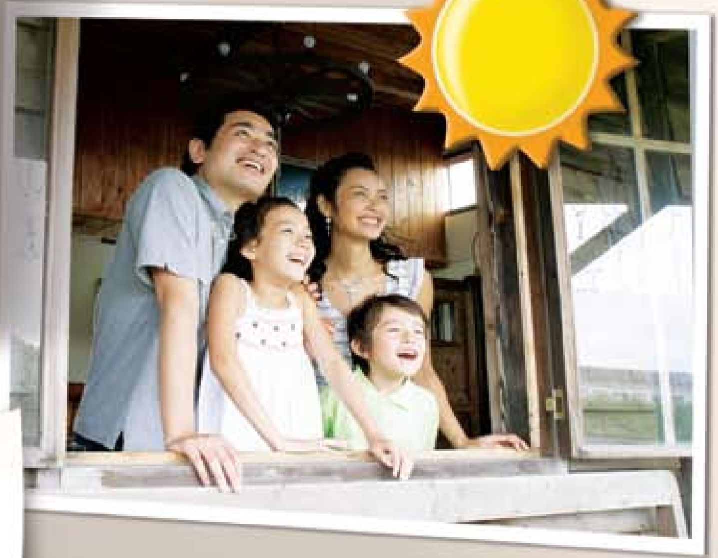
YEE LEE CORPORATION BHD (13585-A)
(INCORPORATED IN MALAYSIA)

Perfect quality makes for perfect family moments.

Dedicated to making products affordable.



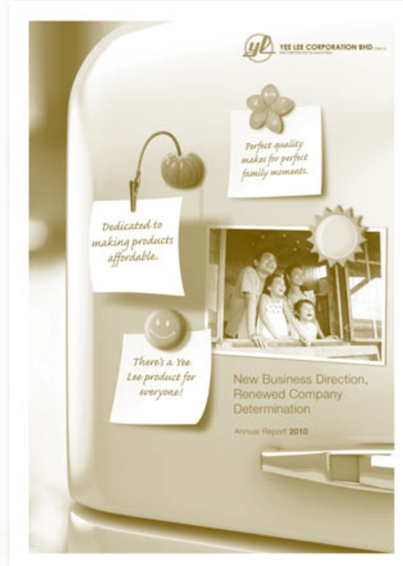
There's a Yee Lee product for everyone!

New Business Direction, Renewed Company Determination

Annual Report **2010**

cover rationale

At Yee Lee Corporation Bhd, we understand that our products touches the lives of almost every individual in Malaysia. That's why we take great care in ensuring that our products are of quality and affordability - reaching families in ways that enhance their lives. We're continually changing the things we do to provide cost efficient and product efficient. This determination to product excellence drives our performance and delivers customer and shareholder value.



Contents

Notice of Thirty-Eighth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Eighth (38th) Annual General Meeting ("**AGM**") of Yee Lee Corporation Bhd ("**YLC**" or "**Company**") will be held at Crystal 2, Impiana Hotel Ipoh, 18 Jalan Raja Dr. Nazrin Shah, 30250 Ipoh, Perak Darul Ridzuan on Wednesday, June 29, 2011 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, 2010 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, 2010. **Resolution 2**

3. To approve the payment of Directors' fees in respect of the financial year ended December 31, 2010. **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) Lee Kee Hong **Resolution 4**
   (ii) Sow Yeng Chong **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 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**

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 dated June 7, 2011 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 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, 2010, subject to the approval of the shareholders at the 38th AGM will be paid on August 10, 2011 to Depositors whose names appear in the Record of Depositors at the close of business on July 27, 2011.

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 27, 2011 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 7, 2011

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 authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

(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.

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 21, 2010 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 dated June 7, 2011 for further information on Resolution 10.

STATEMENT ACCOMPANYING NOTICE OF THIRTY-EIGHTH 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 38th AGM of the Company.

Corporate Information

BOARD OF DIRECTORS

Chairman
Dato' (Dr.) Haji Mohamed Ishak bin 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
(Redesignated on March 1, 2011)
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 Mohamed Ariff
Sow Yeng Chong
Lee Kee Hong

NOMINATION COMMITTEE

Chairman
Lee Kee Hong

Members
Dato' (Dr.) Haji Mohamed Ishak bin 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
- 32.35% Spritzer Bhd

AFFORDABILITY

A Promise That Stays Forever Fresh

Since we started, we promised to make our products wonderfully affordable, with no compromise on quality.

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, 2010.

FINANCIAL PERFORMANCE

Year 2010 was indeed another excellent year for the Group with continued growth in revenue and profits setting another record high level. The Group's revenue grew by 7.8% from RM703.04 million in 2009 to RM757.72 million in this year. The Group achieved double-digit growth in pre-tax profit, closing at RM31.83 million, an increase of 19.2% over the previous year. Profit attributable to shareholders stood at RM24.43 million (2009: RM20.15 million) whilst earnings per share improved to 13.92 sen (2009: 11.47 sen) after adjusted for the bonus issue and share split undertaken in this year.

Our Group is financially sound with healthy balance sheet. As at December 31, 2010, our total shareholders' equity stood at RM253.37 million with total group assets of RM552.25 million and net gearing of 0.69 times.

DIVIDENDS

The Board of Directors is pleased to recommend a first and final dividend of 2.5 sen per share, less tax on the enlarged share capital (2009: 4 sen per share, tax-exempt and 1 sen per share, less tax) for the year ended December 31, 2010. The dividend, if approved, will be paid on August 10, 2011.

CORPORATE PROPOSALS

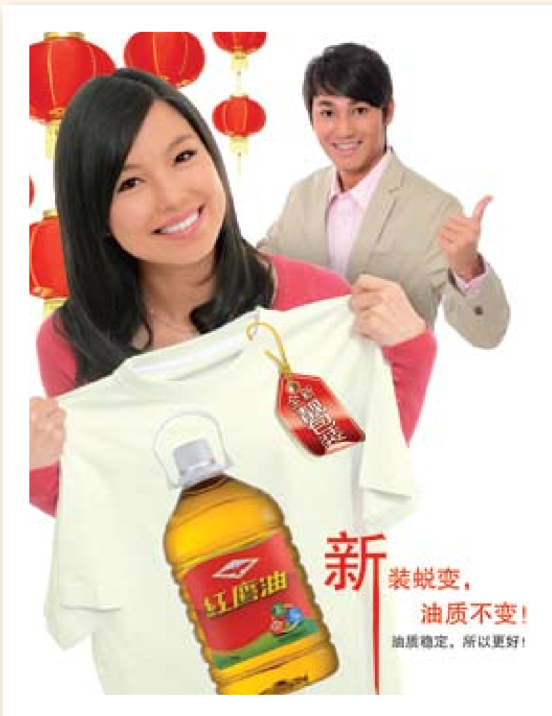
On April 27, 2010, the Company had announced a bonus issue on the basis of two new shares of RM1.00 each for every five existing shares held followed by a share split involving the subdivision of every one ordinary share of RM1.00 each into two ordinary shares of RM0.50 each. The bonus issue and share split were completed on September 7, 2010. This resulted in the Group's paid-up share capital being enlarged to RM87,785,600 comprises of 175,571,200 ordinary shares of RM0.50 each.

REVIEW OF OPERATIONS

MANUFACTURING

Packaging Division

Our Group packaging division comprises of aerosol can division and corrugated carton boxes division. During the year under review, this division contributed 63.3% of its pre-tax profit, underpinning the strong performance of the Group. Revenue grew by 7.1% from RM120.53 million in 2009 to RM129.09 million this year. Pre-tax profit improved substantially with double-digit growth of 27.2% from RM15.81 million in 2009 to RM20.11 million this year with majority contributed from aerosol can division. Both aerosol can division in local and Vietnam performed well



in 2010. With the increasing market demand for aerosol can, this aerosol can division which is currently expanding its production capacity and upgrading its production lines is expected to capture more market shares. Key initiatives such as production waste reduction, cost controls and production efficiencies aimed at boosting its profit margin, are continuing to deliver results especially in this year with improvement in profit margin by 30.1%.

On the other side, the corrugated carton division continues to face with aggressive competition where competitors continue to wage price wars to capture market share, worsen by customers reluctant to accept selling price increase despite substantial increase in paper price and consumables. As the result, the corrugated carton division's profit margin was eroded. The Malaysian Corrugated Carton Manufacturers' Association had announced few rounds of price increase of corrugated carton to avoid corrugated carton manufacturers to price cut each others and intensify the price war. This division will continue to focus on cost control and production efficiencies to reduce wastage whilst improving on its product quality and services to enhance its competitiveness.

Palm Oil Refinery and Mill Division

On average, the crude palm oil ("CPO") price increased by 20.8% from RM2,236 per MT in 2009 to RM2,701 per MT this year with highest monthly average CPO price recorded in December this year at RM3,620 per MT. The average price of palm kernel in 2010 also rose sharply by 62.2% from RM1,070 per MT in 2009 to RM1,736 per MT due to firmer lauric oil prices in the world market. As a result, this division recorded higher revenue of RM79.92 million in this year as compared to RM71.81 million in 2009. The unusual weather patterns of hot and dry conditions from El Nino phenomena in the first half of this year and excessive rainfalls from La Nina phenomena in the second half had affected the quality and yield of the fresh fruit bunches ("FFB") and hence affected the whole industry oil extraction rate ("OER"). Our mill was not spared as well. This resulted in lower pre-tax profit by 76.6% in this division. Currently the Malaysian Palm Oil Board has taken steps to improve on the whole industry OER by conducting stringent check point at mills' receiving station to prevent FFB suppliers to deliver unripe FFB to mills. This move is very encouraging as we can see improvement in the OER. As at to-date, the Government's Cooking Oil Price Stabilization Scheme is still in place as the monthly export olein price still traded above the threshold level.

TRADING

Trading Division

Malaysian economy achieved a positive GDP growth of 7.2% in year 2010 led by strong expansion in all sectors. The favourable domestic economic conditions have resulted in positive consumer sentiment and increase in domestic consumption. Under this positive economic environment, our trading division registered RM547.35 million in revenue for the year under review, a 7.4% growth over the previous year. Major brands under trading division's product portfolio achieved its fair share of sales growth with majority contributed from sales of Spritzer bottled water, Campbell and Procter and Gamble ("P&G") products. This has been achieved through successful execution of promotion and trade campaigns coupled with launching of new products such as Spritzer Fibre & Molecule and varieties of Kizz dishwashing and detergent. In addition, the successful securing of the distribution of P&G products to 7 Eleven and petrol kiosk channels has created another potential market segment for this division. Consequently, this division's pre-tax profit grew by 1.1% from RM6.64 million in 2009 to RM6.71 million this year. With its efficient distribution channels and warehouse facilities, the trading division is confident in securing more potential distributorships to enhance its products range and profitability.

PLANTATION

Plantation Division

The Group has two oil palm plantations located in Tapah and Gopeng that currently supply 100% of their FFB to our mill. During the year, the oil palm plantations were affected by the El Nino and La Nina weather conditions that impacted the yield patterns and consequently caused a setback to the FFB production. This has resulted in decrease in FFB yield by 2.1% over last year. This division will continue to control its plantation costs and enhance its yield to increase its revenue and profitability.

Besides oil palm plantation, the Group also owns a tea plantation located in Kampung Nalapak, Sabah with land area of 831 hectares of which 247 hectares are planted with tea plants. For the year under review, this tea plantation registered a marginal pre-tax loss of RM0.29 million as compared to a pre-tax profit of RM0.47 million in previous year. The losses were mainly due to decrease in revenue by 26.0% over last year. More sales and promotion campaigns will be carried out throughout the year to capture more

Sabah Tea Garden - William Goode Cottage (Image taken by Encik Ismail Martin Kong Abdullah)

market share. Our brand "Sabah Tea" which is 100% pesticide free has also been selected to participate and sponsor in the National Cancer Society of Malaysia activities.

FUTURE PROSPECTS

The key economic indicators remain positive for the year and the implementation of the Economic Transformation Plan by the Government will help to support the country's growth projected to be around 5%. The Directors are cautiously optimistic that the Group would perform satisfactorily in year 2011 despite the increase in key raw materials and fuel oil prices. Focus will remain on internal processes to improve on production and delivery efficiency while reducing production waste and cost reduction being carried out. Although the key focus is on the existing core businesses, the Group will also explore for new businesses when opportunities arise.

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 Mohamed Ariff
Chairman

QUALITY

Perfect Quality is a Blend of Perfect Moments

Moments of absolute bliss, when sipping on the perfect cup of Sabah Tea; Moments of absolute joy, when tucking into aromatic feasts made using our Neuvida Omega-9 Cooking Oil; Moments of absolute ease, when dishwashing with Sunglow Dishwashing Paste never feels like a chore; These are the moments that reflect our stringent standards; These are the moments we strive to create, time and time again...

Corporate Social Responsibility

Yee Lee Corporation is not one to shy away from doing our part for society, our environment and to our customers and stakeholders. The Corporate Social Responsibility undertakings of 2010 only serves to cement our position as a corporation that is caring to all whose lives we touch on a daily basis through Yee Lee's wide range of products.

05 FEBRUARY 2010
Charity Visits

Yee Lee Recreation and Sports Club regularly represents Yee Lee and its staff in its charity and corporate social responsibility efforts. Members of the club visited old folks home Cherri Villa and Bengkel Semangat Maju to distribute essential goods in kind to the underprivileged.

08-09 FEBRUARY 2010
1 Malaysia Economic Conference 2010

Themed '1 Malaysia – New Economic Model', the conference, which was launched by our Prime Minister Y.A.B. Dato' Sri Mohd Najib bin Tun Abdul Razak alongside Dato' Lim Kok Cheong, Tan Sri William Cheng and Mr Ter Leong Yap, brought together some of our nation's top experts, entrepreneurs and national legislators.

28-29 APRIL 2010
Health Campaign

Not one to focus merely on external contributions, Yee Lee hosted undergraduates from local universities at the Sabah Tea Training Room as they educated 85 of Yee Lee's staff on the importance of food quality and how eating habits can affect one's health. The two-day event involved a talk session, info and food sample exhibition, and analysis on Estimated Energy Requirement, Body Mass Index and Waist-Hip Ratio Measurement.

08 MAY 2010
Charity Car Wash

Organised by Yee Lee's own Recreation and Sports Club, the Yee Lee Charity Car Wash raised a total of RM888, which has been donated to the International Relief Fund for its work in disaster relief campaigns.

16 MAY 2010
Dallas Asia Pacific Connection Charity Concert

The non-profit organisations Ipoh Bug and the children and families in need from Hannah Home received much needed help through this fund raising event, sponsored by Sabah Tea and Yee Lee. The event was a success with the attendance of 1,000 participants and RM40,000 raised.

29-30 MAY 2010
Relay For Life

Almost 7,000 participants walked at the Relay For Life event, sponsored by Yee Lee, to raise public awareness about cancer. The event was organised by the National Cancer Society of Malaysia.

10-13 JUNE 2010
67th MDA/ FDI World Dental International Scientific Convention and Trade Exhibition

MorningKiss was a co-sponsor at this dental convention organised by the Malaysian Dental Association and officiated by the honourable Deputy Prime Minister of Malaysia, Y. A. B. Tan Sri Dato' Haji Muhyiddin bin Mohd Yassin. The convention saw 3,000 dental professionals and dental students throng the venue in this year's theme, "New Trend, New Technology, New Impact in Dentistry."

09-10 JULY 2010
Blood Test & Blood Donation Campaign

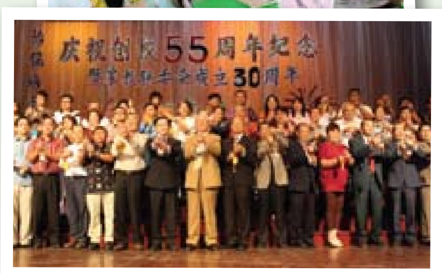
Yee Lee Recreation & Sports Club once again demonstrated its zeal to promote healthy living amongst Yee Lee staff members when it organised a health talk about the Importance of General Screening "Cholesterol, Diabetic & Helicobacter" by Mr Edwin Singhe, Lab Manager of Doctors Lab. The Club also brought together Yee Lee staff to donate blood at the Yee Lee HQ.

16 JULY 2010
Fire Prevention Awareness Talk

The Fire Prevention Centre gave a talk to Yee Lee staff members at the Yee Lee HQ on the importance and education of fire safety. The talk equipped those who attended with the knowledge of how one can prevent fire from breaking out and the necessary measures in case of a fire emergency.

03-08 AUGUST 2010
Jamuan Teh Malaysia

Sabah Tea was a main sponsor at the Jamuan Teh Malaysia which successfully raised RM130,000 for The Breast Cancer Welfare Association (BCWA) and National Cancer Society Malaysia (NCSM). The funds will be channelled towards minimising the threat of cancer through public education on cancer prevention and the importance of early diagnosis.



26 SEPTEMBER 2010
Poi Lam Food Fair

Yee Lee has been the main sponsor of Poi Lam High School's events for over 10 years. The Poi Lam High School Food Fair and the school's 55th Anniversary raised more than RM400,000, which will be channelled towards upgrading school facilities and continuing education.

12 DECEMBER 2010
Spritzer-KRI 12km Run

Yee Lee sponsored the noteworthy Spritzer-KRI Scenic 12km Run in December last year. Organised by the Kelab Roadrunners Ipoh, the run saw 600 Malaysians take to the streets and run to raise awareness about the importance of healthy living.

VARIETY

Giving Everyone a Reason to SMILE

We give every customer plenty to choose from. And that is why our products remain as perfect choices.

Directors' Profile

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

Dato' (Dr.) Haji Mohamed Ishak bin Mohamed Ariff, aged 75, 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 66, 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 39, 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 73, 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 is the Assistant Secretary-General of Poi Lam High School (Suwa), Perak for over ten years, Vice President of Perak Basketball Association, Secretary-General of Perak Chinese Chamber of Commerce and Industry, Vice President of Perak Han Kang Kong Hoey and a director of Yee Lee Organization Bhd.

Chok Hooa @ Chok Yin Fatt, PMP
Executive Director

Chok Yin Fatt, aged 64, 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, Spritzer Bhd and other public companies which are not listed on the Bursa Malaysia Securities Berhad including Yee Lee Organization Bhd and MSHK Corporation 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 56, 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 63, 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 54, 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 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

In line with the Malaysian Code of Corporate Governance, all members of the Audit Committee 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 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 Malaysia Securities Berhad ("**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 Main Market Listing Requirements of Bursa Securities.

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.

Membership (Cont'd)

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.

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.

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, 2010. 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 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.

SUMMARY OF ACTIVITIES (Cont'd)

(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.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT DEPARTMENT

The Internal Audit Department ("**IAD**") 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 IAD 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 IAD 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 for corrective actions on 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 the supervision of the in-house Head of IAD. The total costs incurred for both in-house and outsourced internal audit function amounted to RM188,000.00 and RM54,000.00 respectively for the financial year ended December 31, 2010.

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, 2010.

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.

Board Meetings (Cont'd)

During the financial year ended December 31, 2010, four Board Meetings were held and the attendance is as follows:-

Directors	Attendance
Dato' (Dr.) Haji Mohamed Ishak bin Mohamed Ariff	4/4
Dato' Lim A Heng @ Lim Kok Cheong	4/4
Thang Lai Sung	4/4
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

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:-

- FRS 139 Financial Instruments : Recognition and Measurement
- 1 Malaysia – New Economic Model
- Going Forward : Risk & Reform – Implications for Audit Committee Oversight
- Overview on GST in Malaysia, Market Outlook, Economics vs Equity, Currencies, Interest Rate and Bond Market
- Mergers, Acquisitions and Transformation
- Banking Insights
- Governance and Ethical Practices in the Boardroom
- Improving the Budgeting Process for Effective High Performance

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 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.

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	1,367	115	344	52	1,878
Non-Executive Directors	-	58	-	31	89

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

Range of remuneration	Number of Directors Executive Directors	Non-Executive Directors
RM1 to RM50,000	-	4
RM210,001 to RM250,000	1	-
RM450,001 to RM500,000	2	-
RM700,001 to RM750,000	1	-

Directors' fees are subject to the approval by shareholders at the forthcoming 38th 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.

BOARD COMMITTEES (Cont'd)

(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, 2010.

(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, 2010.

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 below. The quarterly results announcements also reflect the Board's commitment to give regular updated assessments on the Company's and the Group's performance.

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, 2010 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 state of affairs of the Company and of the Group and the results and cash flows for that year. The Directors consider that in preparing the financial statements for the financial year ended December 31, 2010, 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.

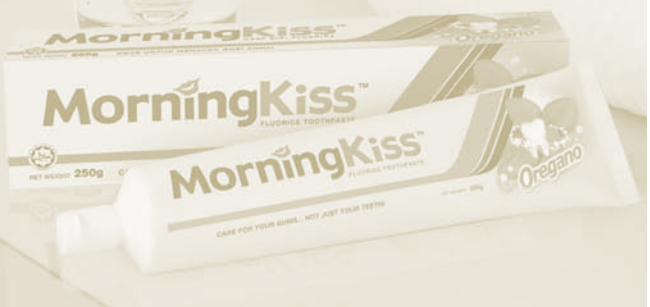
6. **Non-Audit Fees**
   The details of the statutory audit and non-audit fees paid/payable in year 2010 to the external auditors are disclosed in Note 8 to the Financial Statements on page 71.

7. **Variation in Results**
   There was no variance between the financial results in the Annual Audited Financial Statements 2010 and the unaudited financial results for the year ended December 31, 2010.

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.

10. **Revaluation Policy on Landed Properties**
    The revaluation policies on the Group's landed properties are disclosed in Note 3 to the Financial Statements on pages 57 and 58.



Statement on Internal Control

Introduction

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**"), the Board of Directors ("**Board**") of Yee Lee Corporation Bhd is pleased to present this Statement on Internal Control. The Board is committed towards fulfilling its responsibility on the Group's 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 or loss.

Enterprise Risk Management Framework

The Board recognizes the risk management functions as an integral part of the Group's operations. 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 objectives.

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. Risk management workshops were arranged with external trainers to promote the importance of having a risk management function and create risk awareness across the different companies within the Group. 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.

Internal Audit Function

The Group's Internal Audit Team continues to perform independent review on key business processes, evaluate the adequacy and effectiveness of internal control and risk management systems, and play an active role in safeguarding the Group's assets. It also provides objective assurance for reliable and accurate financial and operational information reporting as well as monitors compliance with policies, guidelines, laws and regulations.

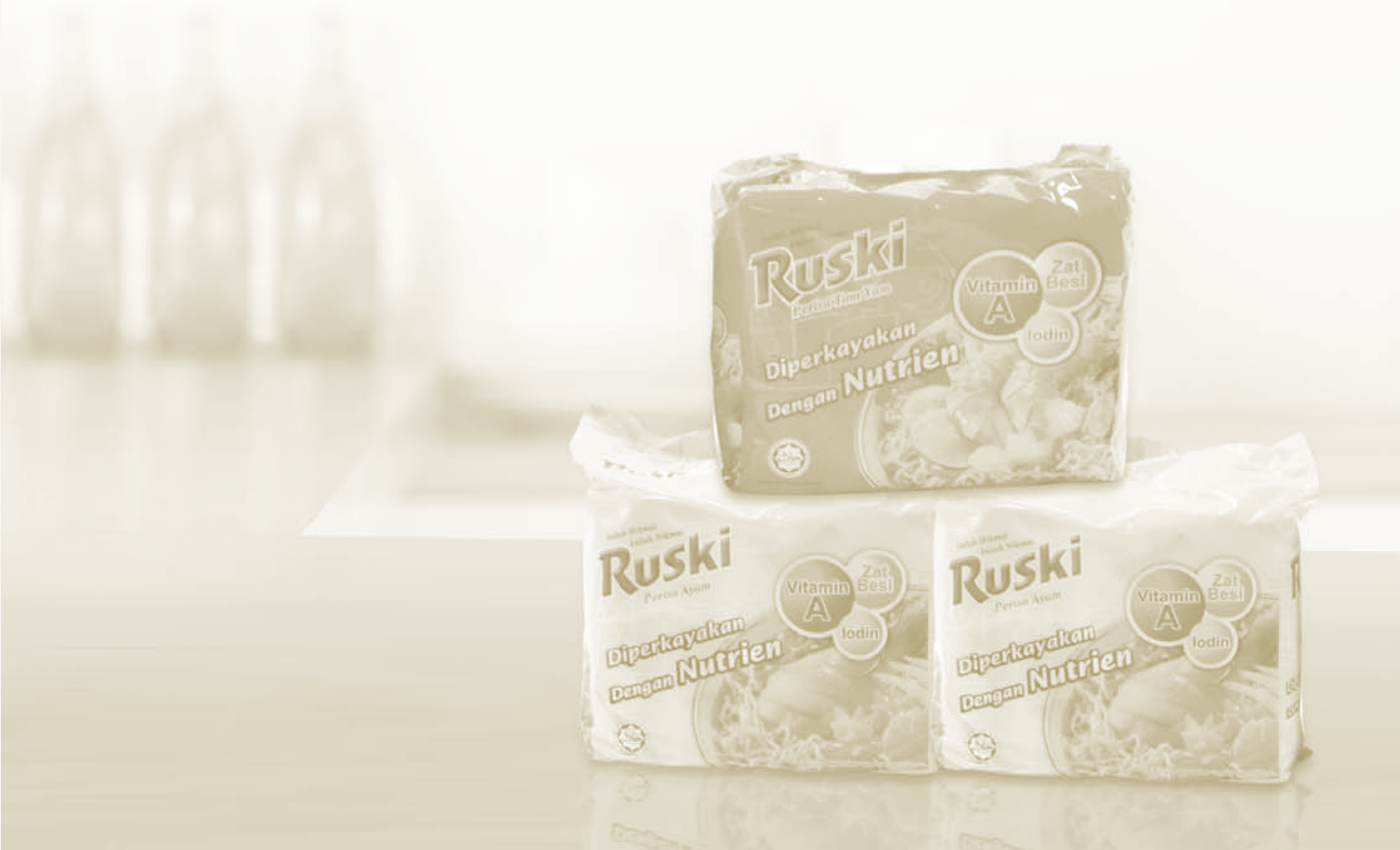
The Internal Audit Team is moving forward by re-engineering itself to adopt changes in risk, control and regulatory environment. It is constantly upgrading its audit approach, maintaining a competent audit team and expanding its scope to encompass risk-based plans. Significant findings and corrective measures in respect of any non-compliance are highlighted to the Audit Committee.

Review of Effectiveness

For the year under review and up to date of issuance of the financial statements, the Board is of the view that the system of internal control 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, 2010 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, 2010.

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	24,433	4,357

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 4 sen per share, tax-exempt and 1 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.

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

At the Annual General Meeting held on June 21, 2010, the shareholders approved the following:

(i) an increase in the issued and fully paid-up ordinary share capital of the Company from RM62,704,000 to RM87,785,600 by way of a bonus issue of 25,081,600 new ordinary shares of RM1.00 each through capitalisation of an amount of RM25,081,600 from the Company's investments revaluation reserve account on the basis of two (2) new ordinary shares of RM1.00 each for every five (5) existing ordinary shares of RM1.00 each held; and

(ii) subdivision of the existing ordinary shares of RM1.00 each fully paid-up in the capital of the Company into two ordinary shares of RM0.50 each credited as fully paid and the alteration of the authorised share capital of the Company which was made up of RM100,000,000 divided into 100,000,000 ordinary shares of RM1.00 each into 200,000,000 ordinary shares of RM0.50 each.

The bonus shares issued rank pari passu with the then existing ordinary shares of the Company.

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

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

OTHER FINANCIAL INFORMATION (CONT'D)

(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

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 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, Mr. Lee Kee Hong and Mr. Sow Yeng Chong 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 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 RM1.00 each				Number of ordinary shares of RM0.50 each			
	Balance as of 1.1.2010	Bought	Sold	Bonus issue	Subdivision of shares	Bought	Sold	Balance as of 31.12.2010
Shares in the Company								
Registered in the name of directors								
Y. Bhg. Dato' (Dr.) Haji Mohamed Ishak bin Mohamed Ariff	1,206,666	-	-	482,666	1,689,332	-	-	3,378,664
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	1,213,100	123,900	-	534,800	1,871,800	-	-	3,743,600
Mr. Thang Lai Sung	8,333	-	-	3,333	11,666	-	-	23,332
Mr. Chok Hooa @ Chok Yin Fatt	44,333	8,000	-	20,933	73,266	15,000	(30,000)	131,532
Mr. Lim Ee Young	38,333	37,167	-	30,200	105,700	-	-	211,400
Y.B. Mohd Adhan bin Kechik	16,666	-	-	6,666	23,332	-	-	46,664
Mr. Lee Kee Hong	8,333	-	-	3,333	11,666	-	-	23,332
Mr. Sow Yeng Chong	20,000	-	-	8,000	28,000	-	-	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	34,928,731	40,300	-	13,987,947*	48,956,978	-	-	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 Mohamed Ariff	50,000	-	-	20,000	70,000	-	-	140,000
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	348,333	37,167	-	154,200	539,700	-	-	1,079,400
Mr. Lim Ee Young	3,333	1,667	-	2,000	7,000	-	-	14,000

* *Inclusive of fractional shares.*

DIRECTORS' INTERESTS (CONT'D)

	Number of ordinary shares of RM1.00 each			
	Balance as of 1.1.2010	Bought	Sold	Balance as of 31.12.2010
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	11,550	8,250	-	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	-	-	138,668

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.

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 26, 2011

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, 2010 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 39 to 108.

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 are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, 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.

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, 2010 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' reports 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.

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.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

DATO' WONG GUANG SENG
Partner - 787/03/13(J/PH)
Chartered Accountant

April 26, 2011

Income Statements

For the Year Ended December 31, 2010

		The Group		The Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	5	**757,721**	703,042	**4,856**	4,335
Investment revenue	7	**759**	988	**-**	-
Other gains and losses	8	**4,911**	4,996	**-**	-
Share of profit of an associated company	16	**3,965**	2,905	**-**	-
Changes in inventories of finished goods, trading merchandise and work-in-progress		**10,257**	2,476	**-**	-
Raw materials and consumables used		**(246,602)**	(173,537)	**-**	-
Purchase of finished goods and trading merchandise		**(374,739)**	(389,287)	**-**	-
Employee benefits expenses	8	**(41,603)**	(38,481)	**-**	-
Depreciation of property, plant and equipment	12	**(9,862)**	(8,879)	**-**	-
Impairment loss on goodwill	18	**-**	(2,023)	**-**	-
Finance costs	9	**(6,769)**	(6,246)	**(56)**	(53)
Other expenses	8	**(66,205)**	(69,240)	**(405)**	(308)
Profit before tax		**31,833**	26,714	**4,395**	3,974
Income tax expense	10	**(7,400)**	(6,567)	**(38)**	(20)
Profit for the year attributable to owners of the Company		**24,433**	20,147	**4,357**	3,954
Earnings per share					
Basic (sen)	11	**13.92**	11.47		
Diluted (sen)	11	**13.92**	11.47		

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

Statement of Comprehensive Income

For the Year Ended December 31, 2010

		The Group		The Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
Profit for the year		**24,433**	20,147	**4,357**	3,954
Other comprehensive income:					
Exchange differences on translating foreign operations		**(1,357)**	(172)	**-**	-
Gain on revaluation of properties:					
As previously stated		**-**	17,781	**-**	-
Effect of adoption of amendments to FRS 117		**-**	16,019	**-**	-
Restated balance	35	**-**	33,800	**-**	-
Loss on revaluation of available-for-sale financial assets		**(6)**	-	**-**	-
Gain arising on revaluation of investments in subsidiary companies		**-**	-	**33,839**	11,955
Share of other comprehensive income of associated company		**938**	35	**-**	-
Total other comprehensive (loss)/income for the year		**(425)**	33,663	**33,839**	11,955
Total comprehensive income attributable to owners of the Company		**24,008**	53,810	**38,196**	15,909

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

Statement of Financial Position

As of December 31, 2010

The Group

	Note	31.12.2010 RM'000	31.12.2009 RM'000	1.1.2009 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	12	**229,763**	220,757	174,816
Investment properties	14	**10,134**	6,340	5,479
Investment in an associated company	16	**44,670**	35,198	32,868
Other investments	17	**15**	267	267
Goodwill on consolidation	18	**1,612**	1,612	3,635
Total non-current assets		**286,194**	264,174	217,065
Current assets				
Inventories	19	**79,944**	66,151	67,668
Trade and other receivables	20	**149,535**	128,411	113,383
Current tax assets	10	**2,146**	2,975	2,897
Other assets	22	**5,167**	3,953	3,030
Fixed deposits, cash and bank balances	23	**29,266**	31,581	14,485
Total current assets		**266,058**	233,071	201,463
Total assets		**552,252**	497,245	418,528
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	24	**87,786**	62,704	62,704
Reserves	25	**54,463**	54,939	21,276
Retained earnings	25	**111,118**	114,745	97,577
Total equity		**253,367**	232,388	181,557
Non-current liabilities				
Borrowings	26	**16,900**	10,111	9,081
Deferred tax liabilities	28	**21,785**	21,305	14,162
Total non-current liabilities		**38,685**	31,416	23,243
Current Liabilities				
Trade and other payables	29	**86,839**	70,508	70,989
Borrowings	26	**158,104**	148,622	127,629
Current tax liabilities	10	**2,079**	551	560
Other liabilities	30	**13,178**	13,760	14,550
Total current liabilities		**260,200**	233,441	213,728
Total liabilities		**298,885**	264,857	236,971
Total equity and liabilities		**552,252**	497,245	418,528

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

Statement of Financial Position
As of December 31, 2010

The Company

	Note	31.12.2010 RM'000	31.12.2009 RM'000	1.1.2009 RM'000
ASSETS				
Non-current assets				
Investments in subsidiary companies	15	**211,577**	177,738	165,783
Investment in an associated company	16	**29,471**	23,846	23,721
Total non-current assets		**241,048**	201,584	189,504
Current assets				
Trade and other receivables	20	**14,057**	13,954	13,499
Current tax assets	10	**291**	230	175
Other assets	22	**3**	3	6
Fixed deposits, cash and bank balances	23	**37**	10	7
Total current assets		**14,388**	14,197	13,687
Total assets		**255,436**	215,781	203,191
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	24	**87,786**	62,704	62,704
Reserves	25	**130,775**	122,070	110,115
Retained earnings	25	**24,226**	22,847	21,872
Total equity		**242,787**	207,621	194,691
Current Liabilities				
Trade and other payables	29	**11,506**	7,008	7,392
Borrowings	26	**1,000**	1,021	1,002
Other liabilities	30	**143**	131	106
Total current liabilities		**12,649**	8,160	8,500
Total liabilities		**12,649**	8,160	8,500
Total equity and liabilities		**255,436**	215,781	203,191

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

Statement of Changes In Equity

For the Year Ended December 31, 2010

The Group	Note	Share Capital RM'000	Share Premium RM'000	Properties Revaluation Reserve RM'000	Investments Revaluation Reserve RM'000	Translation Reserve RM'000	Capital Reserves RM'000	Retained Earnings RM'000	Total Equity RM'000
		Attributable to Owners of the Company							
			Non-distributable Reserves					Distributable Reserve	
Balance as of January 1, 2009		62,704	52	21,267	-	(169)	126	97,577	181,557
Profit for the year		-	-	-	-	-	-	20,147	20,147
Other comprehensive income for the year		-	-	33,800	-	(172)	35	-	33,663
Total comprehensive income for the year		-	-	33,800	-	(172)	35	20,147	53,810
Payment of dividend	31	-	-	-	-	-	-	(2,979)	(2,979)
Balance as of December 31, 2009									
As previously stated		62,704	52	39,048	-	(341)	161	114,745	216,369
Effect of adoption of amendments to FRS 117		-	-	16,019	-	-	-	-	16,019
Restated balance	35	62,704	52	55,067	-	(341)	161	114,745	232,388
Effect of adoption of FRS 139		-	-	-	1	-	-	-	1

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

Statement of Changes In Equity
For the Year Ended December 31, 2010

		Attributable to Owners of the Company							
			Non-distributable Reserves					Distributable Reserve	
The Group	Note	Share Capital RM'000	Share Premium RM'000	Properties Revaluation Reserve RM'000	Investments Revaluation Reserve RM'000	Translation Reserve RM'000	Capital Reserves RM'000	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

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

The Company	Note	Share Capital RM'000	← Non-distributable Reserves: Share Premium RM'000	Non-distributable → Reserves: Investments Revaluation Reserve RM'000	Distributable Reserve: Retained Earnings RM'000	Total Equity RM'000
Balance as of January 1, 2009		62,704	52	110,063	21,872	194,691
Profit for the year		-	-	-	3,954	3,954
Other comprehensive income for the year		-	-	11,955	-	11,955
Total comprehensive income for the year		-	-	11,955	3,954	15,909
Payment of dividend	31	-	-	-	(2,979)	(2,979)
Balance as of December 31, 2009		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**

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

Statement of Cash Flows

For the Year Ended December 31, 2010

		The Group	
		2010	2009
	Note	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		**24,433**	20,147
Adjustments for:			
Depreciation of property, plant and equipment		**9,862**	8,879
Income tax expense recognised in income statements		**7,400**	6,567
Finance costs		**6,769**	6,246
Allowance for slow moving inventories		**1,730**	-
Property, plant and equipment written off		**480**	495
Allowance for doubtful debts		**434**	3,248
Bad debts written off		**391**	281
Unrealised loss on foreign exchange		**259**	-
Inventories written off		**10**	83
Share of profit of an associated company		**(3,965)**	(2,905)
Allowance for doubtful debts no longer required		**(1,727)**	(2,036)
Investment revenue recognised in income statements		**(759)**	(988)
Gain on disposal of property, plant and equipment - net		**(132)**	(102)
Gain on disposal of investment properties - net		**(90)**	-
Impairment loss on goodwill		**-**	2,023
Deficit on revaluation of property, plant and equipment		**-**	319
Allowance for slow moving inventories no longer required		**-**	(670)
Fair values adjustment of investment properties		**-**	(440)
		45,095	41,147
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		**(15,896)**	2,054
Trade and other receivables		**(20,843)**	(16,560)
Other assets		**(1,249)**	(878)
Increase/(Decrease) in:			
Trade and other payables		**16,579**	(434)
Other liabilities		**(499)**	(719)
Cash Generated From Operations		**23,187**	24,610
Tax refunded		**2,274**	673
Tax paid		**(6,789)**	(6,801)
Net Cash Generated From Operating Activities		**18,672**	18,482

	Note	The Group 2010 RM'000	The Group 2009 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of investment properties		**1,290**	-
Dividends received from an associated company		**1,056**	735
Interest received		**615**	772
Proceeds from disposal of property, plant and equipment		**329**	1,480
Proceeds from disposal of unquoted investment		**247**	-
Rental from investment properties received		**143**	216
Dividends received from quoted shares		**1**	1
Purchase of property, plant and equipment	33(a)	**(17,031)**	(11,574)
Purchase of investment properties		**(4,994)**	(807)
Acquisition of additional shares in associated company		**(5,625)**	(125)
Net Cash Used In Investing Activities		**(23,969)**	(9,302)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from bankers' acceptances		**11,466**	40,160
Proceeds from term loans		**10,318**	1,500
Finance costs paid		**(6,848)**	(6,366)
Repayment of bankers' acceptances		**(3,581)**	(8,568)
Repayment of hire-purchase payables		**(3,294)**	(4,231)
Repayment of revolving credits		**(3,000)**	(6,000)
Dividend paid		**(2,978)**	(2,979)
Repayment of term loans		**(2,083)**	(1,420)
Bonus issue expenses paid		**(52)**	-
Net Cash (Used In)/Generated From Financing Activities		**(52)**	12,096
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(5,349)**	21,276
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**24,850**	3,661
Effect of changes in exchange rate on foreign currency translation		**(332)**	(87)
CASH AND CASH EQUIVALENTS AT END OF YEAR	33(b)	**19,169**	24,850

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

Statement of Cash Flows
For the Year Ended December 31, 2010

	Note	The Company 2010 RM'000	2009 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		**4,357**	3,954
Adjustments for:			
Finance costs		**56**	53
Income tax expense recognised in income statements		**38**	20
Dividend income		**(4,856)**	(4,335)
		(405)	(308)
Movements in working capital:			
Decrease in other assets		**-**	3
Increase/(Decrease) in:			
Other payables		**-**	(3)
Other liabilities		**12**	25
Cash Used In Operations		**(393)**	(283)
Dividends received		**4,757**	4,260
Net Cash Generated From Operating Activities		**4,364**	3,977
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of additional shares in associated company		**(5,625)**	(125)
Advances granted to subsidiary company - net		**(103)**	(455)
Net Cash Used In Investing Activities		**(5,728)**	(580)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Advances received from/(Repayment to) subsidiary company - net		**4,498**	(381)
Dividend paid		**(2,978)**	(2,979)
Finance costs paid		**(56)**	(53)
Bonus issue expenses paid		**(52)**	-
Net Cash From/(Used In) Financing Activities		**1,412**	(3,413)
NET INCREASE/(DECREASE) IN CASH CASH AND EQUIVALENTS		**48**	(16)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**(11)**	5
CASH AND CASH EQUIVALENTS AT END OF YEAR	33(b)	**37**	(11)

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 26, 2011.

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.

(a) During the financial year, the Group and the Company adopted all new and revised FRSs and IC Interpretations ("Int.") issued by the Malaysian Accounting Standards Board that are relevant to their operations and effective for accounting periods beginning on or after January 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 except as follows:

(i) FRS 7 Financial Instruments: Disclosures

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's and the Company's financial position and performance, the nature and extent of risks arising from financial instruments, and the objectives, policies and process for managing capital.

Comparative disclosures have not been presented upon initial adoption of this Standard as the Group and the Company have availed themselves of the transitional provision in this Standard.

(ii) FRS 8 Operating Segment

FRS 8, which replaces FRS 114, Segment Reporting, requires identification and reporting segments based on internal reports that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. Currently, the Group presents segment information primarily in respect of its business segments (see Note 6). The adoption of FRS 8 will not have any significant impact on the financial statements of the Group other than expanded disclosure requirements, if any.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS (“FRSs”) (CONT’D)

(iii) Revised FRS 101: Presentation of Financial Statements

The revised FRS 101 introduces changes in the presentation and disclosure of financial statements. The revised standard requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line labelled as total comprehensive income. The revised standard also requires the presentation of the statements of comprehensive income. It presents all items of income and expense recognised in the income statements, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as two separate statements.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group and the Company to make new disclosures to enable users of the financial statements to evaluate the Group’s and the Company’s objective, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

(iv) Amendments to FRS 117: Leases

The Group had previously accounted for leases of land, which has an indefinite economic life, where title is not expected to pass to the lessee at the end of the lease term as an operating lease as the lease does not transfer substantially the risks and rewards incidental to ownership to the lessee.

Upon adoption of the Amendments to FRS 117 Leases, the Group had reassessed the classification of leases of land based on information existing at the inception of the lease using the general principles in FRS 117. This assessment had resulted in classifying leases of land where the lease transfers substantially the risks and rewards incidental to ownership to the lessee as a finance lease. This change in classification had been applied retrospectively in accordance with the transitional provisions. The effect arising from the adoption of this amendments are disclosed in Note 35.

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

(v) FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 sets out the requirements for the recognition and measurement of the Group's and of the Company's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the end of reporting period reflects the designation of the financial instruments. The Group and the Company have adopted FRS 139 prospectively in accordance with the transitional provision of FRS 139. The Group and the Company determine the classification of financial instruments at their initial recognition and for the purpose of the first adoption of the standard, as at transitional date on January 1, 2010.

The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of reserves as of January 1, 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are as below:

Other investments

Prior to January 1, 2010, quoted investment was recorded at the lower of cost and market value in the Group's financial statements. Upon the adoption of FRS 139, the quoted investment is classified as available-for-sale investment and is stated at fair value. As of January 1, 2010, the Group has remeasured such quoted investment at its fair value of RM20,800 and the difference between the fair value and cost was recognised as an adjustment to the opening balance of investments revaluation reserve as of that date.

The following are effects arising from the above change in accounting policy:

	The Group Increase as of January 1, 2010 RM'000
Statements of financial position	
Other investments	**1**
Reserves	**1**

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

(b) 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 (Revised in 2010)	July 1, 2010
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) (Amendments relating to limited exemption from comparative FRS 7 disclosures for first-time adopters)	January 1, 2011
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) (Amendments relating to additional exemptions for first-time adopters)	January 1, 2011
FRS 2	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions)	January 1, 2011
FRS 3	Business Combinations (Revised in 2010)	July 1, 2010
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)	January 1, 2011
FRS 124	Related Party Disclosure (Revised in 2010)	January 1, 2012
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010)	July 1, 2010
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue)	March 1, 2010
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to consequential amendments arising from FRS 3 (Revised in 2010) and FRS 127 (Revised in 2010))	July 1, 2010
Improvements to FRSs (2010)		January 1, 2011
IC Int. 4	Determining whether an Arrangement contains a Lease	January 1, 2011
IC Int. 12	Service Concession Arrangements	July 1, 2010
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. 15	Agreements for the Construction of Real Estate	January 1, 2012
IC Int. 16	Hedges of a Net Investment in a Foreign Operation	July 1, 2010
IC Int. 17	Distributions of Non-cash Assets to Owners	July 1, 2010
IC Int. 18	Transfers of Assets from Customers	January 1, 2011
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2011

The directors anticipate that abovementioned Standards and IC Int. will be adopted in the annual financial statements of the Group and of the Company when they become effective, and that 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 other than the following:

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

FRS 3 Business Combinations (Revised in 2010)

The revised FRS 3:

- allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority interests') either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree;

- changes the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in income statement;

- requires the recognition of a settlement gain or loss where the business combination in effect settles a pre-existing relationship between the Group and the acquiree; and

- requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in income statement as incurred, whereas previously they were accounted for as part of the cost of the business combination.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption. The directors are of the view that the impact of the eventual application is not known or reasonably estimable presently.

FRS 127 - Consolidated and Separate Financial Statements (Revised in 2010)

The revised Standard will affect the Group's accounting policies regarding changes in ownership interests in its subsidiary companies that do not result in a change in control. Previously, in the absence of specific requirements in FRSs, increases in interests in existing subsidiary companies were treated in the same manner as the acquisition of subsidiary companies, with goodwill or a bargain purchase gain being recognised, where appropriate; for decreases in interests in existing subsidiary companies regardless of whether the disposals would result in the Group losing control over the subsidiary companies, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in income statement.

Under FRS 127 (revised), increases or decreases in ownership interests in subsidiary companies that do not result in the Group losing control over the subsidiary companies are dealt with in equity and attributed to the owners of the parent, with no impact on goodwill or income statement. When control of a subsidiary company is lost as a result of a transaction, event or other circumstance, FRS 127 (revised) requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary company is recognised at its fair value at the date when control is lost, with the resulting gain or loss being recognised in income statement.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption. The directors are of the view that the impact of the eventual application is not known or reasonably estimable presently.

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.

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;

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

***Sale of goods* (Cont'd)**

- 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.

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 income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

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.

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	2010 RM	2009 RM
United States Dollar	**0.3244**	0.2920

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment (Cont'd)

Depreciation on revalued buildings are charged to income statement. On subsequent sale or retirement of a revalued properties, 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.

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 5%
Electricity and water supply system	10%
Plant and machinery	2% to 20%
Motor vehicles	10% to 20%
Furniture, fixtures and equipment	10% to 20%
Renovations	5% to 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment Under Hire-Purchase Arrangements (Cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial assets (Cont'd)

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

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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 equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

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) Impairment of Goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

For the purpose of assessing impairment, goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

Significant judgement is required in the estimation of the present value of future cash flows generated by the cash-generating units, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the tests for impairment of goodwill.

(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.

(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 receivables 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.

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

(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 alternatives 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Sale of goods	**756,435**	702,219	**-**	-
Tourism related services	**1,286**	823	**-**	-
Dividend income:				
Subsidiary companies	**-**	-	**3,800**	3,600
Associated company	**-**	-	**1,056**	735
	-	-	**4,856**	4,335
	757,721	703,042	**4,856**	4,335

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)

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

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

6. SEGMENT REPORTING (CONT'D)

The Group

2009	Manufacturing RM'000	Trading RM'000	Plantation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	192,340	509,564	315	823	-	703,042
Inter-segment sales	212,781	47,852	5,250	4,353	(270,236)	-
Total revenue	405,121	557,416	5,565	5,176	(270,236)	703,042
Results						
Segment results	20,820	8,690	803	4,820	(6,066)	29,067
Finance costs						(6,246)
Share of profit of an associated company						2,905
Investment revenue						988
Profit before tax						26,714
Income tax expense						(6,567)
Profit for the year						20,147
Other information						
Capital additions	10,095	3,555	2,216	536	-	16,402
Additions to investment properties	-	807	-	-	-	807
Depreciation and amortisation charges	5,975	2,318	440	146	-	8,879
Allowance for doubtful debts	1,792	1,456	-	-	-	3,248
Impairment loss on goodwill	-	15	2	2,006	-	2,023
Consolidated Statement of Financial Position						
Assets						
Segment assets	278,591	196,039	48,037	233,416	(302,732)	453,351
Investment in an associated company						35,198
Unallocated corporate assets						8,696
Consolidated total assets						497,245
Liabilities						
Segment liabilities	39,340	110,238	17,520	22,939	(105,769)	84,268
Unallocated corporate liabilities						180,589
Consolidated total liabilities						264,857

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:

	2010 RM'000	2009 RM'000
Malaysia	**19,786**	14,416
Vietnam	**530**	1,986
	20,316	16,402

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	
	2010 RM'000	2009 RM'000
Interest received on:		
Advances granted to ultimate holding company	**259**	347
Advances granted to other related companies	**110**	304
Rental income from investment properties	**143**	215
Interest income from fixed and short-term deposits	**246**	121
Dividend income from quoted shares	**1**	1
	759	988

8. OTHER GAINS AND LOSSES, OTHER EXPENSES AND EMPLOYEE BENEFITS EXPENSES

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

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Allowance for doubtful debts no longer required	**1,727**	2,036	**-**	-
Gain on disposal of property, plant and equipment - net	**132**	102	**-**	-
Gain on disposal of investment properties	**90**	-	**-**	-
Realised gain/(loss) on foreign exchange - net	**36**	(920)	**-**	-
Rental income:				
Premises	**24**	59	**-**	-
Motor vehicles	**21**	4	**-**	-
Machinery and equipment	**-**	1	**-**	-
Bad debts recovered	**17**	147	**-**	-
Fair values adjustment of investment properties	**-**	440	**-**	-
Rental expense - premises	**(1,582)**	(1,839)	**-**	-
Directors' remuneration:				
Directors of the Company:				
Fees	**(173)**	(164)	**(114)**	(98)
Other emoluments	**(1,289)**	(998)	**(42)**	(38)
Directors of the subsidiary companies:				
Fees	**(58)**	(60)	**-**	-
Other emoluments	**(1,362)**	(1,153)	**-**	-
Property, plant and equipment written off	**(480)**	(495)	**-**	-
Allowance for doubtful debts	**(434)**	(3,248)	**-**	-
Bad debts written off	**(391)**	(281)	**-**	-
Auditors' remuneration:				
Statutory audit:				
Current year	**(329)**	(279)	**(39)**	(31)
Prior year	**(10)**	(1)	**-**	-
Non-audit services	**(160)**	(62)	**-**	-
Unrealised loss on foreign exchange	**(259)**	-	**-**	-
Hire of machinery	**(202)**	(217)	**-**	-
Research and development expenses	**(30)**	(3)	**-**	-
Lease rental	**(3)**	(3)	**-**	-
Deficit on revaluation of property, plant and equipment	**-**	(319)	**-**	-

Included in staff costs and directors' remuneration are the following:

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Contributions to EPF:				
Employee benefits expenses	**3,314**	3,303	**-**	-
Directors' remuneration	**237**	188	**-**	-

9. FINANCE COSTS

	The Group		The Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Interest on:				
Bankers' acceptances	**3,553**	3,156	**-**	-
Revolving credits	**730**	892	**40**	38
Bank overdrafts	**670**	630	**6**	5
Term loans	**613**	538	**-**	-
Hire-purchase	**559**	430	**-**	-
Overdue accounts	**-**	4	**-**	-
Bank charges and commitment fees	**670**	605	**10**	10
	6,795	6,255	**56**	53
Less: Hire-purchase interest capitalised under plantation development expenditure (Note 12)	**(26)**	(9)	**-**	-
	6,769	6,246	**56**	53

10. INCOME TAX EXPENSE

	The Group		The Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Current year:				
Malaysian	**6,660**	5,726	**42**	21
Foreign	**569**	253	**-**	-
	7,229	5,979	**42**	21
Prior year:				
Malaysian	**(309)**	68	**(4)**	(1)
	6,920	6,047	**38**	20
Deferred tax (Note 28):				
Relating to crystallisation of deferred tax liability on revaluation surplus of land and buildings and investment properties	**(392)**	(88)	**-**	-
Relating of deferred tax liability arising from fair value adjustments on investment properties	**-**	100	**-**	-
Relating to origination and reversal of temporary differences	**872**	508	**-**	-
	480	520	**-**	-
	7,400	6,567	**38**	20

The Group's and the Company's income tax rate remained at 25% for the year of assessment 2010 except for its foreign subsidiary company.

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	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit before tax	**31,833**	26,714	**4,395**	3,974
Tax at the applicable statutory income tax rate of 25% (2009: 25%)	**7,958**	6,679	**1,099**	993
Tax effects of:				
Expenses that are not deductible in determining taxable profit	**974**	1,456	**57**	36
Unutilised tax losses and unabsorbed agricultural and tax capital allowances not recognised as deferred tax assets	**305**	-	**-**	-
Temporary differences arising from property, plant and equipment	**106**	247	**-**	-
Share of profit of an associated company	**(991)**	(726)	**-**	-
Utilisation of reinvestment allowances	**(331)**	(524)	**-**	-
Utilisation of unabsorbed tax capital allowances and unutilised tax losses previously not recognised as deferred tax assets	**-**	(197)	**-**	-
Income that is not taxable in determining taxable profit	**-**	-	**(1,114)**	(1,008)
Effect of difference in tax rate of a subsidiary operating in other jurisdictions	**(312)**	(244)	**-**	-
Effect of deferred tax liability arising from fair values adjustment on investment properties	**-**	100	**-**	-
Tax waived in foreign country	**-**	(292)	**-**	-
Prior year:				
Income tax	**(309)**	68	**(4)**	(1)
Income tax expense recognised in income statements	**7,400**	6,567	**38**	20

As of December 31, 2010, the Company has Section 108 tax credits and tax-exempt accounts balances of approximately RM6,844,564 and RM25,844,886 (2009: RM7,001,320 and RM26,108,142) 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, which are subject to approval by the tax authorities, are available for distribution as tax-exempt dividends to the shareholders of the Company.

As of December 31, 2010, certain subsidiary companies have Section 108 tax credit and tax-exempt accounts balances of approximately RM19,817,431 and RM15,759,075 (2009: RM21,624,722 and RM15,735,186) 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, which are subject to approval by the tax authorities, are available for distribution as tax-exempt dividends to the shareholder of the subsidiary companies.

10. INCOME TAX EXPENSE (CONT'D)

Current tax assets and liabilities

The Group	**2010 RM'000**	**2009 RM'000**
Current tax assets		
Tax refund receivable	**2,146**	2,975
Current tax liabilities		
Income tax payables	**2,079**	551

The Company	**2010 RM'000**	**2009 RM'000**
Current tax assets		
Tax refund receivable	**291**	230

11. EARNINGS PER ORDINARY SHARE

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

Basic/Fully Diluted

	The Group	
	2010 RM'000	**2009 RM'000**
Profit for the year attributable to owners of the Company	**24,433**	20,147

	2010 Shares '000	**2009 Shares '000**
Number of ordinary shares in issue as of January 1	**62,704**	62,704
Bonus issue (Note 24)	**25,082**	25,082 *
Effect of subdivision of shares (Note 24)	**87,786**	87,786 *
Weighted average number of ordinary shares in issue	**175,572**	175,572 *

Basic/Fully Diluted

	The Group	
	2010	**2009**
Basic/Fully Diluted earnings per ordinary share (sen)	**13.92**	11.47 *

* Restated after adjusting the effect for bonus issue and subdivision of shares retrospectively.

12. PROPERTY, PLANT AND EQUIPMENT

The Group 2010	Cost except as otherwise stated — At beginning of year										
	As previously stated RM'000	Effects of adoption of amendments to FRS 117 RM'000	Prior year adjustments* RM'000	As restated 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	-	-	-	-	-	-	34,640
Long-term leasehold land and improvements:											
At valuation	-	33,077	15,837	48,914	-	-	-	-	-	-	48,914
Short-term leasehold land and improvements:											
At valuation	-	13,822	1,938	15,760	-	-	-	-	-	-	15,760
Buildings:											
At valuation	54,960	-	-	54,960	-	-	-	-	(766)	-	54,194
At cost	-	-	-	-	1,457	-	-	-	1,024	-	2,481
Electricity and water supply system	148	-	-	148	6	-	(77)	-	-	-	77
Plant and machinery	99,340	-	-	99,340	3,787	(564)	(1,220)	(682)	4,052	-	104,713
Plant and machinery under hire-purchase	8,768	-	-	8,768	2,646	-	-	-	(4,189)	-	7,225
Motor vehicles	12,591	-	-	12,591	178	(969)	(22)	(39)	1,364	-	13,103
Motor vehicles under hire-purchase	6,555	-	-	6,555	750	-	-	-	(1,364)	-	5,941
Furniture, fixtures and equipment	13,649	-	-	13,649	797	(5)	(153)	(9)	55	-	14,334
Plantation development expenditure	5,887	-	-	5,887	597	-	(1)	-	-	-	6,483
Renovations	1,106	-	-	1,106	323	-	-	-	-	-	1,429
Capital work-in-progress	392	-	-	392	9,775	-	-	-	(196)	-	9,971
Total	238,036	46,899	17,775	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: As previously stated RM'000	Effects of adoption of amendments to FRS 117 RM'000	Prior year adjustments* RM'000	As restated 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	-	1,959	(1,959)	-	711	-	-	-	-	-	711
Short-term leasehold land and improvements:											
At valuation	-	1,624	(1,624)	-	440	-	-	-	-	-	440
Buildings:											
At valuation	935	-	-	935	1,242	-	-	-	(20)	-	2,157
At cost	-	-	-	-	141	-	-	-	-	-	141
Electricity and water supply system	54	-	-	54	14	-	(48)	-	-	-	20
Plant and machinery	57,855	-	-	57,855	3,911	(433)	(744)	(150)	4,119	-	64,558
Plant and machinery under hire-purchase	6,016	-	-	6,016	785	-	-	-	(4,119)	-	2,682
Motor vehicles	8,591	-	-	8,591	941	(907)	(106)	(12)	750	-	9,257
Motor vehicles under hire-purchase	2,143	-	-	2,143	886	-	-	-	(750)	-	2,279
Furniture, fixtures and equipment	6,071	-	-	6,071	898	(1)	(95)	(2)	-	-	6,871
Plantation development expenditure	-	-	-	-	-	-	-	-	-	-	-
Renovations	288	-	-	288	98	-	-	-	-	-	386
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-
Total	81,953	3,583	(3,583)	81,953	10,067	(1,341)	(993)	(164)	(20)	-	89,502

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

The Group 2009	Cost except as otherwise stated — At beginning of year: As previously stated RM'000	Effects of adoption of amendments to FRS 117 RM'000	As restated RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Currency translation reserve RM'000	Transfer from/(to) investment properties RM'000	Reclassification RM'000	Revaluation RM'000	At end of year RM'000
Freehold land:											
At valuation	22,010	-	22,010	-	-	-	-	(1,300)	-	13,930	34,640
Long-term leasehold land and improvements:											
At valuation	-	32,134	32,134	87	-	-	-	856	(1,959)	17,796	48,914
Short-term leasehold land and improvements:											
At valuation	-	13,797	13,797	25	-	-	-	-	(1,624)	3,562	15,760
Buildings:											
At valuation	42,742	-	42,742	-	-	-	-	(660)	8,062	4,816	54,960
At cost	11,582	-	11,582	205	-	-	-	1,407	(13,194)	-	-
Electricity and water supply system	258	-	258	6	-	(116)	-	-	-	-	148
Plant and machinery	87,491	-	87,491	5,977	(2,785)	(1,438)	(50)	-	10,145	-	99,340
Plant and machinery under hire-purchase	15,288	-	15,288	2,350	-	-	-	-	(8,870)	-	8,768
Motor vehicles	11,194	-	11,194	1,637	(1,250)	-	(4)	-	1,014	-	12,591
Motor vehicles under hire-purchase	5,534	-	5,534	1,970	(122)	-	-	-	(827)	-	6,555
Furniture, fixtures and equipment	12,545	-	12,545	1,894	(4)	(606)	(3)	-	(177)	-	13,649
Plantation development expenditure	5,346	-	5,346	541	-	-	-	-	-	-	5,887
Renovations	766	-	766	509	-	(15)	-	-	(154)	-	1,106
Capital work-in-progress	466	-	466	1,201	-	-	-	-	(1,275)	-	392
Total	215,222	45,931	261,153	16,402	(4,161)	(2,175)	(57)	303	(8,859)	40,104	302,710

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

The Group 2009	Accumulated depreciation										
	At beginning of year										
	As previously stated RM'000	Effects of adoption of amendments to FRS 117 RM'000	As restated RM'000	Charge for the year RM'000	Disposals RM'000	Written off RM'000	Currency translation reserve RM'000	Transfer from/(to) investment properties 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	-	1,541	1,541	439	-	-	-	(21)	(1,959)	-	-
Short-term leasehold land and improvements:											
At valuation	-	1,281	1,281	343	-	-	-	-	(1,624)	-	-
Buildings:											
At valuation	4,840	-	4,840	919	-	-	-	(62)	(4,762)	-	935
At cost	271	-	271	239	-	-	-	-	(510)	-	-
Electricity and water supply system	134	-	134	20	-	(100)	-	-	-	-	54
Plant and machinery	57,531	-	57,531	2,648	(1,766)	(1,109)	(9)	-	560	-	57,855
Plant and machinery under hire-purchase	4,910	-	4,910	1,666	-	-	-	-	(560)	-	6,016
Motor vehicles	8,347	-	8,347	649	(970)	-	(1)	-	566	-	8,591
Motor vehicles under hire-purchase	1,490	-	1,490	1,105	(44)	-	-	-	(408)	-	2,143
Furniture, fixtures and equipment	5,768	-	5,768	925	(3)	(469)	(1)	-	(149)	-	6,071
Plantation development expenditure	-	-	-	-	-	-	-	-	-	-	-
Renovations	224	-	224	79	-	(2)	-	-	(13)	-	288
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-
Total	83,515	2,822	86,337	9,032	(2,783)	(1,680)	(11)	(83)	(8,859)	-	81,953

* This represents the effects of revaluation of leasehold land in 2009 upon adoption of amendments to FRS 117 on January 1, 2010 of which retrospective adjustments have been applied.

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

The Group	Net book value 31.12.2010 RM'000	31.12.2009 RM'000	1.1.2009 RM'000
Freehold land:			
At valuation	**34,640**	34,640	22,010
Long-term leasehold land and improvements:			
At valuation	**48,203**	48,914	30,593
Short-term leasehold land and improvements:			
At valuation	**15,320**	15,760	12,516
Buildings:			
At valuation	**52,037**	54,025	37,902
At cost	**2,340**	-	11,311
Electricity and water supply system	**57**	94	124
Plant and machinery	**40,155**	41,485	29,960
Plant and machinery under hire-purchase	**4,543**	2,752	10,378
Motor vehicles	**3,846**	4,000	2,847
Motor vehicles under hire-purchase	**3,662**	4,412	4,044
Furniture, fixtures and equipment	**7,463**	7,578	6,777
Plantation development expenditure	**6,483**	5,887	5,346
Renovations	**1,043**	818	542
Capital work-in-progress	**9,971**	392	466
Total	**229,763**	220,757	174,816

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

The Group	31.12.2010 RM'000	31.12.2009 RM'000
Depreciation of property, plant and equipment	**205**	153
Auditors' remuneration:		
Current year	**6**	4
Prior year	**1**	-
Interest on hire-purchase (Note 9)	**26**	9

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

The Group	31.12.2010 RM'000	31.12.2009 RM'000
Income statements	**9,862**	8,879
Plantation development expenditure	**205**	153
	10,067	9,032

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

The Group	31.12.2010 RM'000	31.12.2009 RM'000	1.1.2009 RM'000
At cost			
Factory building	**821**	821	821
Plant and machinery	**1,315**	1,315	1,315
Lab equipment	**8**	8	8
	2,144	2,144	2,144

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

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 resulting revaluation surplus amounting to RM33,799,823 (net of related deferred tax of RM6,623,273) has been credited to properties revaluation reserve account and the resulting revaluation deficit of RM318,429 has been charged out to income statements.

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 (2009: RM2,000,000) is charged to a licensed bank for banking facilities granted to the subsidiary as mentioned in Note 26.

13. PREPAID LEASE PAYMENTS

The Group - 2010	**Long-term leasehold land and improvements RM'000**	**Short-term leasehold land and improvements RM'000**	**Total RM'000**
At cost			
At beginning of year	**33,077**	**13,822**	**46,899**
Effect of adoption of amendments to FRS 117	**(33,077)**	**(13,822)**	**(46,899)**
At end of year	**-**	**-**	**-**
Accumulated amortisation			
At beginning of year	**1,959**	**1,624**	**3,583**
Effect of adoption of amendments to FRS 117	**(1,959)**	**(1,624)**	**(3,583)**
At end of year	**-**	**-**	**-**
Carrying amount	**-**	**-**	**-**
The Group - 2009			
At cost			
At beginning of year	32,134	13,797	45,931
Effect of adoption of amendments to FRS 117	(32,134)	(13,797)	(45,931)
At end of year	-	-	-
Accumulated amortisation			
At beginning of year	1,541	1,281	2,822
Effect of adoption of amendments to FRS 117	(1,541)	(1,281)	(2,822)
At end of year	-	-	-
Carrying amount	-	-	-

14. INVESTMENT PROPERTIES

The Group 2010	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Transfer from/(to) property, plant and equipment RM'000	Reclassification RM'000	Fair values adjustment RM'000	At end of year RM'000
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 Group 2009							
At fair value:							
Freehold land	950	-	-	1,300	-	120	2,370
Long-term leasehold land	1,847	-	-	(877)	(189)	-	781
Short-term leasehold land	824	-	-	-	189	75	1,088
Buildings	1,858	807	-	(809)	-	245	2,101
As of December 31, 2009	5,479	807	-	(386)	-	440	6,340

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 2010 as there are no material changes in the market value of properties since their valuations in 2009.

As of December 31, 2010, there were no contractual obligations of the Group for future repairs and maintenance (2009: Nil).

During the financial year ended December 31, 2010 and 2009, there were no direct operating expenses incurred relating to the investment properties of the Group.

15. INVESTMENTS IN SUBSIDIARY COMPANIES

The Company	2010 RM'000	2009 RM'000
Unquoted shares - available-for-sale	**211,577**	177,738

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 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 estimate of five years cash flow projections is used by extrapolating the results using steady growth rate of 2.50% per annum for Malaysian companies and 6.00% per annum for Vietnam company which are not exceeding the long-term average growth rate in Malaysia of 3.0% and Vietnam of 7.2%.
- The following discount rates applied have incorporated elements of country-specific risk, time value of money as well as business risk:
  - › 8.76% - 13.05% for palm based products manufacturing company;
  - › 8.11% for paper cartons manufacturing company;
  - › 13.45% for tin cans manufacturing company (Malaysia) and 17.77% (Vietnam);
  - › 12.27% - 13.35% for trading company; and
  - › 5.89% - 6.64% for other companies.

The subsidiary companies are as follows:

Name of Company	Place of Incorporation	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %	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.

15. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Place of Incorporation	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %	Principal Activities
Direct Subsidiary Companies (Cont'd)				
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.
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 auditors of the Company.

16. INVESTMENT IN AN ASSOCIATED COMPANY

	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Quoted shares, at cost	**29,471**	23,846	**29,471**	23,846
Share of post-acquisition results, net of dividends received	**12,223**	9,314	**-**	-
Share of post-acquisition reserves	**2,976**	2,038	**-**	-
	15,199	11,352	**-**	-
	44,670	35,198	**29,471**	23,846
Market value of quoted shares	**38,452**	25,545	**38,452**	25,545

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

	The Group 2010 RM'000	The Group 2009 RM'000
Share of net assets	**45,718**	36,917
Reserve on acquisition	**(1,048)**	(1,719)
	44,670	35,198

The associated company of the Group is as follows:

Name of Company	Place of Incorporation	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %	Principal Activity	Financial Year End
Spritzer Bhd.	Malaysia	**32.35**	28.13	Investment holding.	May 31

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

	The Group 2010 RM'000	The Group 2009 RM'000
Total assets	**256,103**	222,850
Total liabilities	**(114,766)**	(91,614)
Net assets	**141,337**	131,236
Group's share of associate's net assets	**45,718**	36,917
Total revenue	**144,442**	117,948
Total profit for the year	**13,366**	10,350
Group's share of associate's profit for the year	**3,965**	2,905

17. OTHER INVESTMENTS

	The Group	
	2010	**2009**
	RM'000	**RM'000**
Available-for-sale investments carried at fair value:		
Quoted shares in Malaysia	**15**	20
Unquoted shares in Malaysia	**-**	247
	15	267

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

18. GOODWILL ON CONSOLIDATION

	The Group	
	2010	**2009**
	RM'000	**RM'000**
At beginning of year	**1,612**	3,635
Impairment loss recognised in income statements	**-**	(2,023)
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	
	2010	**2009**
	RM'000	**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 2011 to 2015. The following key assumptions are used to generate the financial forecast:

Growth rate	2.50% per annum
Discount rate	13.45% 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	
	2010	2009
	RM'000	RM'000
At cost:		
Finished goods and trading merchandise	**49,673**	40,985
Raw materials	**22,270**	16,540
Work-in-progress	**6,826**	3,587
Consumables	**1,256**	1,185
Factory supplies	**1,146**	1,978
Goods-in-transit	**706**	2,406
At net realisable value:		
Finished goods	**475**	148
	82,352	66,829
Less: Allowance for slow moving inventories	**(2,408)**	(678)
	79,944	66,151

The cost of inventories recognised as an expense during the year for the Group was RM450,396,978 (2009: RM418,059,473).

Inventories written off recognised as an expense for the Group during the financial year amounted to RM9,717 (2009: RM82,999).

An allowance for slow moving inventories was recognised by the Group during the financial year amounted to RM1,729,631 (2009: Nil).

An allowance for slow moving inventories no longer required was recognised by the Group in prior year amounted to RM670,005.

20. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Trade receivables	**120,045**	104,928	**-**	-
Less: Allowance for doubtful debts	**(2,072)**	(3,719)	**-**	-
	117,973	101,209	**-**	-
Amount owing by holding company (Note 21)	**3,431**	4,915	**-**	-
Amount owing by subsidiary companies (Note 21)	**-**	-	**14,057**	13,954
Amount owing by other related companies (Note 21)	**12,338**	5,976	**-**	-
Amount owing by other related parties (Note 21)	**2,376**	8,685	**-**	-
Other receivables	**13,417**	7,626	**-**	-
Net	**149,535**	128,411	**14,057**	13,954

20. TRADE AND OTHER RECEIVABLES (CONT'D)

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 (2009: 14 to 120 days) whilst tourism related services rendered ranged from 30 to 60 days (2009: 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 RM2,072,288 (2009: RM3,719,789) and has been determined by reference to past default experience.

Movement in the allowance for doubtful debts is as follows:

The Group	2010 RM'000	2009 RM'000
Balance at beginning of year	**3,719**	5,091
Amounts written off during the year as uncollectible	**(354)**	(2,584)
Impairment losses recognised on receivables	**434**	3,248
Impairment losses reversed	**(1,727)**	(2,036)
Balance at end of year	**2,072**	3,719

Ageing of impaired trade receivables are as follows:

The Group	2010 RM'000
121 - 150 days	**1,411**
151 - 180 days	**52**
Above 180 days	**609**
	2,072

Included in trade receivables of the Group are receivable with total carrying amount of RM14,103,990 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 which are past due but not impaired as at the end of the reporting period is as follows:

The Group	2010 RM'000
1 - 30 days	**2,842**
31 - 60 days	**464**
61 - 90 days	**2,769**
91 - 120 days	**6,108**
More than 120 days	**1,921**
	14,104

20. TRADE AND OTHER RECEIVABLES (CONT'D)

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.

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

	The Group		The Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Ringgit Malaysia	**134,069**	123,284	**14,057**	13,954
United States Dollar	**12,781**	1,924	**-**	-
Australian Dollar	**4,434**	2,833	**-**	-
Singapore Dollar	**323**	511	**-**	-
Vietnamese Dong	**-**	3,578	**-**	-
	151,607	132,130	**14,057**	13,954

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.	)	Subsidiaries of Yee Lee Organization Bhd..
Cranberry (M) Sdn. Bhd.	)	
Yee Lee Oils & Foodstuffs (S) Pte. Ltd.	)	
Multisafe Sdn. 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.

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

Names of related parties	Relationships
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.
Unipon Enterprise 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 has substantial financial interest.
Manimore Resources Sdn. Bhd.	- A company in which a director of certain subsidiary companies is a director and has substantial financial interest.
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.

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

Names of related parties	Relationships
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	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Ultimate holding company				
Interest on advances received	**259**	347	**-**	-
Subsidiary companies				
Dividends received (gross)	**-**	-	**3,800**	3,600
Associated company				
Dividends received (gross)	**-**	-	**1,056**	735
Other related companies				
Yew Lee Chiong Tin Factory Sdn. Bhd.				
Purchase of goods	**521**	680	**-**	-
Transportation fees received	**52**	87	**-**	-
Interest on advances received	**40**	73	**-**	-
Sale of goods	**16**	8	**-**	-
Kasjaria-Kim Huat (M) Sdn. Bhd.				
Rental received	**12**	2	**-**	-
Practical Advanced Technology Sdn. Bhd.				
Maintenance of networking, system, training and management services rendered	**1,369**	1,304	**-**	-
Rental on premises received	**24**	28	**-**	-
Purchase of hardware and software	**-**	2	**-**	-
Cranberry (M) Sdn. Bhd.				
Interest on advances received	**70**	231	**-**	-
Rental on premises received	**12**	12	**-**	-
Sale of goods	**1**	-	**-**	-
Yee Lee Oils & Foodstuffs (S) Pte. Ltd.				
Sale of goods	**52**	48	**-**	-

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

	The Group		The Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Other related parties				
Unikampar Credit And Leasing Sdn. Bhd.				
Hire-purchase loans obtained	**3,080**	4,675	**-**	-
Interest on hire-purchase loans paid	**559**	430	**-**	-
Sale of goods	**1**	-	**-**	-
Multibase Systems Sdn. Bhd.				
Secretarial fees paid/ payable	**28**	28	**4**	4
Professional fees received/receivable	**4**	-	**4**	-
Uniyelee Insurance Agencies Sdn. Bhd.				
Insurance premium paid/payable	**1,518**	1,463	**3**	2
Unipon Enterprise Sdn. Bhd.				
Transportation fees received/receivable	**-**	1	**-**	-
Manimore Resources Sdn. Bhd.				
Sale of goods	**-**	5	**-**	-
Chuan Sin Cactus Sdn. Bhd.				
Purchase of goods	**47**	43	**-**	-
Chuan Sin Sdn. Bhd.				
Purchase of goods	**75,042**	59,158	**-**	-
Sale of goods	**7,811**	6,073	**-**	-
Professional fees received/receivable	**8**	8	**-**	-
Rental of premises received/receivable	**-**	24	**-**	-
Golden PET Industries Sdn. Bhd.				
Purchase of goods	**10,929**	11,046	**-**	-
Sale of goods	**318**	116	**-**	-
Transportation fees received	**116**	120	**-**	-
Rental on premises paid/payable	**71**	66	**-**	-
Professional fees received/receivable	**5**	5	**-**	-
Angenet Sdn. Bhd.				
Purchase of goods	**5,206**	5,782	**-**	-
Professional fees received/receivable	**1**	-	**-**	-
Sale of goods	**-**	59	**-**	-
Multisafe Sdn. Bhd.				
Sale of steam	**2,038**	872	**-**	-
Sale of goods	**266**	206	**-**	-
Transport Master Sdn. Bhd.				
Contract wages paid/payable	**854**	828	**-**	-
Sale of goods	**5**	-	**-**	-

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

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Intan Serantau Sdn. Bhd.				
Contract wages paid/payable	**438**	441	**-**	-
Sale of goods	**6**	-	**-**	-
Uniyelee Service Agencies Sdn. Bhd.				
Insurance premium paid/payable	**421**	383	**-**	-
Cactus Marketing Sdn. Bhd.				
Sale of goods	**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% (2009: 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 Company either directly or indirectly. The key management personnel of the Company includes Executive Directors and Non-Executive Directors of the Company and certain members of senior management of the Company.

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	
	2010 RM'000	2009 RM'000
Short-term employee benefits	**1,584**	1,281
Post-employment benefits - Defined contribution plan	**208**	154
	1,792	1,435

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 RM57,800 (2009: RM67,342).

22. OTHER ASSETS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deposits	**3,345**	2,040	**2**	2
Prepaid expenses	**1,822**	1,913	**1**	1
	5,167	3,953	**3**	3

23. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Fixed deposits with licensed banks	**7,143**	8,140	**-**	-
Cash on hand and at banks	**22,123**	23,441	**37**	10
	29,266	31,581	**37**	10

Fixed deposits amounting to RM10,000 (2009: RM10,000) have been pledged to a licensed bank as security for bank guarantees granted to a subsidiary company.

The effective interest rate for fixed deposits ranged from 1.00% to 14.00% (2009: 1.60% to 7.90%) per annum. The fixed deposits have maturity period ranging from 5 days to 365 days (2009: 11 days to 365 days).

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

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Ringgit Malaysia	**23,209**	28,809	**37**	10
United States Dollar	**3,671**	47	**-**	-
Vietnamese Dong	**2,384**	2,725	**-**	-
Singapore Dollar	**1**	-	**-**	-
Euro	**1**	-	**-**	-
	29,266	31,581	**37**	10

24. SHARE CAPITAL

The Group and The Company

	Par value RM	2010 Number of ordinary shares '000	2009 Number of ordinary shares '000	2010 RM'000	2009 RM'000
Authorised:					
At beginning of year	1.00	**100,000**	100,000	**100,000**	100,000
Effect of subdivision of shares		**100,000**	-	**-**	-
At end of year	1.00/ 0.50	**200,000**	100,000	**100,000**	100,000
Issued and fully paid:					
At beginning of year	1.00	**62,704**	62,704	**62,704**	62,704
Effect of bonus issue	1.00	**25,082**	-	**25,082**	-
	1.00	**87,786**	62,704	**87,786**	62,704
Effect of subdivision of shares		**87,786**	-	**-**	-
At end of year	1.00/ 0.50	**175,572**	62,704	**87,786**	62,704

24. SHARE CAPITAL (CONT'D)

At the Annual General Meeting held on June 21, 2010, the shareholders approved the following:

(i) an increase in the issued and fully paid-up ordinary share capital of the Company from RM62,704,000 to RM87,785,600 by way of a bonus issue of 25,081,600 new ordinary shares of RM1.00 each through capitalisation of an amount of RM25,081,600 from the Company's investments revaluation reserve account on the basis of two (2) new ordinary shares of RM1.00 each for every five (5) existing ordinary shares of RM1.00 each held; and

(ii) subdivision of the existing ordinary shares of RM1.00 each fully paid-up in the capital of the Company into two ordinary shares of RM0.50 each credited as fully paid and the alteration of the authorised share capital of the Company which was made up of RM100,000,000 divided into 100,000,000 ordinary shares of RM1.00 each into 200,000,000 ordinary shares of RM0.50 each.

The bonus shares issued rank pari passu with the then existing ordinary shares of the Company.

25. RESERVES

	The Group			The Company		
	31.12.2010 RM'000	**31.12.2009 RM'000**	**1.1.2009 RM'000**	**31.12.2010 RM'000**	**31.12.2009 RM'000**	**1.1.2009 RM'000**
Non-distributable reserves:						
Share premium	**-**	52	52	**-**	52	52
Properties revaluation reserve	**55,067**	55,067	21,267	**-**	-	-
Investments revaluation reserve	**(5)**	-	-	**130,775**	122,018	110,063
Translation reserve	**(1,698)**	(341)	(169)	**-**	-	-
Capital reserves	**1,099**	161	126	**-**	-	-
	54,463	54,939	21,276	**130,775**	122,070	110,115
Distributable reserve:						
Retained earnings	**111,118**	114,745	97,577	**24,226**	22,847	21,872

25. RESERVES (CONT'D)

(a) Share premium

Share premium arose from the following:

	The Group and The Company	
	2010 RM'000	2009 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) Properties revaluation reserve

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

(c) Investments revaluation reserve

The investments 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 credits balance in accordance with the Finance Act, 2007. The Company may utilise the Section 108 tax credits balance which has been frozen as of December 31, 2007 to frank dividend payments during the six-year transitional period. Subject to the agreement of the Inland Revenue Board and based on the prevailing tax rate applicable to dividend, the Company has sufficient Section 108 tax credits and tax-exempt accounts balances to frank dividends out of its entire retained earnings as of December 31, 2010.

26. BORROWINGS

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unsecured:				
Bankers' acceptances	**123,267**	115,382	**-**	-
Revolving credits	**19,000**	22,000	**1,000**	1,000
Term loans	**16,433**	8,198	**-**	-
Bank overdrafts	**10,087**	6,721	**-**	21
Secured:				
Hire-purchase payables (Note 27)	**6,217**	6,432	**-**	-
	175,004	158,733	**1,000**	1,021
Less: Amount due within 12 months (shown under current liabilities)	**(158,104)**	(148,622)	**(1,000)**	(1,021)
Non-current portion	**16,900**	10,111	**-**	-

The non-current portion is repayable as follows:

	The Group	
	2010	**2009**
	RM'000	**RM'000**
Financial years ending December 31:		
2011	**-**	3,473
2012	**5,361**	2,503
2013	**4,986**	2,081
2014	**3,276**	1,336
2015 and above	**3,277**	718
	16,900	10,111

The Group has eight (8) term loans:

(a) A five (5) year term loan of RM900,000 (2009: RM900,000) which is repayable by 60 equal monthly instalments commencing January, 2006;

(b) A ten (10) year term loan of RM2,100,000 (2009: 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 (2009: RM1,200,000) which is repayable by 60 equal monthly instalments commencing September, 2008;

(d) A ten (10) year term loan of RM4,887,500 (2009: RM4,887,500) which is repayable by 120 equal monthly instalments commencing March, 2009;

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

26. BORROWINGS (CONT'D)

(f) A seven (7) year term loan of RM4,000,000 (2009: Nil) which is repayable by 84 equal monthly instalments commencing May, 2010;

(g) A seven (7) year term loan of RM6,000,000 (2009: Nil) which is repayable by 84 equal monthly instalments commencing November, 2010; and

(h) A five (5) year term loan of RM1,000,000 (2009: Nil) 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	
	2010	2009	2010	2009
	%	%	%	%
Bankers' acceptances	**3.03**	2.89	**-**	-
Revolving credits	**3.94**	3.90	**3.93**	4.18
Term loans	**6.42**	6.46	**-**	-
Bank overdrafts	**7.08**	6.51	**7.30**	6.55

The credit facilities of the Group and of the Company of RM345,306,000 and RM2,000,000 (2009: RM350,327,000 and RM2,000,000) respectively are guaranteed by the Group and the Company. Certain credit facilities of the Group amounting to RM1,500,000 (2009: 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	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Amounts payable under hire-purchase arrangements:				
Within one year	**2,883**	3,267	**2,492**	2,827
In the second to fifth year inclusive	**4,035**	4,023	**3,725**	3,605
	6,918	7,290	**6,217**	6,432
Less: Future finance charges	**(701)**	(858)	**-**	-
Present value of hire-purchase payables	**6,217**	6,432	**6,217**	6,432
Less: Amount due within 12 months (shown under current liabilities)			**(2,494)**	(2,827)
Non-current portion			**3,723**	3,605

27. HIRE-PURCHASE PAYABLES (CONT'D)

The non-current portion is repayable as follows:

	The Group	
	2010	2009
	RM'000	RM'000
Financial years ending December 31:		
2011	-	1,677
2012	**1,798**	1,048
2013	**1,465**	696
2014	**460**	184
	3,723	3,605

As of December 31, 2010, hire-purchase obligations of the Group payable to a related party amounted to RM6,217,611 (2009: RM6,431,772).

The terms for hire-purchase ranged from 2 to 5 years (2009: 3 to 5 years). For the financial year ended December 31, 2010, the effective hire-purchase interest rates ranged from 3.10% to 8.68% (2009: 3.40% 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	2010	2009
	RM'000	RM'000
At beginning of year	**(21,305)**	(14,162)
(Charge)/Credit to the income statement for the year (Note 10):		
Property, plant and equipment	**(143)**	(613)
Allowance for doubtful debts	**(531)**	(79)
Unrealised gain/(loss) on foreign exchange	**(40)**	(49)
Fair value adjustments on investment properties	-	(100)
Revaluation reserve	**392**	88
Provision for bonus	**(233)**	233
Other payables and accrued expenses	**75**	-
	(480)	(520)
Charge to reserve for the year:		
Properties revaluation reserve	-	(6,623)
At end of year	**(21,785)**	(21,305)

Certain deferred tax assets and liabilities have been offset in accordance with the accounting policy of the Group. The following is the analysis of the deferred tax balances (after offset) for presentation purposes:

28. DEFERRED TAX LIABILITIES (CONT'D)

The Group	31.12.2010 RM'000	31.12.2009 RM'000	1.1.2009 RM'000
Deferred tax assets	**88**	777	672
Deferred tax liabilities	**(21,873)**	(22,082)	(14,834)
	(21,785)	(21,305)	(14,162)

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects on the following:

The Group	31.12.2010 RM'000	31.12.2009 RM'000	1.1.2009 RM'000
Deferred tax liabilities (before offsetting):			
Temporary differences arising from:			
Property, plant and equipment	**8,309**	8,462	7,850
Revaluation reserve	**13,524**	13,620	6,984
Unrealised gain on foreign exchange	**40**	-	-
	21,873	22,082	14,834
Offsetting	**(88)**	(777)	(672)
Deferred tax liabilities (after offsetting)	**21,785**	21,305	14,162
Deferred tax assets (before offsetting):			
Allowance for doubtful debts	**-**	530	610
Provision for bonus	**-**	233	-
Provision for staff benefits	**-**	14	14
Unrealised loss on foreign exchange	**-**	-	48
Other payables and accrued expenses	**88**	-	-
	88	777	672
Offsetting	**(88)**	(777)	(672)
Deferred tax assets (after offsetting)	**-**	-	-

As of December 31, 2010, the estimated deferred tax assets have not been recognised, due to uncertainty of their realisation, in respect of the following items:

The Group	31.12.2010 RM'000	31.12.2009 RM'000	1.1.2009 RM'000
Unutilised tax losses and unabsorbed agricultural and tax capital allowances	**41,965**	41,481	41,815

The unutilised tax losses and unabsorbed agricultural and tax capital allowances of the Group are subject to agreement by the tax authorities except for amounts totalling RM12,695,698 (2009: RM12,695,698), which have been agreed by the Inland Revenue Board.

29. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables	**45,274**	36,707	**-**	-
Amount owing to subsidiary companies (Note 21)	**-**	-	**11,505**	7,007
Amount owing to other related companies (Note 21)	**129**	399	**-**	-
Amount owing to other related parties (Note 21)	**29,140**	23,607	**-**	-
Other payables	**12,296**	9,795	**1**	1
	86,839	70,508	**11,506**	7,008

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

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**85,083**	67,436	**11,506**	7,008
United States Dollar	**1,644**	1,872	**-**	-
Euro	**58**	16	**-**	-
Singapore Dollar	**44**	107	**-**	-
Sterling Pound	**7**	-	**-**	-
Japanese Yen	**3**	-	**-**	-
Vietnamese Dong	**-**	1,073	**-**	-
Thai Baht	**-**	4	**-**	-
	86,839	70,508	**11,506**	7,008

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 (2009: 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		The Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits received	**93**	118	**-**	-
Accrued expenses	**13,085**	13,642	**143**	131
	13,178	13,760	**143**	131

31. DIVIDEND

	The Group and The Company	
	2010	2009
	RM'000	RM'000
First and final dividend paid:		
- 1 sen per share, less tax for 2009 (2009: 1 sen per share, less tax for 2008)	**470**	471
- 4 sen per share, tax-exempt for 2009 (2009: 4 sen per share, tax-exempt for 2008)	**2,508**	2,508
	2,978	2,979

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 4.75 sen (2009: 4.75 sen).

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments as of December 31, 2010

	The Group RM'000	The Company RM'000
Financial assets		
Loans and receivables:		
Trade and other receivables	**149,535**	**14,057**
Refundable deposits	**450**	**-**
Available-for-sale:		
Investments in subsidiary companies	**-**	**211,577**
Other investments	**15**	**-**
Cash and cash equivalents - fixed deposits, cash and bank balances	**29,266**	**37**
Financial liabilities		
Amortised cost:		
Trade and other payables	**86,839**	**11,506**
Borrowings	**175,004**	**1,000**
Accrued expenses	**13,085**	**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.

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

Foreign currency risk management

The Group transacts business in various foreign currencies including United States Dollar ("USD"), Australian Dollar ("AUD"), Singapore Dollar ("SGD"), Euro ("Euro"), Japanese Yen ("JPY") and Great Britain Pound ("GBP") 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. The Company is not exposed to foreign currency risk as all its assets and liabilities are denominated 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 2% increase and decrease in RM against the relevant foreign currencies. The sensitivity rate of 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 2% change in foreign currency rates. A positive number below indicates an increase in profit where RM weakens by 2% against the respective currencies. For a 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 2010 RM'000	Other equity 2010 RM'000
USD impact	170	47
AUD impact	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.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statements of financial position. The Group and the Company do not hold any collateral on the balance outstanding.

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

***Credit risk management* (Cont'd)**

The Group and the Company 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 and the Company consider 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 and the Company are not subject to significant concentration of credit risk.

There is no other class of financial assets that is past due and/or impaired except for trade receivables which is disclosed in Note 20.

Interest rate risk management

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.

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 0.08% to 0.52%, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM353,723 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.

Liquidity and cash flow risks management

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.

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

Liquidity and cash flow risks management **(Cont'd)**

The Group and the Company have credit facilities of approximately 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.

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	**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
Fixed 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	158,104	16,900	-	175,004
Total undiscounted non-derivative financial liabilities	258,028	16,900	-	274,928
Total net undiscounted non-derivative financial liabilities	(78,762)	(16,900)	-	(95,662)
The Company				
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

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

Liquidity and cash flow risks management **(Cont'd)**

The Company	**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 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	1,444	-	211,577	213,021

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 2009.

The capital structure of the Group and of the Company consist of net debt and equity of the Group and of the Company. The Group and the Company are not subject to any externally imposed capital requirements.

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**	
	2010 '000	**2009 '000**	**2010 RM'000**	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Outstanding contracts						
Sell USD	**13**	-	**39**	-	**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.

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

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

Financial instruments carried at amortised cost (Cont'd)

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 are 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.

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	
	2010	**2009**
	RM'000	**RM'000**
Cash purchase	**17,031**	11,574
Hire-purchase financing	**3,080**	4,675
Depreciation of property, plant and equipment capitalised	**205**	153
	20,316	16,402

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

(b) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include fixed 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	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed deposits	**7,143**	8,140	**-**	-
Cash and bank balances	**22,123**	23,441	**37**	10
Bank overdrafts	**(10,087)**	(6,721)	**-**	(21)
	19,179	24,860	**37**	(11)
Less: Fixed deposits pledged to a licensed bank	**(10)**	(10)	**-**	-
	19,169	24,850	**37**	(11)

34. COMMITMENTS

As of December 31, 2010, the Group has the following commitments in respect of property, plant and equipment:

	2010 RM'000	2009 RM'000
Capital expenditure:		
Approved and contracted for	**1,053**	4,075
Contracted but not provided for	**164**	443
	1,217	4,518

35. PRIOR YEAR ADJUSTMENTS

During the financial year, the Group adopted the amendments to FRS 117 Leases which resulted in the reclassification of land held under leasehold arrangements as finance leases. The adoption of the amendments to FRS 117 has been applied retrospectively, and the effects on prior financial years have been taken as prior year adjustments in the financial statements. Consistent with the Group's revaluation policy on properties, the revaluation of the leasehold land on December 31, 2009 was also taken up as prior year adjustments following adoption of amendments to FRS 117.

The effects to the financial statements are reflected as follows:

The Group	As previously reported RM'000	Adjustments RM'000	As restated RM'000
As of/For the financial year ended December 31, 2009			
Income statements			
Depreciation of property, plant and equipment	8,155	724	8,879
Amortisation of prepaid lease payments	724	(724)	-
Statements of comprehensive income			
Gain on revaluation of properties	17,781	16,019	33,800
Statements of financial position			
Property, plant and equipment	156,083	64,674	220,757
Prepaid lease payments	43,316	(43,316)	-
Reserves	(38,920)	(16,019)	(54,939)
Deferred tax liabilities	(15,966)	(5,339)	(21,305)
Statements of changes in equity			
Properties revaluation reserve	39,048	16,019	55,067

35. PRIOR YEAR ADJUSTMENTS (CONT'D)

The Group	As previously reported RM'000	Adjustments RM'000	As restated RM'000
Statements of cash flows			
Purchase of property, plant and equipment	(11,462)	(112)	(11,574)
Additions to prepaid lease payments	(112)	112	-
Notes to the financial statements			
Note 6 - Segment results			
Capital additions	16,290	112	16,402
Additions to prepaid lease payments	112	(112)	-
Note 6 - Consolidated Statement of Financial Position			
Segment assets	431,993	21,358	453,351
Unallocated corporate liabilities	175,250	5,339	180,589

36. 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 2010 RM'000	The Group 2009 RM'000
Within one year	**1,687**	543
In the second to fifth years	**3,146**	627
More than five years	**483**	-
	5,316	1,170

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 six years (2009: one to three years) with an option to renew the lease after that date.

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

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

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

The breakdown of the retained earnings of the Group and of the Company as of December 31, 2010 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

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

Comparative information is not presented in the first financial year of application pursuant to the directive issued by Bursa Malaysia on March 25, 2010.

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. A charge or a credit to the statements of comprehensive income of a legal entity is deemed realised when it is resulted from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to the statements of comprehensive income upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

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, 2010 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 26, 2011

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 26th day of
April, 2011.

Before me,

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

Analysis of Shareholdings

As at April 29, 2011

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

	Number of Shareholders		Number of Issued Shares	
	Number	%	Number	%
Less than 100 shares	81	2.22	5,115	0.00
100 to 1,000 shares	238	6.53	135,256	0.08
1,001 to 10,000 shares	2,140	58.69	11,662,996	6.64
10,001 to 100,000 shares	1,096	30.06	28,926,917	16.48
100,001 to less than 5% of issued shares	90	2.47	43,045,064	24.52
5% and above of issued shares	1	0.03	91,795,852	52.28
Total	**3,646**	**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.

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

		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 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

		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	7,938,488 [a]	72.17
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.

TOP THIRTY SECURITIES ACCOUNT HOLDERS

		Number of Issued Shares	% of Issued 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.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chen Kook Hui	1,909,600	1.09
6.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chang Yung Ting	1,779,200	1.02
7.	Nik Mohamad Pena bin Nik Mustapha	1,560,000	0.89
8.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Siew Lai	1,500,000	0.85
9.	Wong Shak On	1,500,000	0.85
10.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Kuan Peng Ching @ Kuan Peng Soon	1,488,800	0.85
11.	Jailani bin Abdullah	1,438,264	0.82
12.	Lai Ka Chee	1,295,232	0.74
13.	HLG Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Bek Thiam Hong	1,022,160	0.58
14.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock	995,000	0.57
15.	Chua Shok Tim @ Chua Siok Hoon	868,000	0.49
16.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chen Kook Hui	636,100	0.36
17.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Siew Thect Hua	495,300	0.28
18.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Francis Kong @ Kong Fen Shin	366,240	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.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Lim Ka Kian	318,000	0.18
22.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Law Cheing Kiat @ Low Cheng Kiat	313,996	0.18
23.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chai Nyuk Thin	300,000	0.17
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.	Wong Wun Pen @ Wong Voon Phew	266,500	0.15
28.	Wong Hock Kik @ Wong Ho Lick	259,600	0.15
29.	Kwek Soon Siong	256,664	0.15
30.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Erwin Selvarajah A/L Peter Selvarajah	240,000	0.14
	Total	**125,362,656**	**71.40**

Top 10 Properties of the Group

As at December 31, 2010

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	10	14,729/ 5,184	31.12.2009	21,658
Provisional Lease No. 066290168, Kg Nalapak, District of Ranau, Sabah	Leasehold expiring on 31.12.2080	Plantation, office, factory, warehouse and labour housing	29	8,314,820/ 13,492	31.12.2009	20,283
Lot Nos. 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	35	34,368/ 18,967	31.12.2009	18,096
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	16,928
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	26	150,625/ 11,637	31.12.2009	15,856
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	14	10,866/ 7,441	31.12.2009	9,184
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	3	13,520/ 5,504	31.12.2009	7,992
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	35	16,291/ 10,955	31.12.2009	5,194

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-Eighth Annual General Meeting of the Company to be held on Wednesday, June 29, 2011 at 11.00 a.m. at Crystal 2, Impiana Hotel Ipoh, 18 Jalan Raja Dr. Nazrin Shah, 30250 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, 2010 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 Lee Kee Hong as Director		
5.	To re-elect Sow Yeng Chong as Director		
6.	To re-appoint Dato' (Dr.) Haji Mohamed Ishak bin 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 2011

____
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 authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

(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.

Fold here to seal

STAMP

THE COMPANY SECRETARY
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