motor vehicles under hire-purchase	3,109	3,662
Furniture, fixtures and equipment	7,994	7,463
Plantation development expenditure	7,139	6,483
Renovations	1,112	1,043
Capital work-in-progress	68	9,971
Total	227,777	229,763

Included in plantation development expenditure are the following current year's expenditure:

The Group	**2011 RM'000**	**2010 RM'000**
Depreciation of property, plant and equipment	200	205
Director's remuneration	47	40
Interest on hire-purchase (Note 9)	20	26
Auditors' remuneration:		
Current year	5	6
Prior year	-	1

During the financial year, depreciation expense is charged to the following:

The Group	**2011 RM'000**	**2010 RM'000**
Income statements	10,472	9,862
Plantation development expenditure	200	205
	10,672	10,067

Included in property, plant and equipment are assets which are fully impaired in the prior years as follows:

The Group	**2011 RM'000**	**2010 RM'000**
At cost		
Factory building	887	887
Plant and machinery	3,683	3,683
	4,570	4,570

Notes to the Financial Statements

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

Included in property, plant and equipment of the Group are fully depreciated plant and machinery which are still in use, with a total cost of RM30,292 (2010: RM29,302).

The freehold land, leasehold land and improvements and buildings of the subsidiary companies were revalued by the directors on December 31, 2009 based on valuations carried out by independent valuers, by reference to market evidence of recent transactions for similar properties.

The carrying amounts of the revalued assets that would have been included in the financial statements had the assets been carried at cost less accumulated depreciation have not been disclosed due to the absence of historical records.

The leasehold land of a subsidiary company with carrying amount of RM1,937,337 in 2010 was charged to a licensed bank for banking facilities granted to the subsidiary as mentioned in Note 26. During the financial year, the leasehold land and building were reclassified to non-current assets classified as held for sale when a sale and purchase agreement was entered into on November 23, 2011 for the disposal of the said property to a related company. The sale was only completed after year end upon meeting the terms and conditions of completion as stated in the sale and purchase agreement and arrangement has been made to discharge the land.

13. INVESTMENT PROPERTIES

The Group 2011	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Reclassified to non-current assets classified as held for sale RM'000	At end of year RM'000
At fair value:					
Freehold land	6,564	-	-	(270)	6,294
Long-term leasehold land	781	-	-	-	781
Short-term leasehold land	1,088	-	-	-	1,088
Buildings	1,701	-	-	(410)	1,291
As of December 31, 2011	10,134	-	-	(680)	9,454
The Group 2010					
At fair value:					
Freehold land	2,370	4,994	(800)	-	6,564
Long-term leasehold land	781	-	-	-	781
Short-term leasehold land	1,088	-	-	-	1,088
Buildings	2,101	-	(400)	-	1,701
As of December 31, 2010	6,340	4,994	(1,200)	-	10,134

The investment properties of the subsidiary companies were revalued by the directors on December 31, 2009 based on valuations carried by independent valuers by reference to market evidence of recent transactions for similar properties. No valuations were performed in 2011 as there are no material changes in the market value of properties since their valuations in 2009.

As of December 31, 2011, there were no contractual obligations of the Group for future repairs and maintenance (2010: RMNil).

During the financial year ended December 31, 2011, direct operating expenses incurred relating to the investment properties of the Group amounted to RM142,040 (2010: RMNil).

During the financial year, a piece of freehold property was reclassified to non-current assets classified as held for sale when a sale and purchase agreement was entered into on December 22, 2011 for the disposal of the said property. The sale was only completed after year end upon meeting the terms and conditions of completion as stated in the sale and purchase agreement.

Notes to the Financial Statements

14. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2011 RM'000	2010 RM'000
At valuation		
At beginning of year	-	-
Reclassified from:		
Property, plant and equipment (Note 12)	2,887	-
Investment properties (Note 13)	680	-
At end of year	3,567	-
Accumulated depreciation		
At beginning of year	-	-
Reclassified from property, plant and equipment (Note 12)	(1,007)	-
At end of year	(1,007)	-
Carrying amount	2,560	-

A subsidiary company entered into a sale and purchase agreement on November 23, 2011 for the disposal of a piece of leasehold land and building included under property, plant and equipment.

Another subsidiary company entered into a sale and purchase agreement on December 22, 2011 for the disposal of a piece of freehold land and building included under investment property.

No impairment loss was recognised on reclassification of the properties as held for sale as of December 31, 2011.

15. INVESTMENTS IN SUBSIDIARY COMPANIES

The Company	2011 RM'000	2010 RM'000
Unquoted shares - available-for-sale	217,154	211,577

The fair values of the investments in subsidiary companies are determined using valuation technique as there is currently no active market for the equity shares of the subsidiary companies, all of which are not listed. Management has adopted the Free Cash Flow to Equity valuation technique by forecasting free cash flow to equity and discounting these cash flows back to the present at an appropriate required rate of return. The assumptions to the discounted cash flow analysis incorporate observable business conditions and other factors that are likely to affect the subsidiary companies as follows:

- Receivables, payables and inventories turnover period is estimated to be consistent with the current financial year and incorporating a steady growth rate of 2.50% per annum.
- There will be no material changes in prevailing economic and political climate and government policies and regulations that would significantly affect the operations of the respective companies.
- The five years cash flow projections extrapolate the results using steady growth rate of 2.50% per annum for Malaysian companies and 4.00% per annum for Vietnam company which does not exceed the long-term average growth rate in Malaysia of 3.00% and Vietnam of 4.00%.

Notes to the Financial Statements

15. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

- The following discount rates applied have incorporated elements of country-specific risk, time value of money as well as business risk:
  - 11.20% - 19.29% for companies which manufacture palm based products;
  - 13.08% for company that manufactures paper cartons;
  - 14.61% and 16.48% for companies that manufacture tin cans in Malaysia and Vietnam respectively;
  - 16.03% - 16.17% for trading companies; and
  - 8.09% for other companies.

The subsidiary companies are as follows:

Name of Company	Place of Incorporation	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %	Principal Activities
Direct Subsidiary Companies				
Yee Lee Trading Co. Sdn. Bhd.	Malaysia	100.00	100.00	Marketing and distribution of edible oils and other consumer products.
Yee Lee Palm Oil Industries Sdn. Bhd.*	Malaysia	100.00	100.00	Milling and selling of crude palm oil and kernel.
Yee Lee Edible Oils Sdn. Bhd.	Malaysia	100.00	100.00	Manufacturing of cooking oil, margarine and shortening and trading of consumer products.
South East Asia Paper Products Sdn. Bhd.*	Malaysia	100.00	100.00	Manufacturing and selling of corrugated paper cartons.
Canpac Sdn. Bhd.	Malaysia	100.00	100.00	Manufacturing and trading of general line tin cans.
Intanwasa Sdn. Bhd.	Malaysia	100.00	100.00	Investment holding.
Yee Lee Marketing Sdn. Bhd.*	Malaysia	100.00	100.00	Marketing and distribution of consumer products.
Indirect Subsidiary Companies				
Held through Yee Lee Trading Co. Sdn. Bhd.				
Mini Motors Sdn. Bhd.*	Malaysia	100.00	100.00	Investment holding.
Held through Yee Lee Palm Oil Industries Sdn. Bhd.				
Sementra Plantations Sdn. Bhd.	Malaysia	100.00	100.00	Oil palm cultivation.
Palker Sdn. Bhd.	Malaysia	100.00	100.00	Trading of crude palm oil and palm kernel.

Notes to the Financial Statements

15. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Place of Incorporation	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %	Principal Activities
Indirect Subsidiary Companies (Cont'd)				
Held through Canpac Sdn. Bhd.				
Good Cans Sdn. Bhd.	Malaysia	100.00	100.00	Pre-operating.
Canpac Vietnam Pte., Ltd. #	Vietnam	100.00	100.00	Manufacturing and trading of general line tin cans.
Held through Intanwasa Sdn. Bhd.				
Desa Tea Sdn. Bhd.	Malaysia	100.00	100.00	Planting, processing and distribution of tea.
Sabah Tea Sdn. Bhd.	Malaysia	100.00	100.00	Tourism related services.

* The financial statements of these companies are examined by auditors other than the auditors of the Company.

The financial statements of this company are examined by a member firm of the auditors of the Company.

16. INVESTMENT IN AN ASSOCIATED COMPANY

	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
Quoted shares, at cost	29,471	29,471	29,471	29,471
Share of post-acquisition results, net of dividends received	13,795	12,223	-	-
Share of post-acquisition reserves	2,937	2,976	-	-
	16,732	15,199	-	-
	46,203	44,670	29,471	29,471
Market value of:				
Quoted shares	36,550	38,452	36,550	38,452
Quoted Warrants	1,954	-	1,954	-

The interest in the associated company of the Group is analysed as follows:

	The Group 2011 RM'000	The Group 2010 RM'000
Share of net assets	47,251	45,718
Reserve on acquisition	(1,048)	(1,048)
	46,203	44,670

Notes to the Financial Statements

16. INVESTMENT IN AN ASSOCIATED COMPANY (CONT'D)

The associated company of the Group is as follows:

Name of Company	Place of Incorporation	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %	Principal Activities	Financial Year End
Spritzer Bhd.	Malaysia	32.35	32.35	Investment holding.	May 31

The reporting date of Spritzer Bhd. is May 31. This was the reporting date established when that company was incorporated and management considers that it is unnecessary to change the reporting date. For the purpose of applying equity method of accounting, the financial statements of Spritzer Bhd. for the year ended May 31, 2011 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and December 31, 2011.

Summarised financial information in respect of the associated company of the Group is set out below:

	The Group 2011 RM'000	The Group 2010 RM'000
Total assets	274,270	256,103
Total liabilities	(128,192)	(114,766)
Net assets	146,078	141,337
Group's share of associate's net assets	47,251	45,718
Total revenue	166,487	144,442
Total profit for the year	8,126	13,366
Group's share of associate's profit for the year	2,628	3,965

During the financial year, Spritzer Bhd. ("SB") issued 10,564,185 free Warrants to the Company pursuant to SB's Bonus Issue of Warrants. Each Warrant carries the entitlement to subscribe for one (1) new Spritzer share at the exercise price of RM1.18 per share at any time during the exercise period of 5 years expiring on December 13, 2016. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid for any purpose.

17. OTHER INVESTMENTS

	The Group 2011 RM'000	The Group 2010 RM'000
Available-for-sale investments carried at fair value:		
Quoted shares in Malaysia	11	15

The market value of quoted shares as of the reporting period approximate its fair value.

Notes to the Financial Statements

18. GOODWILL ON CONSOLIDATION

	The Group 2011 RM'000	2010 RM'000
At beginning of year and at end of year	1,612	1,612

Impairment tests for cash-generating units ("CGU") containing goodwill

Carrying amount of goodwill is allocated to the following CGU:

	The Group 2011 RM'000	2010 RM'000
Canpac Sdn. Bhd. (manufacturing operations)	1,612	1,612

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on a financial forecast, approved by management, covering a period of five years from financial year 2012 to 2016. The following key assumptions are used to generate the financial forecast:

Growth rate	2.50% per annum
Discount rate	14.61% per annum

Receivables and payables turnover period is estimated to be consistent with the current financial year.

The above key assumptions were determined based on business past performance and management's expectations of market development.

19. INVENTORIES

	The Group 2011 RM'000	2010 RM'000
At cost:		
Finished goods and trading merchandise	51,204	49,673
Raw materials	16,233	22,270
Work-in-progress	5,119	6,826
Consumables	1,234	1,256
Factory supplies	1,786	1,146
Goods-in-transit	572	706
At net realisable value:		
Finished goods	-	475
	76,148	82,352
Less: Allowance for slow moving inventories	(1,870)	(2,408)
	74,278	79,944

The cost of inventories recognised as an expense during the year for the Group was RM655,704,468 (2010: RM578,182,778).

Inventories written off recognised as an expense for the Group during the financial year amounted to RM3,461 (2010: RM9,717).

19. INVENTORIES (CONT'D)

Movement in the allowance for slow moving inventories is as follows:

	The Group	
	2011 RM'000	2010 RM'000
Balance at beginning of year	2,408	678
Additional allowance recognised during the year	1,353	1,730
Allowance no longer required	(1,891)	-
Balance at end of year	1,870	2,408

20. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables	117,491	120,045	-	-
Less: Allowance for doubtful debts	(1,406)	(2,072)	-	-
	116,085	117,973	-	-
Amount owing by ultimate holding company (Note 21)	3,218	3,431	-	-
Amount owing by subsidiary companies (Note 21)	-	-	13,700	14,057
Amount owing by other related companies (Note 21)	14,640	12,338	-	-
Amount owing by other related parties (Note 21)	3,355	2,376	-	-
Other receivables	17,107	13,417	-	-
Net	154,405	149,535	13,700	14,057

Trade receivables of the Group comprise amounts receivable for the sale of goods and for tourism related services rendered.

The credit period granted on sale of goods ranged from 14 to 120 days (2010: 14 to 120 days) whilst tourism related services rendered ranged from 30 to 90 days (2010: 30 to 60 days). No interest is charged on overdue outstanding balance of trade receivables. An allowance has been made for estimated irrecoverable amounts from the sale of goods of the Group amounting to RM1,406,486 (2010: RM2,072,288) and has been determined by reference to past default experience.

Movement in the allowance for doubtful debts is as follows:

The Group	2011 RM'000	2010 RM'000
Balance at beginning of year	2,072	3,719
Amounts written off during the year as uncollectible	(211)	(354)
Impairment losses recognised on receivables	1,205	434
Impairment losses reversed	(1,660)	(1,727)
Balance at end of year	1,406	2,072

Notes to the Financial Statements

20. TRADE AND OTHER RECEIVABLES (CONT'D)

Ageing of impaired trade receivables are as follows:

The Group	2011 RM'000	2010 RM'000
61 - 90 days	326	-
91 - 120 days	79	-
121 - 150 days	635	1,411
151 - 180 days	-	52
Above 180 days	366	609
	1,406	2,072

Included in trade receivables and amount owing by other related companies and other related parties of the Group are receivable with total carrying amount of RM26,876,393 (2010: RM14,103,990) and RM14,375,629 (2010: RM12,390,757) respectively which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances nor does it have a legal right to offset against any amounts owed by the Group to the counterparty.

Ageing of trade receivables and amount owing by other related companies and other related parties which are past due but not impaired as at the end of the reporting period is a s follows:

The Group	Trade receivables		Amount owing by other related companies and other related parties	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
1 - 30 days	13,485	2,842	-	-
31 - 60 days	3,876	464	-	-
61 - 90 days	4,659	2,769	638	927
91 - 120 days	4,146	6,108	34	172
More than 120 days	710	1,921	13,704	11,292
	26,876	14,104	14,376	12,391

The Group seeks to maintain strict control over its outstanding trade receivables and has a credit period policy to minimise credit risk. Overdue balances are reviewed regularly by management. The Group has not provided for impairment loss on these trade receivable accounts that are past due as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Other receivables of the Group comprise mainly subsidy receivable from the Government by a subsidiary company under the Cooking Oil Price Stabilization Scheme, claims receivable from suppliers for promotion expenses incurred on agency products and advance payments to suppliers for trade purchases.

Transactions with related parties are disclosed in Note 21.

Notes to the Financial Statements

20. TRADE AND OTHER RECEIVABLES (CONT'D)

Analysis of currency profile of trade and other receivables is as follows:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	141,115	134,069	13,700	14,057
United States Dollar	10,514	12,781	-	-
Australian Dollar	3,947	4,434	-	-
Singapore Dollar	235	323	-	-
	155,811	151,607	13,700	14,057

21. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The Company is a subsidiary of Yee Lee Organization Bhd., a company incorporated in Malaysia, which is also the ultimate holding company.

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiary companies are as follows:

Names of related parties	Relationships
Yew Lee Chiong Tin Factory Sdn. Bhd. Kasjaria-Kim Huat (M) Sdn. Bhd. Practical Advanced Technology Sdn. Bhd. Cranberry (M) Sdn. Bhd. Yee Lee Oils & Foodstuffs (S) Pte. Ltd. Multisafe Sdn. Bhd.	) Subsidiaries of Yee Lee Organization Bhd..
Unikampar Credit And Leasing Sdn. Bhd.	- A company in which a director of the Company is a director and has substantial financial interest. - A company in which a director of the Company is a director. - A company in which a director of certain subsidiary companies has substantial financial interest.
Multibase Systems Sdn. Bhd.	- A company in which a director of the Company has substantial financial interest. - A company in which a director of certain subsidiary companies has substantial financial interest. - A company in which two directors of certain subsidiary companies are directors.
Uniyelee Insurance Agencies Sdn. Bhd.	- A company in which a director of the Company has substantial financial interest. - A company in which a director of the Company is a director. - A company in which a director of certain subsidiary companies is a director and has substantial financial interest.

Notes to the Financial Statements

21. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS (CONT'D)

Names of related parties	Relationships
Chuan Sin Cactus Sdn. Bhd. Chuan Sin Sdn. Bhd.	- Companies in which a director of the Company is a director and has substantial financial interests. - Companies in which a director of certain subsidiary companies is a director and has substantial financial interests.
Golden PET Industries Sdn. Bhd. Angenet Sdn. Bhd.	- Companies in which a director of the Company is a director and has substantial financial interests. - Companies in which a director of certain subsidiary companies has substantial financial interests.
Transport Master Sdn. Bhd. Intan Serantau Sdn. Bhd. Cactus Marketing Sdn. Bhd.	- Companies in which a director of the Company has substantial financial interests. - Companies in which a director of certain subsidiary companies has substantial financial interests.
Uniyelee Service Agencies Sdn. Bhd.	- A company in which a director of the Company has substantial financial interests. - A company in which a director of the Company is a director. - A company in which a director of certain subsidiary companies has substantial financial interests. - A company in which a director of certain subsidiary companies is a director.

During the financial year, significant related party transactions are as follows:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ultimate holding company				
Interest on advances received	253	259	-	-
Subsidiary companies				
Dividends received (gross)	-	-	3,430	3,800
Associated company				
Dividends received (gross)	-	-	1,056	1,056
Other related companies				
Yew Lee Chiong Tin Factory Sdn. Bhd.				
Purchase of goods	548	521	-	-
Interest on advances received	10	40	-	-
Transportation fees received	5	52	-	-
Sale of goods	4	16	-	-

Notes to the Financial Statements

21. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS (CONT'D)

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Kasjaria-Kim Huat (M) Sdn. Bhd.				
Rental received	12	12	-	-
Practical Advanced Technology Sdn. Bhd.				
Maintenance of networking, system, training and management services rendered	1,206	1,369	-	-
Rental on premises received	19	24	-	-
Sale of goods	1	-	-	-
Cranberry (M) Sdn. Bhd.				
Rental on premises received	12	12	-	-
Sale of goods	1	1	-	-
Interest on advances received	-	70	-	-
Yee Lee Oils & Foodstuffs (S) Pte. Ltd.				
Sale of goods	80	52	-	-
Multisafe Sdn. Bhd.				
Sale of steam	1,420	2,038	-	-
Sale of goods	253	266	-	-
Professional fees received/receivable	7	-	-	-
Other related parties				
Unikampar Credit And Leasing Sdn. Bhd.				
Hire-purchase loans obtained	3,195	3,080	-	-
Interest on hire-purchase loans paid	586	559	-	-
Professional fees received/receivable	1	-	-	-
Sale of goods	-	1	-	-
Multibase Systems Sdn. Bhd.				
Secretarial fees paid/payable	38	28	7	4
Sale of goods	1	-	-	-
Professional fees received/receivable	-	4	-	4
Uniyelee Insurance Agencies Sdn. Bhd.				
Insurance premium paid/payable	1,392	1,518	4	3
Professional fees received/receivable	1	-	-	-
Chuan Sin Cactus Sdn. Bhd.				
Purchase of goods	41	47	-	-
Chuan Sin Sdn. Bhd.				
Purchase of goods	83,528	75,042	-	-
Sale of goods	7,235	7,811	-	-
Professional fees received/receivable	8	8	-	-

Notes to the Financial Statements

21. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS (CONT'D)

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Golden PET Industries Sdn. Bhd.				
Purchase of goods	12,554	10,929	-	-
Sale of goods	308	318	-	-
Transportation fees received	155	116	-	-
Rental on premises paid/payable	72	71	-	-
Professional fees received/receivable	6	5	-	-
Angenet Sdn. Bhd.				
Purchase of goods	4,847	5,206	-	-
Professional fees received/receivable	-	1	-	-
Transport Master Sdn. Bhd.				
Contract wages paid/payable	840	854	-	-
Sale of goods	6	5	-	-
Intan Serantau Sdn. Bhd.				
Contract wages paid/payable	506	438	-	-
Sale of goods	7	6	-	-
Uniyelee Service Agencies Sdn. Bhd.				
Insurance premium paid/payable	715	421	-	-
Professional fees received/receivable	1	-	-	-
Cactus Marketing Sdn. Bhd.				
Sale of goods	25	19	-	-

The outstanding balances arising from related party transactions are disclosed in Notes 20, 27 and 29.

The amount owing by/(to) related parties are unsecured, interest-free, repayable on demand and will be settled in cash. Certain of the advances granted to related companies bear interest rate of 8.00% (2010: 8.00%) per annum. No guarantees have been given or received. No expense has been recognised in the year for bad or doubtful debts in respect of the amounts owing by related parties.

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel of the Group includes members of senior management of the Group.

Notes to the Financial Statements

21. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS (CONT'D)

Compensation of key management personnel (Cont'd)

The remuneration of directors are disclosed in Note 8. The remuneration of other members of key management personnel of the Group during the year are as follows:

	The Group	
	2011 RM'000	2010 RM'000
Short-term employee benefits	1,292	1,584
Post-employment benefits - Defined contribution plan	149	208
	1,441	1,792

The estimated monetary value of benefits-in-kind received and receivable by the members of key management personnel otherwise than in cash from the Group amounted to RM36,200 (2010: RM57,800).

22. OTHER ASSETS

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits	6,100	3,345	2	2
Prepaid expenses	1,726	1,822	2	1
	7,826	5,167	4	3

Included in deposits of the Group are deposits paid for the acquisition of a piece of land in Vietnam amounted to RM4,300,517 (2010: RM416,205).

23. DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits with licensed banks	4,564	7,143	-	-
Cash on hand and at banks	23,089	22,123	5	37
	27,653	29,266	5	37

Fixed deposits amounting to RM10,000 (2010: RM10,000) have been pledged to a licensed bank as security for bank guarantees granted to a subsidiary company.

The effective interest rate for deposits ranged from 0.50% to 3.05% (2010: 1.00% to 14.00%) per annum. The deposits have maturity period ranging from 4 days to 365 days (2010: 5 days to 365 days).

Notes to the Financial Statements

23. DEPOSITS, CASH AND BANK BALANCES (CONT'D)

Analysis of currency profile of deposits, cash and bank balances are as follows:

	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
Ringgit Malaysia	23,118	23,209	5	37
United States Dollar	3,104	3,671	-	-
Vietnamese Dong	1,426	2,384	-	-
Australia Dollar	3	-	-	-
Singapore Dollar	1	1	-	-
Euro	1	1	-	-
	27,653	29,266	5	37

24. SHARE CAPITAL

	Par value RM	The Group and The Company 2011 Number of ordinary shares '000	2010 Number of ordinary shares '000	2011 RM'000	2010 RM'000
Authorised:					
At beginning of year	0.50/1.00	200,000	100,000	100,000	100,000
Effect of subdivision of shares		-	100,000	-	-
At end of year	0.50	200,000	200,000	100,000	100,000
Issued and fully paid:					
At beginning of year	0.50/1.00	175,572	62,704	87,786	62,704
Effect of bonus issue		-	25,082	-	25,082
	0.50/1.00	175,572	87,786	87,786	87,786
Effect of subdivision of shares		-	87,786	-	-
At end of year	0.50	175,572	175,572	87,786	87,786

25. RESERVES

	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
Non-distributable reserves:				
Property revaluation reserve	55,067	55,067	-	-
Investment revaluation reserve	(9)	(5)	136,352	130,775
Translation reserve	(1,225)	(1,698)	-	-
Capital reserves	1,060	1,099	-	-
	54,893	54,463	136,352	130,775
Distributable reserve:				
Retained earnings	127,127	111,118	24,921	24,226

Notes to the Financial Statements

25. RESERVES (CONT'D)

(a) Share premium

Share premium arose from the following:

	The Group and The Company 2011 RM'000	2010 RM'000
Exercise of share options of 154,000 ordinary shares issued at a premium of RM5.95 per ordinary share in 1997	916	916
Private placement of 3,415,000 ordinary shares issued at a premium of RM1.26 per ordinary share in 1998, net of share issue expense of RM240,043	4,063	4,063
Exercise of share options of 89,000 ordinary shares issued at a premium of RM0.58 per ordinary share in 2002	52	52
	5,031	5,031
Less: Capitalisation by way of bonus issue in 2002	(4,979)	(4,979)
Less: Expenses relating to bonus issue exercise in 2010	(52)	(52)
	-	-

(b) Property revaluation reserve

The property revaluation reserve of the Group arises from the revaluation of land and buildings. Where revalued land and buildings are sold, the portion of the property revaluation reserve that relates to the disposed asset is effectively realised, and is transferred directly to retained earnings.

(c) Investment revaluation reserve

The investment revaluation reserve of the Group and of the Company arise from changes in fair values of the investments. Where the investments are disposed of, the portion of the reserve that relates to the disposed investments is effectively realised, and is transferred directly to income statement.

(d) Translation reserve

Exchange differences relating to the translation from the functional currency of the foreign subsidiary of the Group into Ringgit Malaysia are brought to account by entries made directly to the foreign currency translation reserve.

(e) Capital reserves

Capital reserves relating to share of reserves of the associated company.

(f) Retained earnings

The Company has not opted to disregard the Section 108 tax credit balance in accordance with the Finance Act, 2007. The Company may utilise the Section 108 tax credit balance which has been frozen as of December 31, 2007 to frank dividend payments during the six-year transitional period. Based on the prevailing tax rate applicable to dividend, the Company has sufficient Section 108 tax credit and tax-exempt accounts balances to frank dividends out of its entire retained earnings as of December 31, 2011.

Notes to the Financial Statements

26. BORROWINGS

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unsecured:				
Bankers' acceptances	117,728	123,267	-	-
Revolving credits	16,000	19,000	1,000	1,000
Term loans	14,005	16,433	-	-
Bank overdrafts	11,424	10,087	615	-
Trust receipts	330	-	-	-
Secured:				
Hire-purchase payables (Note 27)	2,119	6,217	-	-
	161,606	175,004	1,615	1,000
Less: Amount due within 12 months (shown under current liabilities)	(149,524)	(158,104)	(1,615)	(1,000)
Non-current portion	12,082	16,900	-	-

The non-current portion is repayable as follows:

	The Group	
	2011 RM'000	2010 RM'000
Financial years ending December 31:		
2012	-	5,361
2013	3,975	4,986
2014	2,988	3,276
2015	2,152	2,378
2016 and above	2,967	899
	12,082	16,900

The Group has eight (8) term loans:

(a) A five (5) year term loan of RM900,000 (2010: RM900,000) which is repayable by 60 equal monthly instalments commencing January, 2006. The term loan has been fully settled during the financial year.

(b) A ten (10) year term loan of RM2,100,000 (2010: RM2,100,000) which is repayable by 120 equal monthly instalments commencing December, 2007;

(c) A five (5) year term loan of RM1,200,000 (2010: RM1,200,000) which is repayable by 60 equal monthly instalments commencing September, 2008;

(d) A five (5) year term loan of RM1,500,000 (2010: RM1,500,000) which is repayable by 60 equal monthly instalments commencing May, 2009;

26. BORROWINGS (CONT'D)

(e) A ten (10) year term loan of RM4,887,500 (2010: RM4,887,500) which is repayable by 120 equal monthly instalments commencing March, 2010;

(f) A seven (7) year term loan of RM4,000,000 (2010: RM4,000,000) which is repayable by 84 equal monthly instalments commencing May, 2010;

(g) A seven (7) year term loan of RM6,000,000 (2010: RM6,000,000) which is repayable by 84 equal monthly instalments commencing November, 2010; and

(h) A five (5) year term loan of RM1,000,000 (2010: RM1,000,000) which is repayable by 60 equal monthly instalments commencing November, 2010.

The average effective interest rates per annum are as follows:

	The Group		The Company	
	2011	2010	2011	2010
	%	%	%	%
Bankers' acceptances	3.45	3.03	-	-
Revolving credits	4.35	3.94	4.35	3.93
Term loans	6.48	6.42	-	-
Bank overdrafts	7.52	7.08	7.47	7.30
Trust receipts	6.85	-	-	-

The credit facilities of the Group and of the Company of RM347,015,000 and RM2,000,000 (2010: RM345,306,000 and RM2,000,000) respectively are guaranteed by the Group and the Company. Certain credit facilities of the Group amounting to RM1,500,000 (2010: RM1,500,000) is secured by legal charges over the leasehold land of a subsidiary company as disclosed in Note 12.

27. HIRE-PURCHASE PAYABLES

The Group

	Minimum hire-purchase payments		Present value of minimum hire-purchase payments	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Amounts payable under hire-purchase arrangements:				
Within one year	1,185	2,883	1,050	2,492
In the second to fifth year inclusive	1,132	4,035	1,069	3,725
	2,317	6,918	2,119	6,217
Less: Future finance charges	(198)	(701)	-	-
Present value of hire-purchase payables	2,119	6,217	2,119	6,217
Less: Amount due within 12 months (shown under current liabilities)			(1,050)	(2,494)
Non-current portion			1,069	3,723

Notes to the Financial Statements

27. HIRE-PURCHASE PAYABLES (CONT'D)

The non-current portion is repayable as follows:

	The Group	
	2011 RM'000	2010 RM'000
Financial years ending December 31:		
2012	-	1,798
2013	729	1,465
2014	340	460
	1,069	3,723

As of December 31, 2011, hire-purchase obligations of the Group payable to a related party amounted to RM2,118,486 (2010: RM6,217,611).

The terms for hire-purchase ranged from 2 to 5 years (2010: 2 to 5 years). For the financial year ended December 31, 2011, the effective hire-purchase interest rates ranged from 3.40% to 8.59% (2010: 3.10% to 8.68%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The Group's hire-purchase payables are secured by the assets under hire-purchase and guaranteed by the Company.

28. DEFERRED TAX LIABILITIES

The Group 2011	At beginning of year RM'000	Recognised in income statements RM'000	At end of year RM'000
Deferred tax liabilities			
Property, plant and equipment	(8,605)	192	(8,413)
Property revaluation reserve	(13,161)	296	(12,865)
Unrealised gain on foreign exchange	(40)	14	(26)
Investment properties	(67)	3	(64)
	(21,873)	505	(21,368)
Deferred tax assets			
Allowance for slow moving inventories	-	446	446
Allowance for doubtful debts	-	56	56
Other payables and accrued expenses	88	(74)	14
	88	428	516

Notes to the Financial Statements

28. DEFERRED TAX LIABILITIES (CONT'D)

The Group 2010	At beginning of year RM'000	Recognised in income statements RM'000	At end of year RM'000
Deferred tax liabilities			
Property, plant and equipment	(8,462)	(143)	(8,605)
Property revaluation reserve	(13,520)	359	(13,161)
Unrealised gain on foreign exchange	-	(40)	(40)
Investment properties	(100)	33	(67)
	(22,082)	209	(21,873)
Deferred tax assets			
Allowance for slow moving inventories	431	(431)	-
Allowance for doubtful debts	332	(332)	-
Other payables and accrued expenses	14	74	88
	777	(689)	88

Deferred tax balances are presented in the statements of financial position after appropriate offsetting as follows:

	The Group 2011 RM'000	The Group 2010 RM'000
Deferred tax assets	516	88
Deferred tax liabilities	(21,368)	(21,873)
	(20,852)	(21,785)

Unrecognised deferred tax assets

	The Group 2011 RM'000	The Group 2010 RM'000
Deferred tax assets not recognised at the reporting period:		
Unutilised tax losses and unabsorbed agricultural and tax capital allowances	41,191	41,965

As mentioned in Note 3, the effects of unutilised tax losses and unabsorbed agricultural and tax capital allowances which would give rise to deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which unutilised tax losses and unabsorbed agricultural and tax capital allowances can be utilised.

Notes to the Financial Statements

29. TRADE AND OTHER PAYABLES

	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
Trade payables	39,033	45,274	-	-
Amount owing to ultimate holding company (Note 21)	2	-	-	-
Amount owing to subsidiary companies (Note 21)	-	-	9,857	11,505
Amount owing to other related companies (Note 21)	474	129	-	-
Amount owing to other related parties (Note 21)	38,741	29,140	-	-
Other payables	11,702	12,296	-	1
	89,952	86,839	9,857	11,506

Analysis of currency profile of trade and other payables is as follows:

	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
Ringgit Malaysia	86,823	85,083	9,857	11,506
United States Dollar	2,763	1,644	-	-
Singapore Dollar	313	44	-	-
Euro	32	58	-	-
Great Britain Pound	21	7	-	-
Japanese Yen	-	3	-	-
	89,952	86,839	9,857	11,506

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs respectively. The credit period granted to the Group for trade purchases ranged from 30 to 120 days (2010: 30 to 120 days). No interest is charged on overdue outstanding balances of trade payables.

The amounts owing to other payables of the Group and of the Company are unsecured, interest-free and repayable on demand.

Transactions with related parties are disclosed in Note 21.

30. OTHER LIABILITIES

	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
Deposits received	258	93	-	-
Accrued expenses	14,101	13,085	160	143
	14,359	13,178	160	143

Notes to the Financial Statements

31. DIVIDEND

	The Group and The Company	
	2011 RM'000	2010 RM'000
First and final dividend paid:		
- 2.5 sen per share, less tax for 2010 (2010: 1.0 sen per share, less tax for 2009)	3,292	470
- Nil (2010: 4.0 sen per share, tax-exempt for 2009)	-	2,508
	3,292	2,978

A first and final dividend of 2.5 sen per share, less tax, proposed in respect of ordinary shares in the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year.

The directors have proposed a first and final dividend of 2.5 sen per share, less tax, in respect of the current financial year. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

Net dividend paid per share for the financial year is 1.88 sen (2010: 4.75 sen).

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Financial assets				
Loans and receivables:				
Trade and other receivables	154,405	149,535	13,700	14,057
Refundable deposits	451	450	-	-
Deposits, cash and bank balances	27,653	29,266	5	37
Available-for-sale:				
Investments in subsidiary companies	-	-	217,154	211,577
Other investments	11	15	-	-
Financial liabilities				
Amortised cost:				
Trade and other payables	89,952	86,839	9,857	11,506
Borrowings	161,606	175,004	1,615	1,000
Accrued expenses	14,101	13,085	160	143

Financial Risk Management Objectives and Policies

Risk management is integral to the whole business of the Group and of the Company. Management continually monitor the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

There have been no changes to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risk.

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Market risk

(i) Foreign currency risk

The Group transacts business in various foreign currencies including United States Dollar ("USD"), Australian Dollar ("AUD"), Singapore Dollar ("SGD"), Euro ("Euro"), Japanese Yen ("JPY"), Great Britain Pound ("GBP") and Vietnam Dong ("VDN") and therefore, is exposed to foreign exchange risk. The Group enters into foreign currency forward contracts to manage its exposure against foreign currency fluctuations on foreign receipts and payments. The Company is not exposed to foreign currency risk as it mainly transacts in RM.

The carrying amounts of the foreign currency denominated monetary assets and liabilities of the Group at the reporting period are disclosed in Notes 20, 23 and 29.

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of USD and AUD. The management considers that the impact of other currencies to be minimal.

The following table details the sensitivity of the Group to a 1% (2010: 2%) increase and decrease in RM against the relevant foreign currencies. The sensitivity rate of 1% (2010: 2%) is used when reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rates in the next 12 months.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% (2010: 2%) change in foreign currency rates. A positive number below indicates an increase in profit where RM weakens by 1% (2010: 2%) against the respective currencies. For a 1% (2010: 2%) strengthening of RM against the respective currencies, there would be a decrease in the profit, and the balances below would be negative.

The Group

	Profit or loss		Other equity	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
USD impact	49	170	11	47
AUD impact	31	89	-	-

The above impacts are mainly attributable to the exposure on the respective currencies on receivables and payables outstanding at the end of the reporting period in the Group. In the opinion of the management, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure of the Group during the year.

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Market risk (Cont'd)

(ii) Equity price risk

The Group and the Company are exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes.

Equity price sensitivity analysis

Quoted equity investments

The Group's investments in quoted shares comprise associated company and other investments. Investment in associated company is stated at cost and thus, does not expose to price risk at the end of the reporting period while for other investments, management does not consider the Group's exposure to price risk significant at the end of the reporting period due to the immaterial value of other investments held as shown in Note 17. Therefore, sensitivity analysis for price risk of quoted investments is not disclosed.

Unquoted equity investments

The sensitivity analysis below has been determined based on the Company's exposure to equity price risks at the end of the reporting period.

As explained in Note 15, the fair values of investments in subsidiary companies are determined using Free Cash Flow to Equity valuation technique by forecasting free cash flow to equity and discounting these cash flows at an appropriate discount rate.

The following shows the impact on the Company's investment revaluation reserve if there are changes in the growth rates and discount rates used in the valuation. A negative figure indicates a decrease in investment revaluation reserve while a positive figure indicates an increase in the investment revaluation reserve:

	The Group	
	2011 RM'000	2010 RM'000
Decrease in growth rate by 1.00% (2010: 1.00%)	(35,991)	(40,136)
Increase in growth rate by 1.00% (2010: 1.00%)	46,874	53,148
Increase in discount rate by 3.00% (2010: 1.00%)	(88,742)	(41,558)
Decrease in discount rate by 3.00% (2010: 1.00%)	198,785	56,949

In both scenarios, the Company's net profit for the year ended December 31, 2011 would have been unaffected as the equity investments are classified as available-for-sale financial assets.

(iii) Interest rate risk

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

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Market risk (Cont'd)

(iii) Interest rate risk (Cont'd)

The Group and the Company finance its operations by a mixture of internal funds and bank and other borrowings. The Group and the Company regularly review the interest rate profile of borrowings against prevailing and anticipated market rates. The repayment and maturity profiles of borrowings are structured after taking into consideration of the cash inflows expected to be generated from the underlying assets or operations and the economic life of the assets or operations being financed.

The policy of the Group and of the Company are to borrow both on the fixed and floating rate basis. The objective for the mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates increase/decrease in the range of 21 to 41 basis points (2010: 8 to 52 basis points), with all other variables held constant, the Group's and the Company's profit net of tax would have been RM598,702 and RM4,361 (2010: RM470,029 and RM825) respectively lower/higher arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in the interest rates for interest rate sensitivity analysis is based on the currently observable market environment.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The exposure of the Group to credit risk arises principally from its receivables, amount due from related companies and other related parties and other financial assets. The credit risk exposure of the Company arises from financial guarantees given to licensed banks and credit and leasing company for credit and hire-purchase facilities granted to subsidiary companies and other financial assets.

Receivables

The Group established policies on credit control which involves comprehensive credit evaluations, setting up appropriate credit limits, ensuring the sales are made to customers with good credit history and regular review of customers' outstanding balances and payment trends. The Group considers the risk of material loss in the event of non-performance by the customers to be unlikely.

At the end of the reporting period, the Group is not subject to significant concentration of credit risk.

As the Group does not hold any collateral, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

For other receivables, management does not foresee any credit risk due to the nature of other receivables which comprise mainly subsidy receivable from the Government under the Cooking Oil Price Stabilization Scheme, claims receivable from suppliers for promotion expenses incurred on agency products and advance payments made to suppliers.

The ageing of trade receivables and amount owing by other related companies and other related parties that are past due are disclosed in Note 20.

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(b) Credit risk (Cont'd)

Amount Due From Related Companies and Other Related Parties

The Group undertook trade transactions with other related companies and other related parties and credit period ranging from 60 to 120 days was set. The Company provided unsecured advances to subsidiaries and there are no fixed repayment terms imposed on amount due from subsidiaries as the credit risk is managed on a Group basis by the management of Company to ensure that risk of losses incurred by the Company due to non-repayment by subsidiaries, is minimal.

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.

At the end of the reporting period, there was no indication that the balances due from subsidiaries, other related companies and other related parties are not recoverable.

Financial Guarantee

The Company provides unsecured financial guarantees to licensed banks in respect of credit facilities granted to subsidiary companies. The Company monitors on an ongoing basis the trend of repayments made by the subsidiary companies.

The maximum exposure to credit risk amounts to RM356,733,000 (2010: RM361,424,000) representing the limit of banking and hire-purchase facilities of the subsidiary companies as of the end of the reporting period.

At the end of the financial period, there was no indication that the subsidiary companies would default on repayment.

Other Financial Assets

The credit risk on liquid funds are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(c) Liquidity and cash flow risks

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

The Group's and the Company's principal source of liquidity has historically been cash flows from operations and funds obtained from long and short-term borrowings.

The Group and the Company expect that the cash generated from their operations, their existing credit facilities and the trade terms provided by its suppliers will be sufficient to meet the Group's and the Company's currently anticipated capital expenditure and working capital needs for at least the next 12 months.

The Group and the Company have credit facilities of approximately RM187,528,000 and RM385,000 (2010: RM176,519,000 and RM1,000,000) respectively which are unused at the end of the reporting period. The Group and the Company expect to meet their financial obligations from their operating cash flows and proceeds from maturing financial assets.

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(c) Liquidity and cash flow risks (Cont'd)

The maturity profile of the Group's and of the Company's non-derivative financial assets and liabilities at the reporting period based on contractual undiscounted repayment obligations are as follows:

The Group 2011	**On demand or within one year RM'000**	**One year to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Non-derivative financial assets:				
Trade and other receivables	154,405	-	-	154,405
Refundable deposits	451	-	-	451
Other investments	11	-	-	11
Deposits, cash and bank balances	27,653	-	-	27,653
Total undiscounted non-derivative financial assets	182,520	-	-	182,520
Non-derivative financial liabilities:				
Trade and other payables	89,952	-	-	89,952
Accrued expenses	14,101	-	-	14,101
Borrowings	151,226	13,673	37	164,936
Total undiscounted non-derivative financial liabilities	255,279	13,673	37	268,989
Total net undiscounted non-derivative financial liabilities	(72,759)	(13,673)	(37)	(86,469)

The Group 2010	**On demand or within one year RM'000**	**One year to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Non-derivative financial assets:				
Trade and other receivables	149,535	-	-	149,535
Refundable deposits	450	-	-	450
Other investments	15	-	-	15
Deposits, cash and bank balances	29,266	-	-	29,266
Total undiscounted non-derivative financial assets	179,266	-	-	179,266
Non-derivative financial liabilities:				
Trade and other payables	86,839	-	-	86,839
Accrued expenses	13,085	-	-	13,085
Borrowings	158,863	18,929	667	178,459
Total undiscounted non-derivative financial liabilities	258,787	18,929	667	278,383
Total net undiscounted non-derivative financial liabilities	(79,521)	(18,929)	(667)	(99,117)

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(c) Liquidity and cash flow risks (Cont'd)

The Company 2011	**On demand or within one year RM'000**	**One year to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Non-derivative financial assets:				
Investments in subsidiary companies	-	-	217,154	217,154
Trade and other receivables	13,700	-	-	13,700
Cash and bank balances	5	-	-	5
Total undiscounted non-derivative financial assets	13,705	-	217,154	230,859
Non-derivative financial liabilities:				
Trade and other payables	9,857	-	-	9,857
Borrowings	1,615	-	-	1,615
Accrued expenses	160	-	-	160
Total undiscounted non-derivative financial liabilities	11,632	-	-	11,632
Total net undiscounted non-derivative financial assets	2,073	-	217,154	219,227
The Company 2010				
Non-derivative financial assets:				
Investments in subsidiary companies	-	-	211,577	211,577
Trade and other receivables	14,057	-	-	14,057
Cash and bank balances	37	-	-	37
Total undiscounted non-derivative financial assets	14,094	-	211,577	225,671
Non-derivative financial liabilities:				
Trade and other payables	11,506	-	-	11,506
Borrowings	1,000	-	-	1,000
Accrued expenses	143	-	-	143
Total undiscounted non-derivative financial liabilities	12,649	-	-	12,649
Total net undiscounted non-derivative financial assets	1,445	-	211,577	213,022

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(d) Capital risk management

The Group and the Company manage their capital to ensure the Group and the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from 2010.

The capital structure of the Group and of the Company consist of net debt and equity of the Group and of the Company.

Fair Values of Financial Assets and Financial Liabilities

Foreign exchange forward contracts

The notional amounts and estimated fair values of the Group's foreign currency forward contracts outstanding at the end of the reporting period are as follows:

	Foreign currency		Notional value		Fair value	
	2011	2010	2011	2010	2011	2010
	'000	'000	RM'000	RM'000	RM'000	RM'000
Outstanding contracts						
Sell USD	311	13	993	39	7	1

The fair values are calculated by reference to the current rates for contracts with similar maturity profiles. The management does not consider the above fair value of foreign exchange forward contracts significant enough to be adjusted in the financial statements.

Financial instruments carried at amortised cost

The carrying amounts of short-term financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair values of term loans of the Group are estimated using discounted cash flow analysis based on the current borrowing rates for similar types of term loan arrangements. There is no material difference between the carrying amounts and the estimated fair values of term loans.

The fair values of hire-purchase of the Group are estimated using discounted cash flow analysis based on the current borrowing rates for similar types of hire-purchase arrangements and approximate their carrying amounts.

The fair value of unquoted and quoted investments classified as available-for-sale are disclosed in Notes 15 and 17 respectively.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Fair Values of Financial Assets and Financial Liabilities (Cont'd)

Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	2011 Total RM'000
Investment in subsidiary companies	-	-	217,154	217,154

There were no movements in the Level 3 fair value measurements during the financial year.

Reconciliation of Level 3 fair value measurements of financial assets

Company	Available-for-sale financial assets Investments in subsidiary companies RM'000
At beginning of year	211,577
Total gain and losses recognised in other comprehensive income	5,577
At end of year	217,154

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. The effects of changing one or more of the assumptions used are disclosed above under equity price sensitivity analysis for unquoted equity investments.

The favourable and unfavourable effects of using reasonably possible alternative assumptions have been calculated by changing the growth rates and discount rates used in Free Cash Flow to Equity valuation technique based on the probability of the Company's changes of possible outcomes.

33. STATEMENTS OF CASH FLOWS

(a) Purchase of property, plant and equipment

The details of additions to property, plant and equipment were as follows:

	The Group 2011 RM'000	The Group 2010 RM'000
Cash purchase	7,439	17,031
Hire-purchase financing	3,195	3,080
Depreciation of property, plant and equipment capitalised	200	205
	10,834	20,316

The principal amounts of instalment repayments for property, plant and equipment acquired by hire-purchase are reflected as cash outflows from financing activities.

Notes to the Financial Statements

33. STATEMENTS OF CASH FLOWS (CONT'D)

(b) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include deposits, cash on hand and at banks and net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits	4,564	7,143	-	-
Cash and bank balances	23,089	22,123	5	37
Bank overdrafts	(11,424)	(10,087)	(615)	-
	16,229	19,179	(610)	37
Less: Fixed deposits pledged to a licensed bank	(10)	(10)	-	-
	16,219	19,169	(610)	37

34. COMMITMENTS

As of December 31, 2011, the Group has the following commitments in respect of property, plant and equipment:

	The Group	
	2011 RM'000	2010 RM'000
Capital expenditure:		
Approved and contracted for	1,748	1,053
Contracted but not provided for	-	164
	1,748	1,217

35. OPERATING LEASE ARRANGEMENTS

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	The Group	
	2011 RM'000	2010 RM'000
Within one year	2,302	1,687
In the second to fifth year	1,928	3,146
More than five years	-	483
	4,230	5,316

Operating lease payments represent rentals payable by the Group for photostat machine, warehouse and hostels. Leases are negotiated for terms which range from one to five years (2010: one to six years) with an option to renew the lease after that date.

36. COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been restated to conform with current year's presentation.

The Group	As previously reported RM'000	As restated RM'000
For the financial year ended December 31, 2010		
Notes to the Financial Statements		
Note 8 - Employee benefits expense		
Rental of hostel included in employee benefits expense	-	118
Note 19 - Inventories		
Cost of inventories recognised as an expense	450,397	578,183
Note 32 - Liquidity and cash flow risks		
Non-derivative financial liabilities:		
Borrowings:		
On demand or within one year	158,104	158,863
One year to five years	16,900	18,929
Over five years	-	667
Total	175,004	178,459

37. SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as of December 31, 2011 into realised and unrealised profits or losses, pursuant to the directive issued by Bursa Malaysia Securities Berhad on March 25, 2010, is as follows:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total retained earnings of the Company and its subsidiary companies				
Realised	118,812	106,445	24,921	24,226
Unrealised	(7,925)	(7,822)	-	-
Total share of retained earnings from associated company				
Realised	13,795	12,223	-	-
	124,682	110,846	24,921	24,226
Add: Consolidation adjustments	2,445	272	-	-
Total retained earnings as per statements of financial position	127,127	111,118	24,921	24,226

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

This supplementary information have been made solely for complying with the disclosure requirements as stipulated in the directives of Bursa Malaysia and is not made for any other purposes.

Statement by Directors

The directors of **YEE LEE CORPORATION BHD.** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of December 31, 2011 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 37, which is not part of the financial statements, is prepared in all material respects, in accordance with 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 and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the Directors,

Y. BHG. DATO' LIM A HENG @ LIM KOK CHEONG, JSM, DPMP, JP
Group Managing Director

MR. CHOK HOOA @ CHOK YIN FATT, PMP
Executive Director

Ipoh,
April 13, 2012

Declaration by the Officer

Primarily Responsible for the Financial Management of the Company

I, MR. YAP SIN KHEONG, the officer primarily responsible for the financial management of **YEE LEE CORPORATION BHD**., do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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, 1960.

MR. YAP SIN KHEONG

Subscribed and solemnly declared by the abovenamed
MR. YAP SIN KHEONG at **IPOH** this 13th day of April, 2012.

Before me,

ENCIK MOHD YUSOF BIN HARON, KPP, PNPBB, PJK
NO: A112
COMMISSIONER FOR OATHS

Analysis of Shareholdings

As at May 11, 2012

SHARE CAPITAL

Authorised Share Capital	:	RM100,000,000.00
Issued and Paid-Up Share Capital	:	RM87,785,600.00
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders		Number of Issued Shares	
	Number	%	Number	%
Less than 100 shares	88	2.43	5,341	0.00
100 to 1,000 shares	246	6.81	142,948	0.08
1,001 to 10,000 shares	2,074	57.37	11,376,942	6.48
10,001 to 100,000 shares	1,118	30.93	29,533,133	16.82
100,001 to less than 5% of issued shares	88	2.43	42,716,984	24.33
5% and above of issued shares	1	0.03	91,795,852	52.29
Total	**3,615**	**100.00**	**175,571,200**	**100.00**

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	Number of Issued Shares	% of Issued Shares	Number of Issued Shares	% of Issued Shares
1. Yee Lee Organization Bhd ("**YLO**")	97,913,956	55.77	-	-
2. Dato' Lim A Heng @ Lim Kok Cheong	3,743,600	2.13	98,993,356 [a]	56.38
3. Datin Chua Shok Tim @ Chua Siok Hoon	868,000	0.49	101,868,956 [b]	58.02
4. Unikampar Credit And Leasing Sdn Bhd ("**UCL**")	-	-	97,913,956 [c]	55.77
5. Uniyelee Sdn Bhd ("**UYL**")	-	-	97,913,956 [c]	55.77
6. Yeleta Holdings Sdn Bhd ("**YH**")	-	-	97,913,956 [d]	55.77
7. Young Wei Holdings Sdn Bhd ("**YW**")	-	-	97,913,956 [e]	55.77

Notes:-

[a] Deemed interest by virtue of his shareholding in YW, and the shares held by his spouse, Datin Chua Shok Tim @ Chua Siok Hoon and child, Lim Ee Young in the Company pursuant to Section 6A of the Companies Act, 1965 ("**Act**").

[b] Deemed interest by virtue of her shareholding in YW, and the shares held by her spouse, Dato' Lim A Heng @ Lim Kok Cheong and child, Lim Ee Young in the Company pursuant to Section 6A of the Act.

[c] Deemed interest held through YLO pursuant to Section 6A of the Act.

[d] Deemed interest held through UCL and UYL pursuant to Section 6A of the Act.

[e] Deemed interest held through YH pursuant to Section 6A of the Act.

Analysis of Shareholdings

As at May 11, 2012

DIRECTORS' SHAREHOLDINGS IN THE COMPANY AND ITS RELATED CORPORATION

The interests of the Directors in the shares of the Company and its related corporation maintained by the Company in the Register of Directors' Shareholdings pursuant to Section 134 of the Act are as follows:-

Shares in the Company

Name of Directors	Direct Interest		Deemed Interest	
	Number of Issued Shares	% of Issued Shares	Number of Issued Shares	% of Issued Shares
1. Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff	3,378,664	1.92	140,000 [a]	0.08
2. Dato' Lim A Heng @ Lim Kok Cheong	3,743,600	2.13	98,993,356 [b]	56.38
3. Thang Lai Sung	23,332	0.01	-	-
4. Chok Hooa @ Chok Yin Fatt	136,532	0.08	-	-
5. Lim Ee Young	211,400	0.12	14,000 [c]	0.01
6. Mohd Adhan bin Kechik	46,664	0.03	-	-
7. Lee Kee Hong	23,332	0.01	-	-
8. Sow Yeng Chong	56,000	0.03	-	-

Notes:-

[a] Deemed interest by virtue of the shares held by his child, Fawzita bt Mohamed Ishak @ Ishak in the Company pursuant to Section 6A of the Act.

[b] Deemed interest by virtue of his shareholding in YW, and the shares held by his spouse, Datin Chua Shok Tim @ Chua Siok Hoon and child, Lim Ee Young in the Company pursuant to Section 6A of the Act.

[c] Deemed interest by virtue of the shares held by his spouse, Ooi Guat Ee in the Company pursuant to Section 6A of the Act.

Shares in the holding company, Yee Lee Organization Bhd

Name of Directors	Direct Interest		Deemed Interest	
	Number of Issued Shares	% of Issued Shares	Number of Issued Shares	% of Issued Shares
1. Dato' Lim A Heng @ Lim Kok Cheong	2,751	0.03	7,948,418 [a]	72.26
2. Thang Lai Sung	1,716	0.02	-	-
3. Lim Ee Young	25,879	0.24	-	-
4. Lee Kee Hong	19,800	0.18	-	-

[a] Deemed interest by virtue of his shareholding in YW, and the shares held by his spouse, Datin Chua Shok Tim @ Chua Siok Hoon and children, Lim Ee Young, Lim Ee Wai and Lim Yah Joo in YLO pursuant to Section 6A of the Act.

By virtue of Dato' Lim A Heng @ Lim Kok Cheong's interest in the shares of the holding company, Yee Lee Organization Bhd, he is also deemed to have an interest in the shares of all the subsidiary companies to the extent that the holding company has interest.

Analysis of Shareholdings

As at May 11, 2012

TOP THIRTY SECURITIES ACCOUNT HOLDERS

Shareholders	Number of Issued Shares	% of Issues Shares
1. Yee Lee Organization Bhd	91,795,852	52.28
2. Yee Lee Organization Bhd	6,118,104	3.49
3. Lim A Heng @ Lim Kok Cheong	3,743,600	2.13
4. Dato' (Dr.) Haji Mohamed Ishak bin Mohamed Ariff	3,378,664	1.92
5. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Siew Lai	2,125,500	1.21
6. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chang Yung Ting	1,728,200	0.98
7. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Kuan Peng Ching @ Kuan Peng Soon	1,675,000	0.95
8. Nik Mohamad Pena Bin Nik Mustapha	1,620,000	0.92
9. Wong Shak On	1,500,000	0.86
10. Jailani bin Abdullah	1,438,264	0.82
11. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock	1,339,640	0.76
12. Lai Ka Chee	1,295,232	0.74
13. Teo Kwee Hock	1,056,100	0.60
14. HLG Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Bek Thiam Hong	995,160	0.57
15. Chua Shok Tim @ Chua Siok Hoon	868,000	0.49
16. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chen Kook Hui	623,000	0.36
17. Wong Wun Pen @ Wong Voon Phew	380,000	0.22
18. Cheong Chee Hong	367,700	0.21
19. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chua Song Hong	350,000	0.20
20. Lim Ah Dek	338,780	0.19
21. Cheong You Chin	324,300	0.19
22. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Lim Ka Kian	318,000	0.18
23. Wong Hock Kik @ Wong Ho Lick	315,900	0.18
24. Au Yang Tuan Kah	280,000	0.16
25. Chek Hup Holding Sdn Bhd	280,000	0.16
26. M.I.T Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohamed Zameel bin Mohamed Hussain	269,000	0.15
27. Amanahraya Trustees Berhad Public Strategic Smallcap Fund	262,000	0.15
28. Kwek Soo Siong	256,664	0.15
29. Loo Choun Siang	250,000	0.14
30. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Balraaj Singh A/L Tarlachon Singh	245,000	0.14
Total	**125,537,660**	**71.50**

Top 10 Properties of the Group

As at December 31, 2011

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Date of Last Revaluation	Net Book Value RM'000
PT No 31095, HS(D) 24203 Mukim of Batu, District of Gombak, Selangor Darul Ehsan	Freehold	3-storey office and warehouse	11	14,729/ 12,274	31.12.2009	29,292
Provisional Lease No. 066290168, Kg Nalapak, District of Ranau, Sabah	Leasehold expiring on 31.12.2080	Plantation, office, factory, warehouse and labour housing	30	8,314,820/ 13,492	31.12.2009	20,022
Lots No. 72169, 158022 and PT80026, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Leasehold expiring on 01.09.2075, 30.07.2088 and 28.03.2050 respectively	3-storey office, factory, warehouse and adjoining vacant land	36	34,368/ 18,967	31.12.2009	18,080
Provisional Lease No. 066290168, Kg Nalapak, District of Ranau, Sabah	Leasehold expiring on 31.12.2080	Vacant agriculture land	-	1,300,397	31.12.2009	16,521
Lot Nos. 9399, and 10169, Mukim of Bidor, District of Batang, Batang Padang, Perak Darul Ridzuan	Leasehold expiring on 30.06.2046 and 05.07.2048 respectively	2-storey palm oil mill, office and factory warehouse	27	150,625/ 11,637	31.12.2009	15,494
Lot Nos. 15917-15918, 46292, 46300-46301, 46303-46315, 20276 & 20338, Mukim of Kampar Lot Nos. 20339 & 20340, Mukim of Teja, District of Kinta Perak Darul Ridzuan	Freehold	Oil palm estate	-	1,984,093	31.12.2009	9,240
Lot No. 119 Rawang Integrated Industrial Park Mukim of Rawang District of Gombak Selangor Darul Ehsan	Freehold	2-storey office, factory and warehouse	15	10,866/ 7,441	31.12.2009	9,139
Plot 151a, Jalan Perindustrian Bukit Minyak, Kawasan Perindustrian Bukit Minyak, Mukim 13, 14100 S.P.T. Pulau Pinang	Leasehold 60 years	Single storey warehouse and 2-storey office	4	13,520/ 5,504	31.12.2009	7,822
Lot Nos. 3858-3864, 3867, 3879, 3882-3883, 3888, 3921-3926, 3928-3931, 3933-3947, 3950-3951, 3965-3967, 3970, 3972-3975, 3977, Mukim and District of Batang Padang, Perak Darul Ridzuan	Freehold	Oil palm estate	-	970,590	31.12.2009	6,000
Lot 70428, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Leasehold expiring on 04.06.2074	Double storey office, factory and warehouse	36	16,291/ 10,955	31.12.2009	5,097

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YEE LEE CORPORATION BHD (13585-A)
(INCORPORATED IN MALAYSIA)

Form of Proxy

Number of shares held

I/We, ____
(Full name in block letters, Identity Card number/Company number)

of ____
(Address)

being a Member of YEE LEE CORPORATION BHD, hereby appoint ______________________________
(Full name in block letters, Identity Card number/Company number)

____

of ____
(Address)

or failing whom, ____
(Full name in block letters, Identity Card number/Company number)

of ____
(Address)

as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Ninth Annual General Meeting of the Company to be held on Wednesday, June 27, 2012 at 11.00 a.m. at Gopeng Hall, Level 3, Kinta Riverfront Hotel & Suites, B-1-1, Kinta Riverfront, Jalan Lim Bo Seng, 30000 Ipoh, Perak Darul Ridzuan and at any adjournment thereof for/against* the resolutions to be proposed thereat.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended December 31, 2011 and the Reports of the Directors and Auditors thereon		
2.	To declare a first and final dividend		
3.	To approve the payment of Directors' fees		
4.	To re-elect Y.B. Mohd Adhan bin Kechik as Director		
5.	To re-elect Lim Ee Young as Director		
6.	To re-appoint Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff as Director		
7.	To re-appoint Thang Lai Sung as Director		
8.	To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration		
9.	To authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		
10.	To approve the Proposed Shareholders' Mandate		

Dated this __________ day of June 2012

____
Signatures/Common Seal of Members

* Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

Notes:-

(i) A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(ii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its Seal or the hand of its attorney.

(iii) A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy and such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

(iv) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 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 hold.

(v) This instrument duly completed must be deposited at the Registered Office of the Company at Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan not less than forty-eight (48) hours before the time appointed for holding the meeting.

(vi) Only a depositor whose name appears on the Record of Depositors as at June 20, 2012 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his behalf.

Fold here to seal

STAMP

THE COMPANY SECRETARIES
YEE LEE CORPORATION BHD
Lot 85, Jalan Portland
Tasek Industrial Estate
31400 Ipoh
Perak Darul Ridzuan

Fold here to seal

YEE LEE CORPORATION BHD (13585-A)

Lot 85, Jalan Portland
Tasek Industrial Estate
31400 Ipoh
Perak Darul Ridzuan

Tel : 605 2911 055
Fax: 605 2919 962

www.yeelee.com.my