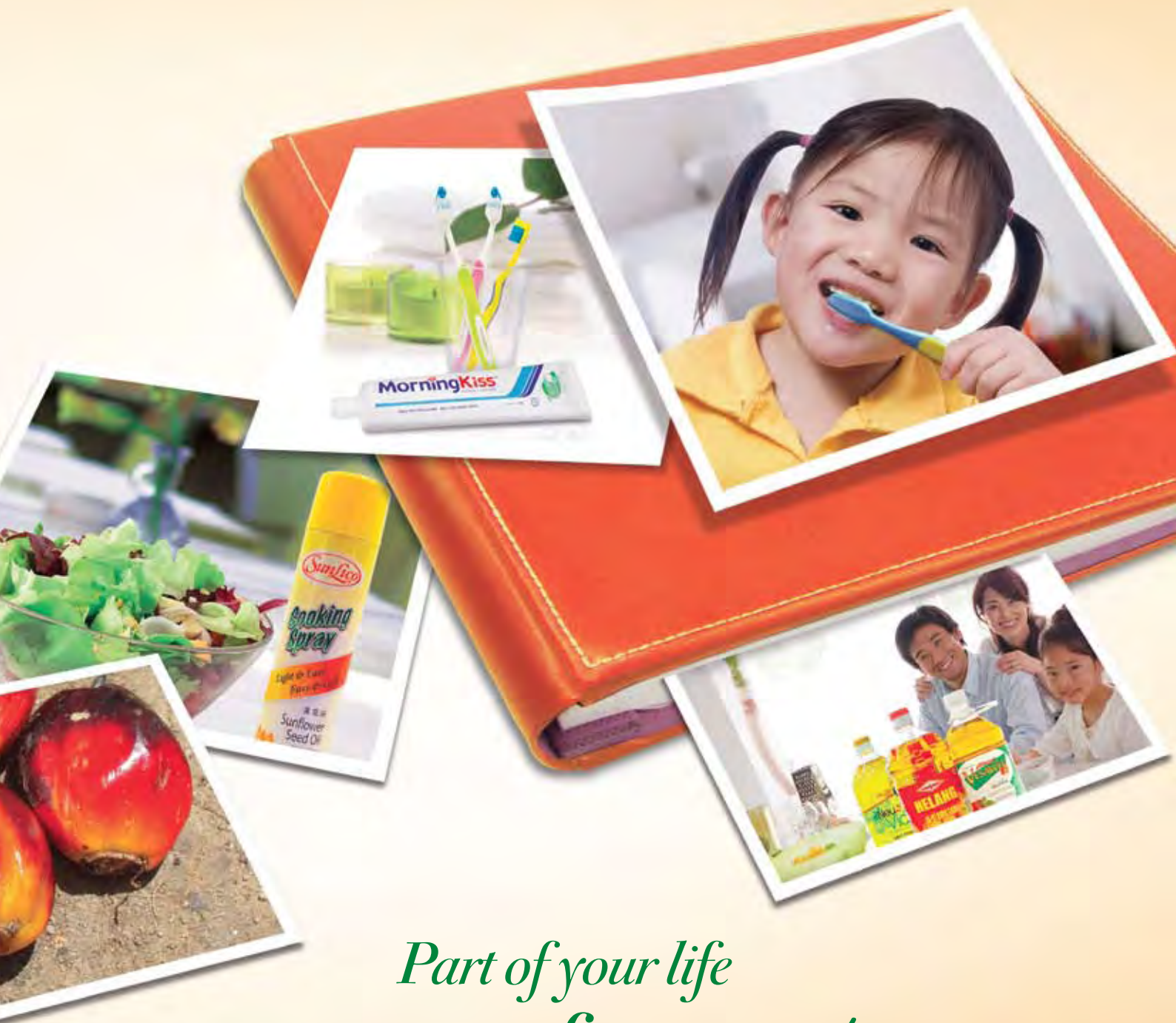




YEE LEE CORPORATION BHD (13585-A)
(INCORPORATED IN MALAYSIA)



*Part of your life
for over 40 years*

Annual Report 2009



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Notice of Thirty-Seventh Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Seventh (37th) 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 Monday, June 21, 2010 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, 2009 and the Reports of the Directors and Auditors thereon.
2. To declare a first and final dividend of 4 sen tax-exempt and 1 sen less 25% income tax in respect of the financial year ended December 31, 2009.
3. To approve the payment of Directors’ fees in respect of the financial year ended December 31, 2009.
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) Dato’ Lim A Heng @ Lim Kok Cheong
- (ii) Chok Hooa @ Chok Yin Fatt

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
- (ii) Thang Lai Sung

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

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 1

Resolution 2

Resolution 3

Resolution 4
Resolution 5

Resolution 6
Resolution 7

Resolution 8

Resolution 9

Notice of Thirty-Seventh Annual General Meeting

8. Proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions 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 May 26, 2010 subject to the following:-

- (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. Proposed Bonus Issue of 25,081,600 new ordinary shares of RM1.00 each in YLC ("**Shares**") ("**Bonus Shares**", to be credited as fully paid-up, on the basis of two (2) Bonus Shares for every five (5) existing Shares held at an entitlement date to be determined later ("**Proposed Bonus Issue**")

Resolution 10

Resolution 11

Notice of Thirty-Seventh Annual General Meeting

“THAT, subject to the passing of Ordinary Resolution 12 and Special Resolution 13, approval and authority be and are hereby given to the Directors to capitalise from the Company’s revaluation reserve account for a sum of RM25,081,600, and that the same be applied in making payment in full at par of 25,081,600 Bonus Shares in the share capital of the Company;

AND THAT such Bonus Shares be allotted and distributed as fully paid amongst persons who are registered as shareholders of the Company on a date to be determined by the Board of Directors of the Company (“**Board**”), on the basis of two (2) Bonus Shares for every five (5) existing Shares held then by such shareholders on that date;

AND THAT the Board be and is hereby empowered and authorised to deal with any fractional entitlement and fraction of a Bonus Share that may arise from the Proposed Bonus Issue in such a manner as they shall in their absolute discretion deem fit and in the interest of the Company;

AND THAT such Bonus Shares shall, upon allotment and issue, rank pari passu in all respects with the existing Shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment of the Bonus Shares;

AND THAT the Board be and is hereby authorised to give effect to the Proposed Bonus Issue with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities and to do all such acts as they may consider necessary or expedient in the best interest of the Company.”

10. Proposed Share Split involving the subdivision of every one (1) Share into two (2) ordinary shares of RM0.50 each (“**Subdivided Shares**”) (“**Proposed Share Split**”)

“THAT, subject to the passing of Ordinary Resolution 11 and Special Resolution 13, approval and authority be and are hereby given to the Directors to subdivide every one (1) Share held in the Company by the shareholders who are registered as shareholders of the Company on a date to be determined by the Board, into two (2) Subdivided Shares;

AND THAT the Subdivided Shares shall, upon allotment and issue, rank pari passu in all respects with each other;

AND THAT the Board be and is hereby authorised to give effect to the Proposed Share Split with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities and to do all such acts as they may consider necessary or expedient in the best interest of the Company.”

Resolution 12

Notice of Thirty-Seventh Annual General Meeting

To consider and if thought fit, to pass the following Special Resolution:-

11. Proposed amendments to the Memorandum and Articles of Association ("**Proposed Amendments**")

"THAT, subject to the passing of Ordinary Resolution 11 and Ordinary Resolution 12, approval be and is hereby given for the Company to amend its Memorandum and Articles of Association in the manner set out in Section 2.3 of the Company's Circular to Shareholders dated May 26, 2010 to facilitate the implementation of the Proposed Share Split;

AND THAT the Board be and is hereby authorised to give effect to the Proposed Amendments with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities and to do all such acts as they may consider necessary or expedient in the best interest of the Company."

12. 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 4 sen tax-exempt and 1 sen less 25% income tax in respect of the financial year ended December 31, 2009, subject to the approval of the shareholders at the 37th AGM will be paid on August 10, 2010 to Depositors whose names appear in the Record of Depositors at the close of business on July 27, 2010.

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, 2010 in respect of transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

OOI GUAT EE (MIA 8042)
YAP SIN KHEONG (MIA 22814)
TAN BOON TING (MAICSA 7056136)
Company Secretaries

Ipoh, Perak Darul Ridzuan
May 26, 2010

Resolution 13

Notice of Thirty-Seventh Annual General Meeting

Notes:-

1. Appointment of Proxy

- (i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or 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 of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
- (iii) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings 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 10% of the Company's total issued share capital for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.
As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on June 29, 2009 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.
- (iii) The proposed Resolution 11, if passed, will increase the capital base of the Company and also reward shareholders for their continuous support to the Company. The increase number of shares in issue is expected to enhance the marketability and liquidity of the Company's shares.
- (iv) The proposed Resolution 12, if passed, will enhance the liquidity and the marketability of the Subdivided Shares on the Main Market of Bursa Malaysia Securities Berhad and will indirectly encourage a wider spread of public shareholders. The Company's share price will be adjusted in accordance with the change in the par value of the Company's shares and this will result in the market price per share being more affordable to investors.
- (v) The proposed Resolution 13, if passed, will amend the Memorandum and Articles of Association of the Company to facilitate the implementation of the Proposed Share Split.

Please refer to the Circulars to Shareholders dated May 26, 2010 for further information on Resolutions 10 to 13.

Statement Accompanying Notice of 37th AGM

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

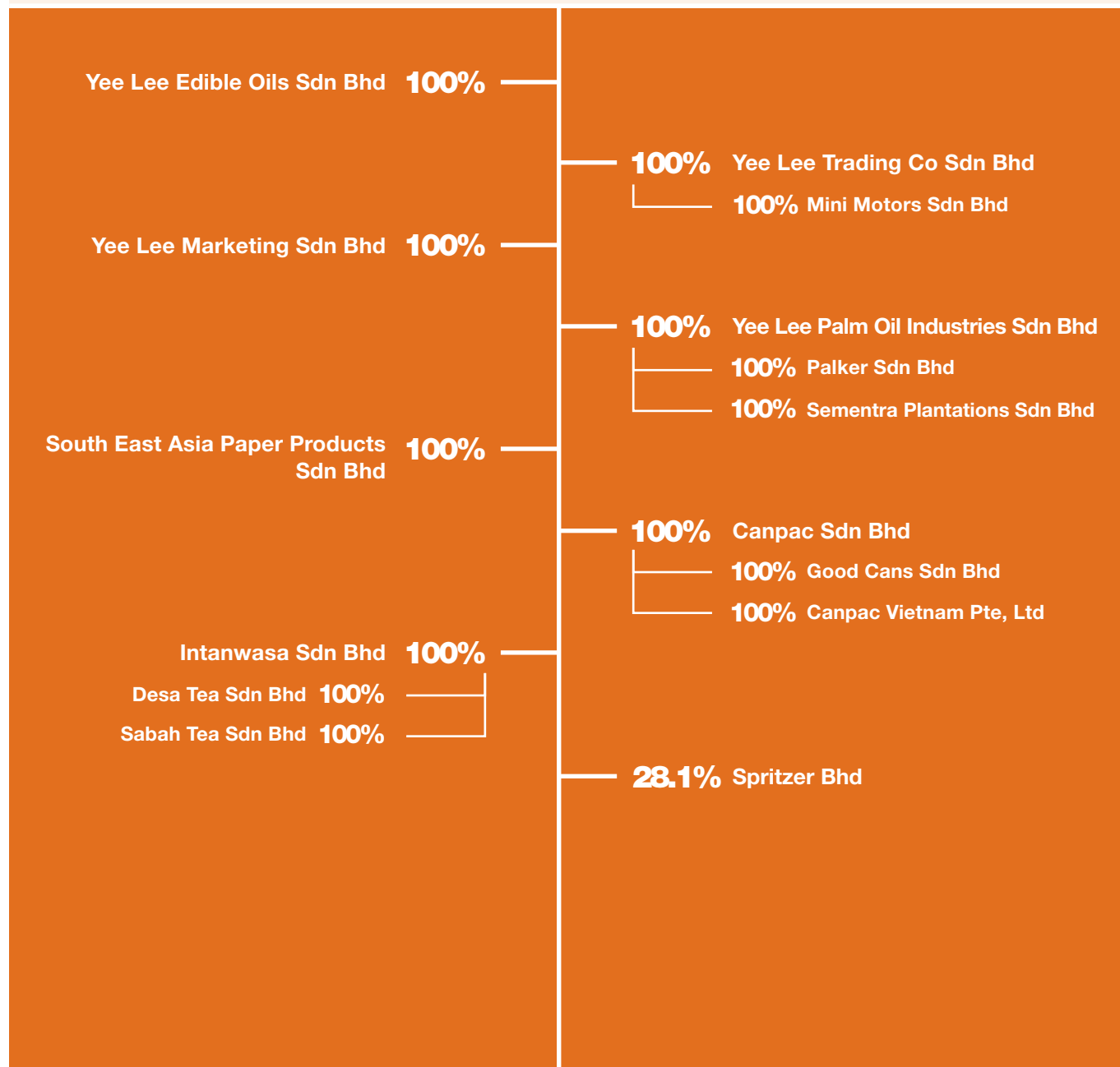
Details of individuals who are standing for election as Directors

No individual is seeking new election as a Director at the forthcoming 37th AGM of the Company.

Corporate Structure



YEE LEE CORPORATION BHD



Corporate Information

BOARD OF DIRECTORS

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

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

Executive Directors
Thang Lai Sung
Chok Hooa @ Chok Yin Fatt, PMP
Lim Ee Young

Non-Independent Non-Executive Director
Sow Yeng Chong
(Redesignated on October 1, 2009)

Independent Non-Executive Directors
Mohd Adhan bin Kechik, SMK
Lee Kee Hong

AUDIT COMMITTEE

Chairman
Mohd Adhan bin Kechik

Members
Dato' (Dr.) Haji Mohamed Ishak bin Mohamed Ariff
Sow Yeng Chong
Lee Kee Hong
(Appointed on October 1, 2009)

NOMINATION COMMITTEE

Chairman
Lee Kee Hong

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

REMUNERATION COMMITTEE

Chairman
Chok Hooa @ Chok Yin Fatt

Members
Mohd Adhan bin Kechik
Lee Kee Hong

COMPANY SECRETARIES

Ooi Guat Ee (MIA 8042)
Yap Sin Kheong (MIA 22814)
Tan Boon Ting (MAICSA 7056136)
(Appointed on January 15, 2010)

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

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
 CIMB Bank Berhad
 Malayan Banking Berhad
 Hong Leong Bank Berhad

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 74, 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 is a director of Public Bank Berhad and his directorships in other public companies in the Public Bank Group are in Public Investment Bank Bhd, Public Mutual Bhd and Public Islamic Bank Bhd. He is also a member of the Audit Committee and the Nomination Committee of the Company.

Thang Lai Sung
Executive Director

Thang Lai Sung, aged 72, 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, Treasurer of Perak Han Kang Kong Hoey and a director of Yee Lee Organization Bhd.

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

Dato' Lim Kok Cheong, aged 65, 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, Vice-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 also a director of Hoklian Holdings Bhd and the Chairman of Spritzer Bhd and 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.

Chok Hooa @ Chok Yin Fatt, PMP
Executive Director

Chok Yin Fatt, aged 63, 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.

Directors' Profile

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

Lim Ee Young

Executive Director

Lim Ee Young, aged 38, 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 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.

Sow Yeng Chong

Non-Independent Non-Executive Director

Sow Yeng Chong, aged 53, 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 worked as an Accountant of Far East Marble & Handicraft Sdn Bhd and as an Audit Assistant with Payne Davies & Co. 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. Since October 2009, he has been employed by Spritzer Bhd Group as Group Financial Controller.

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

Mohd Adhan bin Kechik, SMK

Independent Non-Executive Director

Mohd Adhan bin Kechik, aged 55, 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 62, 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.

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

Mohd Adhan bin Kechik
Independent Non-Executive Director

Members

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

Sow Yeng Chong (redesignated on October 1, 2009)
Non-Independent Non-Executive Director

Lee Kee Hong (appointed on October 1, 2009)
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.

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

Audit Committee Report

Membership (Cont'd)

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

Duties and Responsibilities

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

(i) Financial Reporting

Review and recommend the quarterly results and annual financial statements, prior to the approval by the Board focusing particularly on:-

- changes in or implementation of major accounting policies and practices;
- significant and unusual events;
- compliance with accounting standards and other legal requirements; and
- the going concern assumption.

(ii) Internal Auditor

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

(iii) External Auditor

- review the external auditor's 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:-

- obtain the necessary resources required to perform its duties.
- 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.
- 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.
- seek independent professional advice as it considers necessary.

Audit Committee Report

Meetings

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

The Audit Committee held four meetings during the financial year ended December 31, 2009. The attendance of the Audit Committee members is as follows:-

Audit Committee Members	Attendance
Mohd Adhan bin Kechik	4/4
Dato' (Dr.) Haji Mohamed Ishak bin Mohamed Ariff	4/4
Sow Yeng Chong	4/4
Lee Kee Hong (appointed on October 1, 2009)	1/1

SUMMARY OF ACTIVITIES

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

- (i) reviewed and approved the Internal Audit Plan, strategy and scope of work.
- (ii) reviewed the internal and external auditors' reports and considered the major findings by the auditors and management responses thereto.
- (iii) reviewed the Professional Service Planning Memorandum of the external auditors prior to the commencement of their audit engagement.
- (iv) reviewed the unaudited quarterly financial results and audited financial statements of the Company and of the Group prior to the submission to the Board for approval.
- (v) reviewed the recurrent related party transactions entered into by the Company and the Group to ascertain that the transactions are conducted at arm's length and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

Audit Committee Report

SUMMARY OF ACTIVITIES OF THE 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 total cost incurred of RM222,000.00 for the financial year ended December 31, 2009.

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, 2009.

THE BOARD OF DIRECTORS

Composition

The Board presently has eight members comprising of the following:-

- Chairman
- Deputy Chairman and Group Managing Director
- Three Executive Directors
- A Non-Independent Non-Executive Director
- Two Independent Non-Executive Directors

The profile of each Director is presented on pages 09 and 10 of the Annual Report.

The Directors are equally accountable under the law for the proper handling of the Group's affairs. All Directors are from diverse professional background with a range of knowledge and experience vital towards the effective leadership and continued success of the Group.

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 Malaysia Securities Berhad ("**Bursa Securities**"), with additional meetings convened when necessary.

Statement on Corporate Governance

Board Meetings (Cont'd)

During the financial year ended December 31, 2009, four Board Meetings were held and the attendance is as follows:-

Name of Directors	Attendance
Dato' (Dr.) Haji Mohamed Ishak bin Mohamed Ariff	4/4
Dato' Lim A Heng @ Lim Kok Cheong	4/4
Thang Lai Sung	3/4
Chok Hooa @ Chok Yin Fatt	4/4
Lim Ee Young	4/4
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 in the financial year ended December 31, 2009, the details of which are set out on page 20 of the Annual Report.

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.

Statement on Corporate Governance

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

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	1,206	114	286	51	1,657
Non-Executive Directors	-	50	-	28	78

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
RM200,001 to RM250,000	1	-
RM400,001 to RM450,000	2	-
RM600,001 to RM650,000	1	-

Directors' fees are subject to the approval by shareholders at the forthcoming 37th 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 11 to 14 of this Annual Report.

Statement on Corporate Governance

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, 2009.

(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, 2009.

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.

Statement on Corporate Governance

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 Company's internal control system are set out in the Statement on Internal Control on pages 22 and 23 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 11 to 14 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, 2009 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 of their businesses and cash flows for that year. The Directors consider that in preparing the financial statements for the financial year ended December 31, 2009, the Company and the Group have adopted the 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.

Training Programmes Attended by Directors

DIRECTORS	CONFERENCE / TRAININGS / SEMINARS ATTENDED
Dato' (Dr.) Haji Mohamed Ishak bin Mohamed Ariff	<ul style="list-style-type: none"> Financial Institutions Directors' Education Programme <ul style="list-style-type: none"> (i) Module 1 – Role of the Board in Changing Financial, Legal, Regulatory and Business Environment (ii) Module 2 – Practices and Processes that Promote/ Impede Effective Boardroom Deliberations (iii) Module 3 – The Role of the Board in Enterprise-Wide Risk Management (iv) Module 4 – The Board's Responsibility for Internal Controls, Financial Reporting and Capital Management (v) Module 5 – Building Board Teams, Compensation Issues and Role of the Board in Strategy and Stakeholder Relations
Dato' Lim A Heng @ Lim Kok Cheong	<ul style="list-style-type: none"> Weathering the Challenges of Economic Slowdown
Thang Lai Sung	<ul style="list-style-type: none"> Weathering the Challenges of Economic Slowdown Integrating Change Linking Employee Loyalty & Brand Image
Chok Hooa @ Chok Yin Fatt	<ul style="list-style-type: none"> "Meet the Banker" Session with Malayan Banking Berhad <ul style="list-style-type: none"> (i) Managing Business Successfully in Challenging Times and Securing Financing (ii) Cost Effective Supply Chain Management via Electronic Banking Weathering the Challenges of Economic Slowdown MAICSA Annual Conference 2009 – Shaping the Future Corporate Professional Green Approach for Wastewater Treatment – Bio Remediation and Energy Generation Integrating Change Linking Employee Loyalty & Brand Image
Lim Ee Young	<ul style="list-style-type: none"> Weathering the Challenges of Economic Slowdown
Mohd Adhan bin Kechik	<ul style="list-style-type: none"> Weathering the Challenges of Economic Slowdown Corporate Governance Guide : Towards Boardroom Excellence
Lee Kee Hong	<ul style="list-style-type: none"> Weathering the Challenges of Economic Slowdown Integrating Change Linking Employee Loyalty & Brand Image
Sow Yeng Chong	<ul style="list-style-type: none"> Weathering the Challenges of Economic Slowdown Integrating Change Linking Employee Loyalty & Brand Image

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 Depositary Receipt ("ADR") or Global Depositary 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 2009 to the external auditors are disclosed in Note 7 to the Financial Statements on page 66.

7. Variation in Results

There was no variance between the financial results in the Annual Audited Financial Statements 2009 and the unaudited financial results for the year ended December 31, 2009.

8. Profit Guarantee

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

9. Material Contracts

There were no material contracts which have 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

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

Set out below is the Board’s Statement on Internal Control which outlines the scope and nature of internal control of the Group for the financial year ended December 31, 2009.

Board Responsibilities

The Board acknowledges the importance in maintaining sound internal controls and effective risk management practices to ensure good corporate governance. The Board affirms its overall responsibility for the Group’s systems of internal control and risk management, and for reviewing the adequacy and integrity of those systems. The Board also recognizes that a sound system of internal control can only reduce, but not absolute assurance against material loss or failure. The internal control system is thus designed to manage and minimise rather than to eliminate the risk of failure in achieving the Group’s business objectives.

Enterprise Risk Management Framework

The Group recognizes that effective Risk Management is an integral part of Corporate Governance and continuously strives for excellence to ensure the effective and systematic protection of its personnel, assets and stakeholders. The effectiveness of the risk management is monitored and evaluated by all levels of management on an ongoing basis. The Group’s Enterprise Risk Management (“**ERM**”) 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.

The Risk Management Advisory Committee will provide direction and counsel to the risk management process as well as involved in evaluation of the structure for the Group’s risk management processes and support system. In addition, it will review and approve actions developed to mitigate key risks and advising the Board on risk related issues.

A summary of significant risks is submitted to the Audit Committee for its attention. The Audit Committee will review and monitor the effectiveness of the Group’s risk management system, and advise the Board accordingly.

The risk management program has served the Group with a structured, consistent approaches and methodologies in responding to the uncertainties which was caused by the global credit crunch and economic turmoil. This may warrant strategic and rapid response by the respective management to impede its impact in order to achieve the Group’s business objectives.

Internal Audit Function

The Group’s Internal Audit Department (“**IAD**”) conducts scheduled internal audit visits to business units, and carries out its functions in monitoring the effective application of policies, procedures and activities related to internal controls, risk management and governance processes. There is an audit charter in place that defines the organization status, functions and responsibilities of the IAD. The Group’s Internal Auditor-Head reports to the Audit Committee on the findings of the audit, risk and control matters of significance that could adversely affect the Group’s financial position or reputation. The internal audit function will provide the Board with an independent assessment on the adequacy, efficiency and effectiveness of the Group’s internal control system in anticipating potential risk exposures over key business processes and in controlling the proper conduct of business within the Group.

Statement on Internal Control

Review of Effectiveness

The Board is committed towards improving the system of internal controls within the Group to meet its corporate objectives. Continuous management efforts are put in place to ensure that the Group's internal control systems remain adequate and intact for the assets to be safeguarded through the prevention and detection of fraud, other irregularities and material misstatements.

The Board is of the view that the system of internal controls in place for the year under review and up to date of issuance of the financial statements is sound and sufficient to safeguard the shareholders' investment, the interest of customers, regulators and employees, and the Group's assets. The Board is also satisfied that the risks taken are at an acceptable level and within the context of the business environment of the Group.

Review of the Statement by External Auditors

The External Auditors have reviewed and affirmed this Statement on Internal Control for the inclusion in the Annual Report of the Group for the financial year ended December 31, 2009 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

Analysis of Shareholdings

As at April 21, 2010

SHARE CAPITAL

Authorised Share Capital	: RM100,000,000.00
Issued and Paid-Up Share Capital	: RM62,704,000.00
Class of Shares	: Ordinary shares of RM1.00 each
Voting Rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders		Number of Issued Shares	
	Number	%	Number	%
Less than 100 shares	144	6.63	7,549	0.01
100 to 1,000 shares	192	8.84	146,646	0.23
1,001 to 10,000 shares	1,548	71.30	5,632,024	8.98
10,001 to 100,000 shares	253	11.66	7,330,036	11.69
100,001 to less than 5% of issued shares	33	1.52	16,803,512	26.80
5% and above of issued shares	1	0.05	32,784,233	52.29
Total	2,171	100.00	62,704,000	100.00

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

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”)	34,969,031	55.77	-	-
2. Dato’ Lim A Heng @ Lim Kok Cheong	1,337,000	2.13	35,317,364 ^a	56.32
3. Datin Chua Shok Tim @ Chua Siok Hoon	310,000	0.49	36,344,364 ^b	57.96
4. Unikampar Credit And Leasing Sdn Bhd (“UCL”)	-	-	34,969,031 ^c	55.77
5. Uniyelee Sdn Bhd (“UYL”)	-	-	34,969,031 ^c	55.77
6. Yeleta Holdings Sdn Bhd (“YH”)	-	-	34,969,031 ^d	55.77
7. Young Wei Holdings Sdn Bhd (“YW”)	-	-	34,969,031 ^e	55.77

Notes:-

- ^a Deemed interest by virtue of his shareholding in YW, and the shares held by his spouse, Datin Chua Shok Tim @ Chua Siok Hoon and child, Lim Ee Young in the Company pursuant to Section 6A of the Companies Act, 1965 (“Act”).
- ^b Deemed interest by virtue of her shareholding in YW, and the shares held by her spouse, Dato’ Lim A Heng @ Lim Kok Cheong and child, Lim Ee Young in the Company pursuant to Section 6A of the Act.
- ^c Deemed interest held through YLO pursuant to Section 6A of the Act.
- ^d Deemed interest held through UCL and UYL pursuant to Section 6A of the Act.
- ^e Deemed interest held through YH pursuant to Section 6A of the Act.

Analysis of Shareholdings

As at April 21, 2010

DIRECTORS' SHAREHOLDINGS IN THE COMPANY AND ITS RELATED CORPORATION

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

Shares in the Company

Name of Directors	Direct Interest		Deemed Interest	
	Number of Issued Shares	% of Issued Shares	Number of Issued Shares	% of Issued Shares
1. Dato' (Dr.) Haji Mohamed Ishak bin Mohamed Ariff	1,206,666	1.93	50,000 ^a	0.08
2. Dato' Lim A Heng @ Lim Kok Cheong	1,337,000	2.13	35,317,364 ^b	56.32
3. Thang Lai Sung	8,333	0.01	-	-
4. Chok Hooa @ Chok Yin Fatt	49,333	0.08	-	-
5. Lim Ee Young	38,333	0.06	3,333 ^c	0.00
6. Mohd Adhan bin Kechik	16,666	0.03	-	-
7. Lee Kee Hong	8,333	0.01	-	-
8. Sow Yeng Chong	20,000	0.03	-	-
Total	2,684,664	4.28		

Notes:-

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

Shares in the holding company, Yee Lee Organization Bhd

Name of Directors	Direct Interest		Deemed Interest	
	Number of Issued Shares	% of Issued Shares	Number of Issued Shares	% of Issued Shares
1. Dato' Lim A Heng @ Lim Kok Cheong	2,751	0.03	7,938,488 ^a	72.17
2. Thang Lai Sung	1,716	0.02	-	-
3. Lim Ee Young	25,879	0.24	-	-
4. Lee Kee Hong	11,550	0.11	-	-
Total	41,896	0.40		

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

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

Analysis of Shareholdings

As at April 21, 2010

TOP THIRTY SECURITIES ACCOUNT HOLDERS

Shareholders	Number of Issued Shares	% of Issued Shares
1. Yee Lee Organization Bhd	32,784,233	52.28
2. Yee Lee Organization Bhd	2,184,798	3.48
3. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Siew Lai	1,789,000	2.85
4. Teo Kwee Hock	1,481,100	2.36
5. Lim A Heng @ Lim Kok Cheong	1,337,000	2.13
6. Dato' (Dr.) Haji Mohamed Ishak bin Mohamed Ariff	1,206,666	1.92
7. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Fong Teng	940,700	1.50
8. Bidor Tahan Estates Sdn Bhd	800,000	1.28
9. Wong Shak On	670,000	1.07
10. Nik Mohamad Pena bin Nik Mustapha	600,000	0.96
11. Jailani bin Abdullah	513,666	0.82
12. Lai Ka Chee	462,583	0.74
13. Chek Hup Holding Sdn Bhd	400,000	0.64
14. Wong Ah Tim @ Ong Ah Tin	352,000	0.56
15. AmanahRaya Trustees Berhad Public Smallcap Fund	340,600	0.54
16. Chua Shok Tim @ Chua Siok Hoon	310,000	0.50
17. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Kin Kheong	305,300	0.49
18. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock	302,500	0.48
19. Lim Chee Meng	300,000	0.48
20. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Liew Yam Fee	300,000	0.48
21. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Oh Kim Sun	281,000	0.45
22. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koay Ean Chim	250,000	0.40
23. Chinchoo Investment Sdn Berhad	200,000	0.32
24. Gan Teng Siew Realty Sdn Berhad	200,000	0.32
25. Lee Sing Hin	190,000	0.30
26. Lam Sang	146,000	0.23
27. Omar bin Md Khir	137,500	0.22
28. HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Law Cheing Kiat @ Low Cheng Kiat	129,999	0.21
29. Lim Ah Dek	126,100	0.20
30. Wong Wan Chong	120,000	0.19
Total	49,160,745	78.40



NEU VIDA

In today's health conscious society, more and more people are turning to "health food" and looking for healthier oils to cook with. Research shows that the latest nutritional thinking about fats is the need for more good fats to ensure a healthier lifestyle. To meet this new trend, Yee Lee is proud to be associated with Dow AgroSciences; a world's authority in agricultural science, to bring in NeuVida Omega-9 Cooking Oil, the newly formulated cooking oil that is primarily of good fats. Among all the cooking oils in the market today, NeuVida Omega-9 Cooking Oil has the HIGHEST Omega-9 fatty acid and the LOWEST saturated fat content, even lower than olive oil. And it contains ZERO trans fat. This make NeuVida an ideal healthy oil for every style of cooking; from salads to baking and deep-frying.



Chairman's Statement

On behalf of the Board of Directors, it gives me great pleasure to present the Annual Report of Yee Lee Corporation Bhd for the financial year ended December 31, 2009.

“Yee Lee Edible Oils Sdn Bhd was awarded Certificate of Excellence under Brand Excellence Award Category 2009 by MITI (Ministry of International Trade and Industry).”



Left: Industry Excellence Awards (IEA) Council Chairman, Tan Sri Azman Hashim; Minister of International Trade and Industry, Datuk Seri Mustapa Mohamed; & The Executive Director of Yee Lee Corporation Bhd, Mr Lim Ee Young



FINANCIAL PERFORMANCE

I am pleased to announce that despite the depressed economic conditions, the Group managed to deliver another set of remarkable results for the year ended December 31, 2009. The Group's revenue grew from RM694.15 million in 2008 to RM703.04 million in this year which surpassed the targeted level. The Group's pre-tax profit jumped tremendously, closing at RM26.71 million, an increase of 17.1% over the previous year. Profit attributable to shareholders stood at RM20.15 million (2008: RM17.40 million) whilst earnings per share improved to 32.13 sen (2008: 27.75 sen).

DIVIDENDS

The Board of Directors is pleased to recommend a first and final dividend of 4 sen per share, tax-exempt and 1 sen per share, less tax (2008: 4 sen per share, tax-exempt and 1 sen per share, less tax) for the year ended December 31, 2009. The dividend, if approved, will be paid on August 10, 2010.

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 at an entitlement date to be determined later. The proposed bonus issue will be 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 proposed bonus issue and share split are expected to be completed in September 2010.

REVIEW OF OPERATIONS

Yee Lee Corporation Bhd

The Company registered higher revenue and pre-tax profit of RM4.33 million and RM3.97 million respectively in 2009 (2008: RM4.17 million and RM3.83 million). The increase in revenue and pre-tax profit was mainly due to higher dividend received from its associated company. During the year, the Company revalued its investments in subsidiary companies which resulted in an increase in its net assets per share from RM1.39 in 2008 to RM3.31 this year.

Chairman's Statement

The Subsidiary Companies

Yee Lee Edible Oils Sdn Bhd ("YLEO")

On average, the CPO price decreased by 19.2% from RM2,777 per MT in 2008 to RM2,244 per MT this year. The drop in CPO price has resulted in a sharp decrease in YLEO's revenue by 46.2% from RM293.50 million in 2008 to RM157.78 million this year. The lower export bulk oil sales arising from the lower margin of olein over the CPO price has also contributed to the decrease in revenue. As a result, YLEO pre-tax profits declined by 63.7% over that of last year. With the monthly export olein price still traded above the threshold level, the Government's Cooking Oil Price Stabilization Scheme is still in place. Effective August 2009, Ministry had prevented supermarkets from using cooking oils as a tool for their promotion by offering prices below the ceiling price. This move has enabled the cooking oil manufacturers to sell at a better margin to retail stores. The upgrading of its plant has been completed in this year. This will enable YLEO to improve on its production efficiency and cost saving. In March 2010, YLEO has been awarded certificate for the prestigious "Industry Excellence Awards 2009" under the Brand Excellence Award category by the Ministry of International Trade and Industry as part of our brand recognition by consumers.

Yee Lee Palm Oil Industries Sdn Bhd ("YLPOI")

In year 2009, the fresh fruit bunches ("FFB") production in Malaysia had declined due to the effect of biological stress from bumper production of the previous year. This has reduced the supply of FFB to millers which also affected the CPO production. As a result of short supply of FFB and decrease in CPO and Palm Kernel prices, YLPOI's recorded lower revenue of RM119.13 million in this year as compared to RM175.99 million in 2008. Pre-tax profit fell by 41.4% over that of last year. On positive side, YLPOI managed to further increase its oil extraction rate ("OER") for CPO during the year through better ramp management and stringent grading criteria being undertaken. The cooperation and efforts between management and FFB suppliers are equally important to ensure consistent supply of high quality of FFB supplies in order for the sustainability of the OER.

South East Asia Paper Products Sdn Bhd ("SEAPP")

The corrugated carton industry continues to face aggressive competition with oversupply dominating the industry worsens by the slowdown of export demand particularly from the electrical and electronic industries. This has resulted in competitors continue to wage price wars to capture market share. Since the announcement of price increase of corrugated carton by the Malaysian Corrugated Carton Manufacturers' Association in the

second half of year 2008, SEAPP was able to partially pass on the cost increase to their customers and improve on its profit margin in year 2009. The decline in paper prices in the first half of the year was in favour of SEAPP which contributed significantly to its bottom line. As a result, SEAPP's pre-tax profit increased by 559.3% in this year despite the decrease in revenue by 14.8%. SEAPP 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.



Chairman's Statement

Canpac Sdn Bhd ("CP")

CP maintained its position as a strong contributor to the Group's bottom line, delivering 42.1% of the total Group's pre-tax profit for the year under review. Despite stiff competition, CP achieved an 4.5% increase in revenue from RM83.17 million in 2008 to RM86.87 million this year. Pre-tax profit rose by 76.0% to RM11.24 million in this year. CP has been running almost in full capacity and steps have been taken to expand its capacity to capture more market share. With this expansion and higher demand of aerosol cans from both export and domestic, CP is confident of further enhance its revenue and profitability.

Canpac Vietnam Pte, Ltd ("CPV")

Despite lower Gross Domestic Product in Vietnam, CPV achieved a sales growth of 22.6% in this year. Revenue increased from RM17.24 million in 2008 to RM21.13 million in 2009. The increase in production capacity through additional aerosol line has enabled CPV to capture more market share. However pre-tax profit was maintained at RM3.16 million in this year due to increase in material costs coupled with higher depreciation charges arising from its new capital investment. Looking at the potential of the domestic market, CPV will be aggressively expanding its customer base to capture more market share. Since the current rented factory was fully occupied, CPV had acquired a piece of land in Vietnam Singapore Industrial Park with land area of 3 hectares for construction of factory. This will enable CPV to further expand its production line to improve its competitiveness and to cater for future market expansion.

Yee Lee Trading Co Sdn Bhd ("YLT")

In year 2009, YLT created another historical high by delivering a 52.2% growth in revenue from RM283.19 million in 2008 to RM431.04 million this year despite the challenging economic environment. Consequently, YLT's pre-tax profit grew by 331.8% as compared to the previous year. These impressive results were contributed by higher sales of Spritzer bottled water, MorningKiss oral care and other agency products such as Dutch Lady, Campbell's and Johnson and Johnson. The Helang brand of cooking oil once again won the Reader's Digest Trusted Brand Gold Award in this year. With the consumers' confidence towards our products, YLT is poised to continue its growth momentum. Moving



forward, YLT will continue to expand its distribution facilities and network to secure more profitable product distributorships in order to improve its profitability. The on-going promotion and advertisement campaigns undertaken during the year to promote brand awareness and loyalty among consumers will eventually improve its revenue and profitability.

Yee Lee Marketing Sdn Bhd ("YLM")

The impact of the global financial crisis of 2008 flawed into 2009 and the economic uncertainty played a role in dampening the domestic consumer demand. As a result of the weak market demand, YLM's revenue dropped by 8.3% from RM76.07 million in 2008 to RM69.79 million this year. The result was within expectation considering the much challenged economic condition. The famous potato chips 'Pringles' which was taken out from YLM's product portfolio last year, was reintroduced in the third quarter of this year together with Olay Shower and new compact washing powder "NEAT" which consist of 3 brands namely Dynamo, FAB and Trojan. Various initiatives were taken during the year to improve on delivery efficiency, store coverage and working capital management to boost sales and profitability. This has resulted in YLM clinching numerous Procter and Gamble's awards and maintained its profitability.

Sementra Plantations Sdn Bhd ("SP")

SP owns two oil palm plantations located in Tapah and Gopeng. Despite the reduction in overall FFB production in Peninsular Malaysia, SP continued to enjoy higher FFB production in year 2009 through increase in FFB yield by 5.4% over last year. Like many other oil palm plantations, SP was also impacted by lower CPO prices. Due to the depressed commodity prices, SP recorded a 20.8% decrease in revenue from RM1.84 million in 2008 to RM1.50 million this year. Correspondingly, pre-tax profit decreased by 55.1% over last year. SP will continue to control its plantation costs and enhance its yield to increase its revenue and ensure profitability.

Chairman's Statement

Desa Tea Sdn Bhd ("DT")

DT owns a tea plantation located in Kampung Nalapak, Sabah with land area of 831 hectares of which 247 hectares are planted with tea trees. The plantation also housed an Eco-tourism unit which is managed by Sabah Tea Sdn Bhd. DT has been progressing well since its turnaround in year 2008. Revenue grew by 6.8% in 2009 while pre-tax profit increased by 237.4% from RM0.12 million in 2008 to RM0.41 million this year. Aggressive sales and promotional campaigns have been carried throughout the year to capture more market share. Going forward, DT will continue to focus on marketing and distribution of its Sabah Tea, whilst at the same time upgrading and expanding its tea plantation to improve on production efficiency and quality.

Sabah Tea Sdn Bhd ("ST")

During the year under review, the tourism in Sabah dropped by 2.4% as compared to the previous year. The number of domestic visitors arrival to Sabah increased by 5.3% while the international visitors declined by 19.8%. However, this did not stop ST from achieving a sales growth of 12.3% from RM0.73 million in 2008 to RM0.82 million. The number of visitor arrival at our Sabah Tea Garden increased by 16.3%. Despite the increase in revenue, ST still incurred a marginal pre-tax loss of RM0.04 million in this year. Currently ST is upgrading its facilities as well as creating more tourism spots and attractive holiday packages to attract more tourists to the Sabah Tea Garden. The first phase of renovation and expanding its existing chalets has been completed in February 2010 and the final phase is expected to be completed by July 2010. Together with aggressive marketing strategies and the Sabah Tourism Board efforts in promoting Sabah as tourist center, ST is confident of attracting more visitors in year 2010.

Mini Motors Sdn Bhd ("MM")

MM continued to earn rental income on its premises in Kedah. It maintained its profitability during the year under review.

Palker Sdn Bhd ("PK")

PK managed to turnaround in year 2009 with marginal pre-tax profit of RM0.13 million as compared to a pre-tax loss of RM0.72 million in the 2008. The better performance was due to effective cost control measures being undertaken during the year.



Future Prospects

The year 2010 started on a good note, with improved economic conditions showing sign of positive growth in Malaysia. Amidst the signs of improvement in global economy, the Directors are cautiously optimistic in view of the concern of Greece's financial crisis which may have impact to the global economy recovery. The setting up of a new water bottling facility in Shah Alam undertaken by the associated company, Spritzer Bhd Group ("SB") has been completed and commenced operations in the first quarter of year 2010. This will enable SB to tap on large market in the central region of Malaysia and is expected to contribute positively to the bottom line of both SB and the Group. Together with the strengthened distribution divisions and network coupled with improved in production capacity and efficiency, the Group is looking forward to achieve another new height in year 2010.

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

Corporate Social Responsibility

At Yee Lee Corporation Bhd, we take Corporate Social Responsibility (CSR) seriously. For years, we have advocated the practice of CSR with commitment to not only result in significant improvements for our business, but more importantly to serve a larger purpose to include the environment, our consumers, employees, communities, stakeholders, and all other members of the public sphere.



28 JUNE 2009
MDA Free Public Dental Screening



1 AUGUST 2009
Free Cholesterol Test for Yee Lee's Employees

We believe that to truly help our communities, we must put forth actions that create a real positive impact to those in need. Our CSR community event such as Blood Donation program is held yearly and this year together with General Hospital & Pathlab we have organised a Organ Donation Pledge Campaign to promote & invite our staff to participate in this organ donation cause. Another example would be our involvement in support of a prestigious health campaign, a joint effort between the Malaysian Dental Association and Malaysian Armed Forces Dental Division with our leading oral care brand, MorningKiss as the main kick-off event sponsor to promote general public awareness on the importance of overall gum and tooth care. The campaign provided free screening to the public held in Queensbay Mall, Penang.

Charity events also formed a major component of our CSR initiatives. An example of our support for

humanitarian and social projects is demonstrated through our cash sponsorship for advertisements to His Sanctuary of Glory Global Ministries (HSGGM) on their Dinner Variety Show. The raised funds were effectively channelled to provide feeding programs for the poor, children as well as served as both a disaster relief and emergency aid fund for victims of natural disasters. Guests in attendance for this gala dinner were also treated with door gifts sponsored by our own 100% pesticide-free range of quality teas from Sabah Tea.



6 SEPTEMBER 2009
Poi Lam High School Ipoh Food Fair

Another notable charity event worth mentioning was a fundraising fair at the Poi Lam High School in Ipoh, where, in conjunction with the school's 54th Anniversary, we sponsored and supported a food fair to help raise funds for the school facilities upgrading as well as educational aids. This event effectively raised more than RM350,000.

Furthermore, we also participated actively in local sports events such as the Perak Government's 'Larian 1 Malaysia' and the Kelab Roadrunners Ipoh (KRI) Annual 11km Trail Run, an effort on our part to promote to the public to adopt a healthy lifestyle.

One of the more meaningful events that we had this year for members of our staff was the recognition of our long service staff. Held early this year and in conjunction with the company's 40th anniversary, Yee Lee awarded 39 staffs for their Long Service Dedication.



25 OCTOBER 2009
Larian 1 Malaysia

We understand that our company's achievements are directly proportionate to the improvements that we can create and contribute to the communities around us. Hence, we continue to build on our existing successes and leverage on our strengths to impart real positive changes to communities around us, because we understand that only when our communities grow, we too will grow.



20 JUNE 2009 WASTE RECYCLING DAY

In the event of sustaining and preserving the environment, Yee Lee undertakes concerted efforts in waste management through Waste Management Committee.



23 JANUARY 2009 YEE LEE 40TH ANNIVERSARY LONG SERVICES EMPLOYEE AWARD

During Yee Lee's 40th Anniversary, Long Services Employee Award has been awarded to those who have been with Yee Lee for more than 25 years, as a token of appreciation for their contribution and loyalty.



28 JUNE 2009 MDA FREE PUBLIC DENTAL SCREENING

The launching of a Collaborative Community Service Project by Malaysian Dental Association (MDA) and Malaysian Armed Forces Dental Division with the support of MorningKiss, Yee Lee's brand of oral care which aimed to increase public awareness on gum and tooth health issues.



22 AUGUST 2009 YEE LEE CHARITY CAR WASH

Walk the Talk. All Yee Lee staff put their hands together to raise fund for the poor and unfortunates. All the funds collected goes to Selamang Maju Workshop and Cherri Villa.



6 SEPTEMBER 2009 POI LAM HIGH SCHOOL IPOH FOOD FAIR

In conjunction with Poi Lam High School's 54th Anniversary, Yee Lee has supported a fundraising Food Fair for the school. Yee Lee, consecutively been Poi Lam's most staunch supporter for the past 20 years. This event has successfully raised a total of RM368,000.



15 NOVEMBER 2009 KELAP ROADRUNNERS IPOH (KRD) ANNUAL TRAIL RUN

Yee Lee, being the main sponsor for KRD's 21st Anniversary Annual Trail Run has sponsored refreshments, goodies bags, lucky draw prizes and trophies worth RM15,000. This event attracted more than 600 participants, both local and overseas.



KIZZ

Your Family Choice,
A Perfect Cleaning Solution

KIZZ, a brand new household cleaning products launched in July 2009, is aimed to deliver effective and value for money cleaning products for Malaysian family. KIZZ offers a wide range of products extent from Detergent Powder to Dishwashing Paste, which comes in different pack sizes and refreshing fragrances to cater different consumers' preference.

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, 2009.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 14 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 before tax	26,714	3,974
Income tax expense	(6,567)	(20)
Profit for the year attributable to equity holders of the Company	20,147	3,954

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 4 sen per share, tax-exempt and 1 sen per share, less tax, in respect of the current financial year. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

Directors' Report

SHARE OPTIONS

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

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

OTHER FINANCIAL INFORMATION

Before the income statements and the balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

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

- (a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

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

Directors' Report

DIRECTORS

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

Y. Bhg. Dato' (Dr.) Haji Mohamed Ishak bin Mohamed Ariff, DSIS, DSPN, JSM, DJN, SMS, KMN, PPT, PJK

Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP

Mr. Thang Lai Sung

Mr. Chok Hooa @ Chok Yin Fatt, PMP

Mr. Lim Ee Young

Y.B. Mohd Adhan bin Kechik, SMK

Mr. Lee Kee Hong

Mr. Sow Yeng Chong

In accordance with Article 85 of the Company's Articles of Association, Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP and Mr. Chok Hooa @ Chok Yin Fatt, PMP 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 each			
	Balance as of 1.1.2009	Bought	Sold	Balance as of 31.12.2009
Shares in the Company				
Registered in the name of directors				
Y. Bhg. Dato' (Dr.) Haji Mohamed Ishak bin Mohamed Ariff	1,206,666	-	-	1,206,666
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	740,300	472,800	-	1,213,100
Mr. Thang Lai Sung	8,333	-	-	8,333
Mr. Chok Hooa @ Chok Yin Fatt	28,333	16,000	-	44,333
Mr. Lim Ee Young	38,333	-	-	38,333
Y.B. Mohd Adhan bin Kechik	16,666	-	-	16,666
Mr. Lee Kee Hong	8,333	-	-	8,333
Mr. Sow Yeng Chong	20,000	-	-	20,000
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	34,818,731	110,000	-	34,928,731
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	-	-	50,000
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	193,333	155,000	-	348,333
Mr. Lim Ee Young	3,333	-	-	3,333

Directors' Report

DIRECTORS' INTERESTS (CONT'D)

	Number of ordinary shares of RM1 each			
	Balance as of 1.1.2009	Bought	Sold	Balance as of 31.12.2009
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	-	-	11,550
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	137,568	1,100	-	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 20 to the Financial Statements.

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

HOLDING COMPANY

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

Directors' Report

AUDITORS

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

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

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

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

Ipoh,
March 29, 2010

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 balance sheets of the Group and of the Company as of December 31, 2009 and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 42 to 102.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Financial Reporting Standards in Malaysia and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Group's and the Company's preparation and fair presentation of the financial statements 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 Group's and of the Company'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 the Financial Reporting Standards in Malaysia 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, 2009 and of their financial performance and cash flows for the year then ended.

Independent Auditors' Report

To the Members of Yee Lee Corporation Bhd.

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 Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Companies Act, 1965;
- (b) we have considered the financial statements and auditors' report of the subsidiary companies, of which we have not acted as auditors, as mentioned in Note 14 to the Financial Statements, being financial statements that have been included in the financial statements of the Group;
- (c) we are satisfied that the financial statements of the subsidiary companies 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' report on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Companies Act, 1965.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

DATO' WONG GUANG SENG
Partner - 787/03/11(J/PH)
Chartered Accountant

March 29, 2010

Income Statements

For the Year Ended December 31, 2009

	Note	The Group		The Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	4	703,042	694,147	4,335	4,168
Investment revenue	6	988	1,068	-	-
Other gains and losses	7	4,996	5,791	-	-
Share of profit of an associated company	15	2,905	2,174	-	-
Changes in inventories of finished goods, trading merchandise and work-in-progress		2,476	(4,575)	-	-
Raw materials and consumables used		(173,537)	(337,433)	-	-
Purchase of finished goods and trading merchandise		(389,287)	(219,476)	-	-
Employee benefits expenses	7	(38,481)	(35,175)	-	-
Depreciation of property, plant and equipment	11	(8,155)	(7,648)	-	-
Amortisation of prepaid lease payments	12	(724)	(693)	-	-
Impairment loss on goodwill	17	(2,023)	-	-	-
Impairment loss on property, plant and equipment	11	-	(821)	-	-
Finance costs	8	(6,246)	(8,776)	(53)	(65)
Other expenses	7	(69,240)	(65,762)	(308)	(273)
Profit before tax		26,714	22,821	3,974	3,830
Income tax expense	9	(6,567)	(5,422)	(20)	(3)
Profit for the year		20,147	17,399	3,954	3,827
Attributable to: Equity holders of the Company		20,147	17,399	3,954	3,827
Earnings per share					
Basic (sen)	10	32.13	27.75		
Diluted (sen)	10	32.13	27.75		

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

Balance Sheets

As of December 31, 2009

		The Group		The Company	
	Note(s)	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	156,083	131,707	-	-
Prepaid lease payments	12	43,316	43,109	-	-
Investment properties	13	6,340	5,479	-	-
Investments in subsidiary companies	14	-	-	177,738	165,783
Investment in an associated company	15	35,198	32,868	23,846	23,721
Other investments	16	267	267	-	-
Goodwill on consolidation	17	1,612	3,635	-	-
Total non-current assets		242,816	217,065	201,584	189,504
Current assets					
Inventories	18	66,151	67,668	-	-
Trade and other receivables	19&20	128,411	113,383	13,954	13,499
Current tax assets	9	2,975	2,897	230	175
Other assets	21	3,953	3,030	3	6
Fixed deposits, cash and bank balances	22	31,581	14,485	10	7
Total current assets		233,071	201,463	14,197	13,687
Total assets		475,887	418,528	215,781	203,191
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	23	62,704	62,704	62,704	62,704
Reserves	24	38,920	21,276	122,070	110,115
Retained earnings	24	114,745	97,577	22,847	21,872
Total equity		216,369	181,557	207,621	194,691
Non-current liabilities					
Borrowings	25	10,111	9,081	-	-
Deferred tax liabilities	27	15,966	14,162	-	-
Total non-current liabilities		26,077	23,243	-	-
Current Liabilities					
Trade and other payables	28	70,508	70,989	7,008	7,392
Borrowings	25	148,622	127,629	1,021	1,002
Current tax liabilities	9	551	560	-	-
Other liabilities	29	13,760	14,550	131	106
Total current liabilities		233,441	213,728	8,160	8,500
Total liabilities		259,518	236,971	8,160	8,500
Total equity and liabilities		475,887	418,528	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, 2009

The Group	Note	Attributable to Equity Holders of the Company						Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Translation Reserve RM'000	Capital Reserves RM'000	Distributable Reserve Retained Earnings RM'000	
Balance as of January 1, 2008		62,704	52	21,267	(482)	-	82,523	166,064
Currency translation differences		-	-	-	313	-	-	313
Share of changes in reserves of an associated company		-	-	-	-	126	-	126
Total income recognised directly in equity		-	-	-	313	126	-	439
Profit for the year		-	-	-	-	-	17,399	17,399
Total recognised income and expense		-	-	-	313	126	17,399	17,838
Dividend	30	-	-	-	-	-	(2,345)	(2,345)
Balance as of December 31, 2008		62,704	52	21,267	(169)	126	97,577	181,557
Surplus arising from revaluation of freehold land and buildings		-	-	17,781	-	-	-	17,781
Currency translation differences		-	-	-	(172)	-	-	(172)
Share of changes in reserves of an associated company		-	-	-	-	35	-	35
Net income/(expense) recognised directly in equity		-	-	17,781	(172)	35	-	17,644
Profit for the year		-	-	-	-	-	20,147	20,147
Total recognised income and expense		-	-	17,781	(172)	35	20,147	37,791
Dividend	30	-	-	-	-	-	(2,979)	(2,979)
Balance as of December 31, 2009		62,704	52	39,048	(341)	161	114,745	216,369

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

Statement of Changes in Equity

For the Year Ended December 31, 2009

	Note	← Non-distributable → Reserves			Distributable	Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Reserve Retained Earnings RM'000	
The Company						
Balance as of January 1, 2008:						
As previously stated		62,704	52	2,262	20,390	85,408
Effect of changes in accounting policy for investments in subsidiary companies		-	-	69,605	-	69,605
Restated balance	34	62,704	52	71,867	20,390	155,013
Total income recognised directly in equity						
Net gain arising on revaluation of investments in subsidiary companies:						
As previously stated		-	-	-	-	-
Effect of changes in accounting policy for investments in subsidiary companies		-	-	38,196	-	38,196
Restated balance	34	-	-	38,196	-	38,196
Total recognised income and expense:						
Profit for the year		-	-	-	3,827	3,827
Dividend	30	-	-	-	(2,345)	(2,345)
Balance as of December 31, 2008:						
As previously stated		62,704	52	2,262	21,872	86,890
Effect of changes in accounting policy for investments in subsidiary companies		-	-	107,801	-	107,801
Restated balance	34	62,704	52	110,063	21,872	194,691
Total income recognised directly in equity						
Net gain arising on revaluation of investments in subsidiary companies		-	-	11,955	-	11,955
Total recognised income and expense:						
Profit for the year		-	-	-	3,954	3,954
Dividend	30	-	-	-	(2,979)	(2,979)
Balance as of December 31, 2009		62,704	52	122,018	22,847	207,621

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

Cash Flow Statement

For the Year Ended December 31, 2009

	The Group	
	2009	2008
Note	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit for the year	20,147	17,399
Adjustments for:		
Depreciation and amortisation of non-current assets	8,879	8,341
Tax expense recognised in profit or loss	6,567	5,422
Finance costs	6,246	8,776
Allowance for doubtful debts	3,248	2,121
Impairment loss on goodwill	2,023	-
Property, plant and equipment written off	495	1,252
Deficit on revaluation of property, plant and equipment	319	-
Bad debts written off	281	1,435
Inventories written off	83	5
Share of profit of an associated company	(2,905)	(2,174)
Allowance for doubtful debts no longer required	(2,036)	(413)
Investment revenue recognised in profit or loss	(988)	(1,068)
Allowance for slow moving inventories no longer required	(670)	-
Fair values adjustment of investment properties	(440)	-
Gain on disposal of property, plant and equipment - net	(102)	(87)
Allowance for slow moving inventories	-	1,205
Impairment loss on property, plant and equipment	-	821
Unrealised loss on foreign exchange	-	194
	41,147	43,229
Movements in working capital:		
(Increase)/Decrease in:		
Inventories	2,054	1,604
Trade and other receivables	(16,560)	2,259
Other assets	(878)	209
Increase/(Decrease) in:		
Trade and other payables	(434)	16,039
Other liabilities	(719)	3,214
Cash Generated From Operations	24,610	66,554
Tax refunded	673	46
Tax paid	(6,801)	(5,856)
Net Cash Generated From Operating Activities	18,482	60,744

Cash Flow Statement

For the Year Ended December 31, 2009

		The Group	
		2009	2008
	Note	RM'000	RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		1,480	263
Interest received		772	957
Dividends received from an associated company		735	548
Rental from investment properties received		216	110
Dividends received from quoted shares		1	1
Purchase of property, plant and equipment	32(a)	(11,462)	(11,331)
Purchase of investment property		(807)	(465)
Acquisition of additional shares in associated company		(125)	(395)
Additions to prepaid lease payments		(112)	(1,150)
Net Cash Used In Investing Activities		(9,302)	(11,462)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from bankers' acceptances		40,160	7,988
Proceeds from term loans		1,500	-
Repayment of bankers' acceptances		(8,568)	(45,331)
Finance costs paid		(6,366)	(8,390)
Repayment of revolving credits		(6,000)	-
Repayment of hire-purchase payables		(4,231)	(4,307)
Dividend paid		(2,979)	(2,345)
Repayment of term loans		(1,420)	(3,117)
Proceeds from revolving credits		-	10,000
Net Cash Generated From/(Used In) Financing Activities		12,096	(45,502)
NET INCREASE IN CASH AND CASH EQUIVALENTS		21,276	3,780
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,661	(281)
Effect of changes in exchange rate on foreign currency translation		(87)	162
CASH AND CASH EQUIVALENTS AT END OF YEAR	32(b)	24,850	3,661

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

Cash Flow Statement

For the Year Ended December 31, 2009

		The Company	
		2009	2008
	Note	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		3,954	3,827
Adjustments for:			
Finance costs		53	65
Tax expense recognised in profit or loss		20	3
Dividend income		(4,335)	(4,168)
		(308)	(273)
Movements in working capital:			
Decrease/(Increase) in other assets		3	-
Increase/(Decrease) in:			
Other payables		(3)	3
Other liabilities		25	(1)
Cash Used In Operations		(283)	(271)
Dividends received		4,260	4,103
Net Cash Generated From Operating Activities		3,977	3,832
CASH FLOWS USED IN INVESTING ACTIVITIES			
Advances granted to subsidiary company - net		(455)	(13)
Acquisition of additional shares in associated company		(125)	(395)
Net Cash Used In Investing Activities		(580)	(408)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividend paid		(2,979)	(2,345)
Repayment of advances to subsidiary company - net		(381)	(1,018)
Finance costs paid		(53)	(65)
Net Cash Used In Financing Activities		(3,413)	(3,428)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(16)	(4)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		5	9
CASH AND CASH EQUIVALENTS AT END OF YEAR	32(b)	(11)	5

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 14.

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 March 29, 2010.

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 the provisions of the Companies Act, 1965 and in compliance with the Financial Reporting Standards in Malaysia.

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

FRS and IC Int.		Effective for annual periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)	January 1, 2010
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010)	July 1, 2010
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from comparative FRS disclosures for first-time adopters)	January 1, 2011
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations)	January 1, 2010
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)	July 1, 2010
FRS 3	Business Combinations (Revised in 2010)	July 1, 2010
FRS 4	Insurance Contracts	January 1, 2010
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)	July 1, 2010
FRS 7	Financial Instruments: Disclosures	January 1, 2010
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets - effective date and transition)	January 1, 2010
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)	January 1, 2011

Notes to the Financial Statements

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

FRS and IC Int.		Effective for annual periods beginning on or after
FRS 8	Operating Segments	July 1, 2009
FRS 101	Presentation of Financial Statements (Revised in 2009)	January 1, 2010
FRS 123	Borrowing Costs (Revised)	January 1, 2010
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)	January 1, 2010
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010)	July 1, 2010
FRS 132	Financial Instruments: Presentation (Amendments relating to puttable financial instruments and obligations arising on liquidation and transitional provision relating to compound instruments)	January 1, 2010
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue)	March 1, 2010
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)	July 1, 2010
FRS 139	Financial Instruments: Recognition and Measurement	January 1, 2010
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets - effective date and transition, embedded derivatives and revised FRS 3 and revised FRS 127)	January 1, 2010
Improvements to FRSs (2009)		January 1, 2010
IC Int. 9	Reassessment of Embedded Derivatives	January 1, 2010
IC Int. 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)	January 1, 2010
IC Int. 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Int. 9 and revised FRS 3)	July 1, 2010
IC Int. 10	Interim Financial Reporting and Impairment	January 1, 2010
IC Int. 11	FRS 2 - Group and Treasury Share Transactions	January 1, 2010
IC Int. 12	Service Concession Arrangements	July 1, 2010
IC Int. 13	Customer Loyalty Programmes	January 1, 2010
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction	January 1, 2010
IC Int. 15	Agreements for the Construction of Real Estate	July 1, 2010
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

Consequential amendments were also made to various FRS as a result of these new/revised FRSs.

The Group and the Company are exempted in the respective FRSs from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

Notes to the Financial Statements

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

The directors anticipate that abovementioned Standards and Interpretations 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 Interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application except for the following:

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 profit or loss;
- 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 profit or loss 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.

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 financial position and performance of the Group and of the Company, the nature and extent of risks arising from financial instruments, and the objectives, policies and processes for managing capital.

FRS 7 - Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)

The amendments to FRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

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 of the Group in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its geographical and business segments (see Note 5). As a result, following 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.

Notes to the Financial Statements

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

FRS 101 - Presentation of Financial Statements (Revised in 2009)

FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. There is no impact on the financial statements of the Group and of the Company as the revised Standard affects only the presentation of the financial statements of the Group and of the Company.

FRS 123 - Borrowing Costs (Revised)

FRS 123 (Revised) eliminates the option available under the previous version of FRS 123 to recognise all borrowing costs immediately as an expense. An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. This principal change in the Standard has no impact on the financial statements of the Group and of the Company in the period of initial application as it has always been the accounting policy of the Group and of the Company to capitalise borrowing costs incurred on qualifying assets.

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

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

Under FRS 127 (Revised in 2010), increases or decreases in ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are dealt with in equity and attributed to the owners of the parent, with no impact on goodwill or profit or loss. When control of a subsidiary is lost as a result of a transaction, event or other circumstances, FRS 127 (Revised in 2010) requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary is recognised at its fair value at the date when control is lost, with the resulting gain or loss being recognised in profit or loss.

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.

FRS 139 - Financial Instruments: Recognition and Measurement

This new standard establishes principles for recognising and measuring financial assets, financial liabilities and certain contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Group and the Company will apply this standard when it becomes effective.

Notes to the Financial Statements

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

Improvements to FRSs (2009)

Improvements to FRSs (2009) contain amendments to 21 FRSs. Some of the improvements involve accounting changes to presentation, recognition or measurement whilst some are changes to terminology with little effect on accounting. Only the following improvements are expected to have an impact on the financial statements of the Group:

- FRS 117 *Leases* generally required leases of land with an indefinite useful life to be classified as operating leases. Following the amendments, leases of land are classified as either “finance” or “operating” using the general principles of FRS 117. These amendments are effective for annual periods beginning on or after January 1, 2010, and they are to be applied retrospectively to unexpired leases as of January 1, 2010 if the necessary information was available at the inception of the lease. Otherwise, the revised Standard will be applied based on the facts and circumstances existing on January 1, 2010 (i.e. the date of adoption of the amendments) and the Group will recognise assets and liabilities related to land leases newly classified as finance leases at their fair values on that date; any difference between those fair values will be recognised in retained earnings. It is likely that the changes will affect the classification of some of the leases of land of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The measurement basis applied in the preparation of the financial statements include historical cost, recoverable value, realisable value and fair value.

Basis of Consolidation

(i) Subsidiary Companies

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiary companies controlled by the Company made up to December 31, 2009.

A subsidiary company is a company where the Group and the Company have control over the financial and operating policies of that company so as to obtain benefits therefrom. Control is presumed to exist when the Group and the Company own, directly or indirectly through subsidiary companies, more than one half of the voting rights of the said company.

Financial statements of subsidiary companies are consolidated using the acquisition method of accounting. On acquisition, the assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition.

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 and the Company 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.

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.

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 resulting unrealised gains are eliminated on consolidation. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Consolidation (Cont'd)

(ii) Associated Companies

An associated company is a non-subsiary company in which the Group and the Company hold not less than 20% of the equity voting rights as long-term investment and in which the Group and the Company is in a position to exercise significant influence in its management.

The investment in associated company of the Group is accounted for under the equity method of accounting based on the latest management financial statements of the associated company made up to December 31, 2009. Under this method of accounting, the interest in the post-acquisition profits and reserves of the associated company of the Group is included in the consolidated results while dividend received is reflected as a reduction of the investment in the consolidated balance sheet.

Unrealised profits and losses arising on transactions between the Group and its associated company are eliminated to the extent of the equity interest of the Group in the associated company except where unrealised losses provide evidence of an impairment of the asset transferred.

Revenue Recognition

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

Sale of goods

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

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

Rendering of services

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

Dividend and interest 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 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.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 profit or loss 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.

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 each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet 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 profit or loss in the year in which they arise.

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 balance sheet date. 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 classified as equity and transferred to the translation reserve of the Group. Such exchange differences are recognised in profit or loss 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	2009 RM	2008 RM
1 United States Dollar	0.2920	0.2889

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Borrowing Costs

Borrowing costs directly attributable to construction of 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.

Operating Lease

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.

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 profit or loss 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 balance sheet date.

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, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such 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 carrying amount of deferred tax assets is reviewed at each balance sheet date 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 balance sheet date. 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 reporting date, 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.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, 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 balance sheet 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 balance sheet date.

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

Depreciation on revalued buildings are charged to profit or loss. On subsequent sale or retirement of a revalued properties, the attributable revaluation surplus remaining in the 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.

Depreciation of 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 profit or loss as and when incurred.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment (Cont'd)

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 profit or loss.

Property, Plant and Equipment Under Hire-Purchase Arrangements

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

Finance costs, which represent the differences between the total hire-purchase commitments and the fair values of the assets acquired, are charged to profit or loss 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.

Prepaid Lease Payments

Leases of land where title is not expected to pass to the lessee at the end of the lease term is classified as operating leases as land normally has an indefinite useful life. The upfront payments made on entering into or acquiring a leasehold land that is an operating lease represents prepaid lease payments which are amortised on a straight-line basis over the lease term.

Leasehold land is amortised over the lease period ranging from 24 to 98 years.

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 profit or loss 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 profit or loss in the year in which the retirement or disposal arise.

Investments

Investments in subsidiary companies, which are eliminated on consolidation, are classified as being available-for-sale and are stated at fair value, with any resultant fair value changes recognised in equity under 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 profit or loss.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments (Cont'd)

The fair value of subsidiary companies is determined based on a combination of net assets values, incorporating property valuations carried out by independent valuers by reference to market evidence of recent transactions for similar properties and the discounted future cash flow analysis on certain assets and liabilities of the subsidiary companies, with consideration of the aggregated values in comparison to market capitalisation of the Group at the balance sheet date. The assumptions to the discounted cash flow analysis incorporate observable business conditions and other factors that are likely to affect the subsidiary companies.

Investment in associated company, is stated in the financial statements of the Company at cost, less accumulated impairment loss, if any.

Investments in quoted shares are stated at the lower of cost and market value.

Investments in unquoted shares are stated at cost less allowance for diminution in value of investments to recognise any decline, other than a temporary decline, in the value of the investments.

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 profit or loss 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 profit or loss.

Impairment of Assets excluding Goodwill

At each balance sheet date, 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.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of Assets excluding Goodwill (Cont'd)

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 profit or loss, 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 had been recognised for the asset in prior years. A reversal is recognised immediately in profit or loss, 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.

Available-for-sale ("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 equity are reclassified to profit or loss even though the investment has not been derecognised. Impairment losses of AFS investments previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in equity.

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, promotional stocks 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 profit or loss 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.

Receivables

Receivables are reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash Flow Statements

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

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.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies of the Group and of the Company, management is 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.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, 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.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Key sources of estimation uncertainty (Cont'd)

(c) Allowance for Receivables

The Group makes allowance for doubtful receivables based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful receivables expenses in the period in which such estimate has been changed.

(d) Allowance for Slow Moving Inventories

The Group makes allowance for slow moving inventories based on an assessment of the recoverability of the inventories through sales and recycling for 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.

4. REVENUE

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Sale of goods	702,219	693,419	-	-
Tourism related services	823	728	-	-
Dividend income:				
Subsidiary companies	-	-	3,600	3,620
Associated company	-	-	735	548
	-	-	4,335	4,168
	703,042	694,147	4,335	4,168

5. SEGMENT REPORTING

Business segments

For management purposes, 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.

Notes to the Financial Statements

5. 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
Tax expense						(6,567)
Profit for the year						20,147
Other information						
Capital additions	10,070	3,468	2,216	536	-	16,290
Additions to prepaid lease payments	25	87	-	-	-	112
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 Balance Sheet						
Assets						
Segment assets	274,929	192,672	46,035	221,088	(302,731)	431,993
Investment in an associated company						35,198
Unallocated corporate assets						8,696
Consolidated total assets						475,887
Liabilities						
Segment liabilities	39,340	110,238	17,520	22,939	(105,769)	84,268
Unallocated corporate liabilities						175,250
Consolidated total liabilities						259,518

Notes to the Financial Statements

5. SEGMENT REPORTING (CONT'D)

The Group 2008	Manufacturing RM'000	Trading RM'000	Plantation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	323,037	370,106	276	728	-	694,147
Inter-segment sales	273,109	61,169	5,411	4,186	(343,875)	-
Total revenue	596,146	431,275	5,687	4,914	(343,875)	694,147
Results						
Segment results	23,097	3,063	872	5,491	(4,168)	28,355
Finance costs						(8,776)
Share of profit of an associated company						2,174
Investment revenue						1,068
Profit before tax						22,821
Tax expense						(5,422)
Profit for the year						17,399
Other information						
Capital additions	6,201	8,940	1,013	131	-	16,285
Additions to prepaid lease payments	1,150	-	-	-	-	1,150
Additions to investment properties	-	1,665	-	-	-	1,665
Depreciation and amortisation charges	5,798	1,979	400	164	-	8,341
Impairment loss on property, plant and equipment	-	821	-	-	-	821
Allowance for doubtful debts	2,053	68	-	-	-	2,121
Consolidated Balance Sheet						
Assets						
Segment assets	265,426	156,870	37,747	98,757	(181,075)	377,725
Investment in an associated company						32,868
Unallocated corporate assets						7,935
Consolidated total assets						418,528
Liabilities						
Segment liabilities	53,266	98,580	16,904	22,608	(105,819)	85,539
Unallocated corporate liabilities						151,432
Consolidated total liabilities						236,971

Notes to the Financial Statements

5. 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:

	2009 RM'000	2008 RM'000
Malaysia	14,304	13,123
Vietnam	1,986	3,162
	16,290	16,285

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.

6. INVESTMENT REVENUE

	The Group	
	2009 RM'000	2008 RM'000
Interest received on:		
Advances granted to ultimate holding company	347	393
Advances granted to other related companies	304	371
Rental income from investment properties	215	110
Interest income from fixed and short-term deposits	121	193
Dividend income from quoted shares	1	1
	988	1,068

Notes to the Financial Statements

7. 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	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts no longer required	2,036	413	-	-
Fair values adjustment of investment properties	440	-	-	-
Bad debts recovered	147	24	-	-
Gain on disposal of property, plant and equipment - net	102	87	-	-
Rental income:				
Premises	59	79	-	-
Motor vehicles	4	-	-	-
Machinery and equipment	1	2	-	-
Hot and cold water dispensers	-	2	-	-
Allowance for doubtful debts	(3,248)	(2,121)	-	-
Rental expense:				
Premises	(1,839)	(1,413)	-	-
Motor vehicles	-	(17)	-	-
Directors' remuneration:				
Directors of the Company:				
Fees	(164)	(115)	(98)	(82)
Other emoluments	(998)	(986)	(38)	(35)
Directors of the subsidiary companies:				
Fees	(60)	(39)	-	-
Other emoluments	(1,153)	(1,230)	-	-
Realised loss on foreign exchange - net	(920)	(1,036)	-	-
Property, plant and equipment written off	(495)	(1,252)	-	-
Deficit on revaluation of property, plant and equipment	(319)	-	-	-
Bad debts written off	(281)	(1,435)	-	-
Auditors' remuneration:				
Statutory audit:				
Current year	(279)	(244)	(31)	(31)
Prior year	(1)	1	-	-
Non-audit services	(62)	-	-	-
Hire of machinery	(217)	(181)	-	-
Lease rental	(3)	(3)	-	-
Research and development expenses	(3)	(2)	-	-
Unrealised loss on foreign exchange	-	(194)	-	-

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

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Contributions to EPF:				
Staff costs	3,303	2,843	-	-
Directors' remuneration	188	185	-	-

Notes to the Financial Statements

8. FINANCE COSTS

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Interest on:				
Bankers' acceptances	3,156	4,882	-	-
Revolving credits	892	941	38	48
Bank overdrafts	630	891	5	7
Term loans	538	801	-	-
Hire-purchase	430	524	-	-
Overdue accounts	4	-	-	-
Bank charges and commitment fees	605	740	10	10
	6,255	8,779	53	65
Less: Hire-purchase interest capitalised under plantation development expenditure (Note 11)	(9)	(3)	-	-
	6,246	8,776	53	65

9. INCOME TAX EXPENSE

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Current year:				
Malaysian	5,726	4,950	21	8
Foreign	253	273	-	-
	5,979	5,223	21	8
Prior year:				
Malaysian	68	(179)	(1)	(5)
	6,047	5,044	20	3
Deferred tax (Note 27):				
Relating to crystallisation of deferred tax liability on revaluation surplus of land and buildings	(88)	(174)	-	-
Relating of deferred tax liability arising from fair value adjustments on investment properties	100	-	-	-
Relating to origination and reversal of temporary differences	508	558	-	-
Prior year	-	(6)	-	-
	520	378	-	-
	6,567	5,422	20	3

Notes to the Financial Statements

9. INCOME TAX EXPENSE (CONT'D)

With effect from the beginning of the basis period for the year of assessment 2009, the statutory income tax rate for companies with a paid-up capital of above RM2,500,000 is reduced from 26% to 25%. In the previous years of assessments, for companies with a paid-up capital of RM2,500,000 and below, an income tax rate of 20% is applicable for chargeable income of up to RM500,000. However, with effect from year of assessment 2009, this preferential tax rate will no longer be applicable for companies that controls or being controlled directly or indirectly by, or are related to another company which has a paid-up ordinary share capital of more than RM2,500,000. As a result, the income tax rates of the Group and of the Company have also been revised accordingly.

The total charge for the year can be reconciled to the accounting profit as follows:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before tax	26,714	22,821	3,974	3,830
Tax at the applicable statutory income tax rate of 25% (2008: 26%)	6,679	5,933	993	996
Tax effects of:				
Expenses that are not deductible in determining taxable profit	1,456	700	36	31
Temporary differences arising from property, plant and equipment	247	521	-	-
Income that are not taxable in determining taxable profit	-	-	(1,008)	(1,019)
Share of profit of an associated company	(726)	(443)	-	-
Utilisation of reinvestment allowances	(524)	(507)	-	-
Utilisation of unabsorbed tax capital allowances and unutilised tax losses previously not recognised as deferred tax assets	(197)	(52)	-	-
Unutilised tax losses and unabsorbed agricultural and tax capital allowances carried forward	-	138	-	-
Effect of deferred tax liability arising from fair values adjustment on investment properties	100	-	-	-
Effect of difference in tax rate of a subsidiary operating in other jurisdictions	(244)	(401)	-	-
Tax waived in foreign country	(292)	(273)	-	-
Effect of difference in tax rate applicable to small and medium scale companies	-	(9)	-	-
Prior year:				
Income tax	68	(179)	(1)	(5)
Deferred tax	-	(6)	-	-
Income tax expense recognised in profit or loss	6,567	5,422	20	3

Notes to the Financial Statements

9. INCOME TAX EXPENSE (CONT'D)

As of December 31, 2009, the Company has Section 108 tax credit and tax-exempt accounts balances of approximately RM7,001,320 and RM26,108,142 (2008: RM7,158,080 and RM24,581,206) 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, 2009, certain subsidiary companies have Section 108 tax credit and tax-exempt accounts balances of approximately RM21,624,722 and RM15,735,186 (2008: RM24,303,907 and RM17,464,980) 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.

Current tax assets and liabilities

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<u>Current tax assets</u>				
Tax refund receivables	2,975	2,897	230	175
<u>Current tax liabilities</u>				
Income tax payables	551	560	-	-

10. EARNINGS PER ORDINARY SHARE

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

	The Group	
	2009 RM'000	2008 RM'000
Basic/Fully Diluted		
Profit for the year attributable to equity holders of the Company	20,147	17,399
	2009 Units	2008 Units
Weighted average number of ordinary shares in issue	62,704	62,704
	2009	2008
Basic/Fully diluted earnings per ordinary share (sen)	32.13	27.75

Notes to the Financial Statements

11. PROPERTY, PLANT AND EQUIPMENT

The Group 2009	Cost except as otherwise stated								
	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Currency translation reserve RM'000	Transfer (to)/from investment properties RM'000	Reclassifi- cation RM'000	Revaluation RM'000	At end of year RM'000
Freehold land:									
At valuation	22,010	-	-	-	-	(1,300)	-	13,930	34,640
Buildings:									
At valuation	42,742	-	-	-	-	(660)	8,062	4,816	54,960
At cost	11,582	205	-	-	-	1,407	(13,194)	-	-
Electricity and water supply system	258	6	-	(116)	-	-	-	-	148
Plant and machinery	87,491	5,977	(2,785)	(1,438)	(50)	-	10,145	-	99,340
Plant and machinery under hire-purchase	15,288	2,350	-	-	-	-	(8,870)	-	8,768
Motor vehicles	11,194	1,637	(1,250)	-	(4)	-	1,014	-	12,591
Motor vehicles under hire-purchase	5,534	1,970	(122)	-	-	-	(827)	-	6,555
Furniture, fixtures and equipment	12,545	1,894	(4)	(606)	(3)	-	(177)	-	13,649
Plantation development expenditure	5,346	541	-	-	-	-	-	-	5,887
Renovations	766	509	-	(15)	-	-	(154)	-	1,106
Capital work- in-progress	466	1,201	-	-	-	-	(1,275)	-	392
Total	215,222	16,290	(4,161)	(2,175)	(57)	(553)	(5,276)	18,746	238,036

Notes to the Financial Statements

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

The Group 2009	Accumulated depreciation and impairment loss								
	At beginning of year RM'000	Charge for the year RM'000	Disposals RM'000	Written off RM'000	Currency translation reserve RM'000	Transfer (to)/from investment properties RM'000	Reclassifi- cation RM'000	Revaluation RM'000	At end of year RM'000
Freehold land:									
At valuation	-	-	-	-	-	-	-	-	-
Buildings:									
At valuation	4,840	919	-	-	-	(62)	(4,762)	-	935
At cost	271	239	-	-	-	-	(510)	-	-
Electricity and water supply system	134	20	-	(100)	-	-	-	-	54
Plant and machinery	57,531	2,648	(1,766)	(1,109)	(9)	-	560	-	57,855
Plant and machinery under hire-purchase	4,910	1,666	-	-	-	-	(560)	-	6,016
Motor vehicles	8,347	649	(970)	-	(1)	-	566	-	8,591
Motor vehicles under hire-purchase	1,490	1,105	(44)	-	-	-	(408)	-	2,143
Furniture, fixtures and equipment	5,768	925	(3)	(469)	(1)	-	(149)	-	6,071
Plantation development expenditure	-	-	-	-	-	-	-	-	-
Renovations	224	79	-	(2)	-	-	(13)	-	288
Capital work- in-progress	-	-	-	-	-	-	-	-	-
Total	83,515	8,250	(2,783)	(1,680)	(11)	(62)	(5,276)	-	81,953

Notes to the Financial Statements

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

The Group 2008	Cost except as otherwise stated					
	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Currency translation reserve RM'000	Transfer (to)/from investment properties RM'000
Freehold land:						
At valuation	22,270	-	-	-	-	(260)
Buildings:						
At valuation	43,182	-	-	-	-	(440)
At cost	3,255	2,254	-	-	-	-
Electricity and water supply system	275	9	-	(26)	-	-
Plant and machinery	87,404	5,019	(2)	(5,303)	88	-
Plant and machinery under hire-purchase	15,550	-	-	-	-	-
Motor vehicles	10,992	336	(1,363)	(161)	11	-
Motor vehicles under hire-purchase	4,855	2,118	(60)	-	-	-
Furniture, fixtures and equipment	11,294	1,801	(59)	(988)	1	-
Plantation development expenditure	4,625	730	-	(9)	-	-
Renovations	573	271	-	(78)	-	-
Capital work- in-progress	3,311	3,747	-	-	-	-
						(6,592)
Total	207,586	16,285	(1,484)	(6,565)	100	(700)
						215,222

Notes to the Financial Statements

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

The Group 2008	Accumulated depreciation and impairment loss								
	At beginning of year RM'000	Charge for the year RM'000	Impairment loss for the year RM'000	Disposals RM'000	Written off RM'000	Currency translation reserve RM'000	Transfer (to)/from investment properties RM'000	Reclassifi- cation RM'000	At end of year RM'000
Freehold land:									
At valuation	-	-	-	-	-	-	-	-	-
Buildings:									
At valuation	3,085	960	821	-	-	-	(26)	-	4,840
At cost	114	157	-	-	-	-	-	-	271
Electricity and water supply system	132	20	-	-	(18)	-	-	-	134
Plant and machinery	58,567	3,149	-	-	(4,344)	22	-	137	57,531
Plant and machinery under hire-purchase	3,894	1,153	-	-	-	-	-	(137)	4,910
Motor vehicles	8,515	659	-	(1,232)	(157)	2	-	560	8,347
Motor vehicles under hire-purchase	1,194	877	-	(21)	-	-	-	(560)	1,490
Furniture, fixtures and equipment	5,871	716	-	(55)	(765)	1	-	-	5,768
Plantation development expenditure	-	-	-	-	-	-	-	-	-
Renovations	202	51	-	-	(29)	-	-	-	224
Capital work- in-progress	-	-	-	-	-	-	-	-	-
Total	81,574	7,742	821	(1,308)	(5,313)	25	(26)	-	83,515

Notes to the Financial Statements

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

The Group	Net book value	
	2009 RM'000	2008 RM'000
Freehold land:		
At valuation	34,640	22,010
Buildings:		
At valuation	54,025	37,902
At cost	-	11,311
Electricity and water supply system	94	124
Plant and machinery	41,485	29,960
Plant and machinery under hire-purchase	2,752	10,378
Motor vehicles	4,000	2,847
Motor vehicles under hire-purchase	4,412	4,044
Furniture, fixtures and equipment	7,578	6,777
Plantation development expenditure	5,887	5,346
Renovations	818	542
Capital work-in-progress	392	466
Total	156,083	131,707

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

	The Group	
	2009 RM'000	2008 RM'000
Depreciation of property, plant and equipment	95	94
Amortisation of prepaid lease rentals (Note 12)	58	59
Auditors' remuneration:		
Current year	4	4
Prior year	-	-
Interest on hire-purchase (Note 8)	9	3

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

	The Group	
	2009 RM'000	2008 RM'000
Profit or loss	8,155	7,648
Plantation development expenditure	95	94
	8,250	7,742

Notes to the Financial Statements

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

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

	The Group	
	2009 RM'000	2008 RM'000
At cost		
Factory building	821	821
Plant and machinery	1,315	1,315
Lab equipment	8	8
	2,144	2,144

The freehold land 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 RM17,781,236 (net of related deferred tax of RM1,283,746) has been credited to revaluation reserve account and the resulting revaluation deficit of RM318,429 has been charged out to profit or loss.

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.

12. PREPAID LEASE PAYMENTS

The Group 2009	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	32,134	13,797	45,931
Additions	87	25	112
Transfer from investment properties (Note 13)	1,066	-	1,066
Transfer to investment properties (Note 13)	(210)	-	(210)
Disposals	-	-	-
At end of year	33,077	13,822	46,899
Accumulated amortisation			
At beginning of year	1,541	1,281	2,822
Amortisation for the year	439	343	782
Transfer to investment properties (Note 13)	(21)	-	(21)
Disposals	-	-	-
At end of year	1,959	1,624	3,583
Carrying amount	31,118	12,198	43,316

Notes to the Financial Statements

12. PREPAID LEASE PAYMENTS (CONT'D)

The Group 2008	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	31,434	12,855	44,289
Additions	-	1,150	1,150
Transfer from investment properties (Note 13)	492	-	492
Reclassification	208	(208)	-
Disposals	-	-	-
At end of year	32,134	13,797	45,931
Accumulated amortisation			
At beginning of year	1,107	963	2,070
Amortisation for the year	423	329	752
Reclassification	11	(11)	-
Disposals	-	-	-
At end of year	1,541	1,281	2,822
Carrying amount	30,593	12,516	43,109

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

	The Group	
	2009 RM'000	2008 RM'000
Profit or loss	724	693
Plantation development expenditure (Note 11)	58	59
	782	752

The leasehold land of a subsidiary company with carrying amount of RM1,711,766 (2008: RM1,765,424) is charged to a licensed bank for banking facilities granted to the subsidiary as mentioned in Note 25.

Notes to the Financial Statements

13. INVESTMENT PROPERTIES

The Group 2009	At beginning of year RM'000	Additions RM'000	Transfer from/(to) property, plant and equipment RM'000	Transfer to prepaid lease payments RM'000	Transfer from prepaid lease payments RM'000	Reclassifi- cation RM'000	Fair values adjustment RM'000	At end of year RM'000
At fair value:								
Freehold land	950	-	1,300	-	-	-	120	2,370
Long-term leasehold land	1,847	-	-	(1,066)	189	(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	491	(1,066)	189	-	440	6,340

The Group 2008

At fair value:								
Freehold land	690	-	260	-	-	-	-	950
Long-term leasehold land	1,273	1,066	-	(492)	-	-	-	1,847
Short-term leasehold land	824	-	-	-	-	-	-	824
Buildings	845	599	414	-	-	-	-	1,858
As of December 31, 2008	3,632	1,665	674	(492)	-	-	-	5,479

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.

As of December 31, 2009, there were no contractual obligations of the Group for future repairs and maintenance (2008: RMNil).

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

Notes to the Financial Statements

14. INVESTMENTS IN SUBSIDIARY COMPANIES

	The Company	
	2009	2008
	RM'000	RM'000
Unquoted shares - available-for-sale	177,738	165,783

The fair value of subsidiary companies is determined based on a combination of net assets values, incorporating property valuations carried out by independent valuers by reference to market evidence of recent transactions for similar properties and the discounted future cash flow analysis on certain assets and liabilities of the subsidiary companies, with consideration of the aggregated values in comparison to market capitalisation of the Group at the balance sheet date. 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:

- Income and expenses are received and paid as and when they are earned and incurred.
- There will be no material changes in prevailing economic and political climate and government policies and regulations that would significantly affect operations of the respective companies.
- The estimate of three years cash flow projections is used by extrapolating the results using steady growth rate which is not exceeding the long-term average growth rate for the industries.
- The discount rate applied (4.29% per annum) has incorporated elements of country-specific risk, time value of money as well as business risk.

The subsidiary companies are as follows:

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2009 %	2008 %	
Direct Subsidiary Companies				
Yee Lee Trading Co. Sdn. Bhd.	Malaysia	100.00	100.00	Marketing and distribution of edible oils and other consumer products.
Yee Lee Palm Oil Industries Sdn. Bhd.*	Malaysia	100.00	100.00	Milling and selling of crude palm oil and kernel.
Yee Lee Edible Oils Sdn. Bhd.	Malaysia	100.00	100.00	Manufacturing of cooking oil, margarine and shortening and trading of consumer products.
South East Asia Paper Products Sdn. Bhd.*	Malaysia	100.00	100.00	Manufacturing and selling of corrugated paper cartons.
Canpac Sdn. Bhd.	Malaysia	100.00	100.00	Manufacturing and trading of general line tin cans.
Intanwasa Sdn. Bhd.	Malaysia	100.00	100.00	Investment holding.
Yee Lee Marketing Sdn. Bhd.*	Malaysia	100.00	100.00	Marketing and distribution of consumer products.

Notes to the Financial Statements

14. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2009 %	2008 %	
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.

15. INVESTMENT IN AN ASSOCIATED COMPANY

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Quoted shares, at cost	23,846	23,721	23,846	23,721
Share of post-acquisition results, net of dividends received	9,314	7,144	-	-
Share of post-acquisition reserves	2,038	2,003	-	-
	11,352	9,147	-	-
	35,198	32,868	23,846	23,721
Market value of quoted shares	25,545	18,501	25,545	18,501

Notes to the Financial Statements

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

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

	The Group	
	2009 RM'000	2008 RM'000
Share of net assets	36,917	34,571
Reserve on acquisition	(1,719)	(1,703)
	35,198	32,868

The associated company of the Group is as follows:

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity	Financial Year End
		2009 %	2008 %		
Spritzer Bhd.	Malaysia	28.13	27.97	Investment holdings.	May 31

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

	The Group	
	2009 RM'000	2008 RM'000
Total assets	222,850	174,513
Total liabilities	(91,614)	(50,907)
Net assets	131,236	123,606
Group's share of associate's net assets	36,917	34,571
Total revenue	117,948	104,383
Total profit for the year	10,350	7,871
Group's share of associate's profit for the year	2,905	2,174

Notes to the Financial Statements

16. OTHER INVESTMENTS

	The Group	
	2009 RM'000	2008 RM'000
At cost:		
Quoted shares in Malaysia	20	20
Unquoted shares in Malaysia	247	247
	267	267
Market value of quoted shares	21	18

17. GOODWILL ON CONSOLIDATION

	The Group	
	2009 RM'000	2008 RM'000
At beginning of year	3,635	3,635
Impairment loss recognised in profit or loss	(2,023)	-
At end of year	1,612	3,635

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

Carrying amount of goodwill is allocated to the following CGU:

	The Group	
	2009 RM'000	2008 RM'000
(i) Canpac Sdn. Bhd. (manufacturing operations)	1,612	1,612
(ii) Sabah Tea Sdn. Bhd. (tourism related services operations)	-	1,993
(iii) Yee Lee Marketing Sdn. Bhd. (marketing and distribution of consumer products operations)	-	15
(iv) Mini Motors Sdn. Bhd. (investment holding)	-	13
(v) Sementra Plantations Sdn. Bhd. (planting of oil palm operations)	-	2
	1,612	3,635

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 three years from financial year 2010 to 2012. The following key assumptions are used to generate the financial forecast:

Sales volume growth rate	9.00% per annum
Discount rate	4.29% per annum

Notes to the Financial Statements

17. GOODWILL ON CONSOLIDATION (CONT'D)

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.

18. INVENTORIES

	The Group	
	2009 RM'000	2008 RM'000
Finished goods and trading merchandise	41,133	36,854
Raw materials	16,540	19,662
Work-in-progress	3,587	5,019
Goods-in-transit	2,406	3,117
Factory supplies	1,978	2,685
Consumables	1,185	1,356
Promotional stocks	-	323
	66,829	69,016
Less: Allowance for slow moving inventories	(678)	(1,348)
	66,151	67,668

The cost of inventories recognised as an expense during the year for the Group was RM418,059,473 (2008: RM598,505,661).

The carrying values of finished goods of RM147,889 (2008: RM375,080) are stated at net realisable values.

Inventories written off recognised as an expense for the Group during the financial year amounted to RM82,999 (2008: RM5,237).

An allowance for slow moving inventories was recognised by the Group in the prior year amounted to RM1,205,106.

During the financial year, allowance for slow moving inventories no longer required for the Group of RM670,005 (2008: RMNil) was recognised in profit or loss.

Notes to the Financial Statements

19. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Trade receivables	104,928	90,208	-	-
Less: Allowance for doubtful debts	(3,719)	(5,091)	-	-
	101,209	85,117	-	-
Amount owing by holding company (Note 20)	4,915	5,087	-	-
Amount owing by subsidiary companies (Note 20)	-	-	13,954	13,499
Amount owing by other related companies (Note 20)	5,976	5,705	-	-
Amount owing by other related parties (Note 20)	8,685	10,662	-	-
Other receivables	7,626	6,812	-	-
Net	128,411	113,383	13,954	13,499

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

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	123,284	107,405	13,954	13,499
Vietnamese Dong	3,578	3,694	-	-
Australian Dollar	2,833	345	-	-
United States Dollar	1,924	6,553	-	-
Singapore Dollar	511	477	-	-
	132,130	118,474	13,954	13,499

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

An allowance has been made for estimated irrecoverable amounts from the sale of goods of the Group amounting to RM3,719,789 (2008: RM5,091,564) and has been determined by reference to past default experience.

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 payment to a supplier for trade purchases.

The credit period granted on sale of goods ranged from 14 to 120 days (2008: 14 to 120 days) whilst tourism related services rendered ranged from 30 to 60 days (2008: 30 to 60 days).

Transactions with related parties are disclosed in Note 20.

Notes to the Financial Statements

20. 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.)
Unikampar Credit And Leasing Sdn. Bhd.	<ul style="list-style-type: none"> - A company in which Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, a director of the Company, is a director and has substantial financial interest. - A company in which Mr. Thang Lai Sung, a director of the Company, is a director. - A company in which Y. Bhg. Datin Chua Shok Tim @ Chua Siok Hoon, a director of certain subsidiary companies, has substantial financial interest.
Multibase Systems Sdn. Bhd.	<ul style="list-style-type: none"> - A company in which Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, a director of the Company, has substantial financial interest. - A company in which Y. Bhg. Datin Chua Shok Tim @ Chua Siok Hoon, a director of certain subsidiary companies, has substantial financial interest. - A company in which Mr. Lee Kon Cheng and Mr. Chua Ah Bah @ Chua Siew Seng, directors of certain subsidiary companies, are directors.
Uniyelee Insurance Agencies Sdn. Bhd.	<ul style="list-style-type: none"> - A company in which Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, a director of the Company, has substantial financial interest. - A company in which Mr. Lim Ee Young, a director of the Company, is a director. - A company in which Y. Bhg. Datin Chua Shok Tim @ Chua Siok Hoon, a director of certain subsidiary companies, is a director and has substantial financial interest.
Unipon Enterprise Sdn. Bhd.	<ul style="list-style-type: none"> - A company in which Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, a director of the Company, has substantial financial interest. - A company in which Mr. Lim Ee Young, a director of the Company, is a director. - A company in which Y. Bhg. Datin Chua Shok Tim @ Chua Siok Hoon, a director of certain subsidiary companies, has substantial financial interest.

Notes to the Financial Statements

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

Names of related parties	Relationships
Manimore Resources Sdn. Bhd.	<ul style="list-style-type: none"> - A company in which Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, a director of the Company, has substantial financial interest. - A company in which Y. Bhg. Datin Chua Shok Tim @ Chua Siok Hoon, a director of certain subsidiary companies, has substantial financial interest. - A company in which Mr. Goh Mung Chwee, a director of certain subsidiary companies, is a director.
Chuan Sin Cactus Sdn. Bhd. Chuan Sin Sdn. Bhd.	<ul style="list-style-type: none"> - Companies in which Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, a director of the Company, is a director and has substantial financial interests. - Companies in which Y. Bhg. Datin Chua Shok Tim @ Chua Siok Hoon, a director of certain subsidiary companies, is a director and has substantial financial interests.
Golden PET Industries Sdn. Bhd. Angenet Sdn. Bhd.	<ul style="list-style-type: none"> - Companies in which Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, a director of the Company, is a director and has substantial financial interests. - Companies in which Y. Bhg. Datin Chua Shok Tim @ Chua Siok Hoon, a director of certain subsidiary companies, has substantial financial interests.
Multisafe Sdn. Bhd.	<ul style="list-style-type: none"> - A company in which Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, a director of the Company, is a director and has substantial financial interest. - A company in which Y. Bhg. Datin Chua Shok Tim @ Chua Siok Hoon, a director of certain subsidiary companies, has substantial financial interest. - A company in which Mr. Lee Kon Cheng, a director of certain subsidiary companies, is a director.
Transport Master Sdn. Bhd. Intan Serantau Sdn. Bhd.	<ul style="list-style-type: none"> - Companies in which Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, a director of the Company, has substantial financial interests. - Companies in which Y. Bhg. Datin Chua Shok Tim @ Chua Siok Hoon, a director of certain subsidiary companies, has substantial financial interests.
Uniyelee Service Agencies Sdn. Bhd.	<ul style="list-style-type: none"> - A company in which Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, a director of the Company, has substantial financial interests. - A company in which Mr. Sow Yeng Chong, a director of the company, is a director. - A company in which Y. Bhg. Datin Chua Shok Tim @ Chua Siok Hoon, a director of certain subsidiary companies, has substantial financial interests. - A company in which Mr. Chua Ah Bah @ Chua Siew Seng, a director of certain subsidiary companies, is a director.

Notes to the Financial Statements

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

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

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Ultimate holding company				
Interest on advances received	347	393	-	-
Subsidiary companies				
Dividends received (gross)	-	-	3,600	3,620
Associated company				
Dividends received (gross)	-	-	735	548
Other related companies				
Yew Lee Chiong Tin Factory Sdn. Bhd.				
Purchase of goods	680	796	-	-
Transportation fees received	87	113	-	-
Interest on advances received	73	29	-	-
Sale of goods	8	6	-	-
Professional fees received	-	7	-	-
Kasjaria-Kim Huat (M) Sdn. Bhd.				
Rental received	2	-	-	-
Practical Advanced Technology Sdn. Bhd.				
Maintenance of networking, system, training and management services rendered	1,304	1,096	-	-
Rental on premises received	28	12	-	-
Purchase of hardware and software	2	-	-	-
Cranberry (M) Sdn. Bhd.				
Interest on advances received	231	342	-	-
Rental on premises received	12	12	-	-
Transportation fees received	-	1	-	-
Yee Lee Oils & Foodstuffs (S) Pte. Ltd.				
Sale of goods	48	89	-	-

Notes to the Financial Statements

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

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Other related parties				
Unikampar Credit And Leasing Sdn. Bhd.				
Hire-purchase loans obtained	4,675	1,565	-	-
Interest on hire-purchase loans paid	430	516	-	-
Professional fee received	-	2	-	-
Multibase Systems Sdn. Bhd.				
Secretarial fees paid/ payable	28	28	4	4
Uniyelee Insurance Agencies Sdn. Bhd.				
Insurance premium paid/payable	1,463	1,470	2	4
Professional fee received	-	1	-	-
Unipon Enterprise Sdn. Bhd.				
Transportation fees received/receivable	1	5	-	-
Manimore Resources Sdn. Bhd.				
Sale of goods	5	12	-	-
Chuan Sin Cactus Sdn. Bhd.				
Purchase of goods	43	4,205	-	-
Chuan Sin Sdn. Bhd.				
Purchase of goods	59,158	49,470	-	-
Sale of goods	6,073	6,158	-	-
Rental of premises received/receivable	24	17	-	-
Professional fees received/receivable	8	7	-	-
Transportation fees received/receivable	-	12	-	-
Golden PET Industries Sdn. Bhd.				
Purchase of goods	11,046	10,265	-	-
Sale of goods	116	118	-	-
Transportation fees received	120	115	-	-
Rental on premises paid/payable	66	66	-	-
Professional fees received/receivable	5	5	-	-

Notes to the Financial Statements

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

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Other related parties (Cont'd)				
Angenet Sdn. Bhd.				
Purchase of goods	5,782	3,979	-	-
Sale of goods	59	691	-	-
Multisafe Sdn. Bhd.				
Sale of steam	872	1,776	-	-
Sale of goods	206	305	-	-
Discount allowed for sale of steam in prior years	-	1,624	-	-
Transport Master Sdn. Bhd.				
Contract wages paid/payable	828	820	-	-
Intan Serantau Sdn. Bhd.				
Contract wages paid/payable	441	403	-	-
Uniyelee Service Agencies Sdn. Bhd.				
Insurance premium paid/payable	383	347	-	-
Professional fee received	-	1	-	-

The outstanding balances arising from related party transactions are disclosed in Notes 19, 26 and 28.

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 bear interest rate of 8.00% (2008: 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.

Notes to the Financial Statements

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

The remuneration of directors are disclosed in Note 7. The remuneration of other members of key management personnel of the Group during the year are as follows:

	The Group	
	2009 RM'000	2008 RM'000
Short-term employee benefits	1,281	1,176
Post-employment benefits - Defined contribution plan	154	148
	1,435	1,324

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 RM67,342 (2008: RM61,373).

21. OTHER ASSETS

Other assets consist of:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Refundable deposits	2,040	1,845	2	5
Prepaid expenses	1,913	1,185	1	1
	3,953	3,030	3	6

22. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Fixed deposits with licensed banks	8,140	12	-	-
Cash on hand and at banks	23,441	14,473	10	7
	31,581	14,485	10	7

Fixed deposits amounting to RM10,000 (2008: 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 1.60% to 7.90% (2008: 2.50% to 7.90%) per annum. The fixed deposits have maturity period ranging from 11 days to 365 days (2008: 8 days to 365 days).

Notes to the Financial Statements

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

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

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	28,809	11,214	10	7
Vietnamese Dong	2,725	3,224	-	-
United States Dollar	47	47	-	-
	31,581	14,485	10	7

23. SHARE CAPITAL

	The Group and The Company	
	2009	2008
	RM'000	RM'000
Authorised:		
100,000,000 ordinary shares of RM1 each	100,000	100,000
Issued and fully paid:		
62,704,000 ordinary shares of RM1 each	62,704	62,704

24. RESERVES

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Non-distributable reserves:				
Share premium	52	52	52	52
Revaluation reserves	39,048	21,267	122,018	110,063
Translation reserve	(341)	(169)	-	-
Capital reserves	161	126	-	-
	38,920	21,276	122,070	110,115
Distributable reserve:				
Retained earnings	114,745	97,577	22,847	21,872

Notes to the Financial Statements

24. RESERVES (CONT'D)

Share premium

Share premium arose from the following:

	The Group and The Company	
	2009 RM'000	2008 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)
	52	52

Revaluation reserve

The 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.

The revaluation reserve of the Company arises from changes in fair values of the investments in subsidiaries. Where the subsidiaries are disposed of, the portion of the reserve that relates to the disposed subsidiaries is effectively realised, and is transferred directly to retained earnings.

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.

Capital reserves

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

Retained earnings

The Company has not opted to disregard the Section 108 tax credit balance in accordance with the Finance Act, 2007. The Company may utilise the Section 108 tax credit balance which has been frozen as of December 31, 2007 to frank dividend payments during the six-year transitional period. 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 credit and tax-exempt accounts balances to frank dividends out of its entire retained earnings as of December 31, 2009.

Notes to the Financial Statements

25. BORROWINGS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unsecured:				
Bankers' acceptances	115,382	83,790	-	-
Revolving credits	22,000	28,000	1,000	1,000
Bank overdrafts	6,721	10,814	21	2
Term loans	8,198	8,118	-	-
Secured:				
Hire-purchase payables (Note 26)	6,432	5,988	-	-
	158,733	136,710	1,021	1,002
Less: Amount due within 12 months (shown under current liabilities)	(148,622)	(127,629)	(1,021)	(1,002)
Non-current portion	10,111	9,081	-	-

The non-current portion is repayable as follows:

	The Group	
	2009 RM'000	2008 RM'000
Financial years ending December 31:		
2010	-	2,979
2011	3,473	1,630
2012	2,503	1,330
2013	2,081	1,271
2014	1,336	1,141
2015 and above	718	730
	10,111	9,081

The Group has six (6) term loans:

- A seven (7) year term loan of RM7,000,000 (2008: RM7,000,000) which is repayable by 84 equal monthly instalments commencing February, 2002. This term loan has been fully settled during the financial year;
- A five (5) year term loan of RM900,000 (2008: RM900,000) which is repayable by 60 equal monthly instalments commencing January, 2006;
- A ten (10) year term loan of RM2,100,000 (2008: RM2,100,000) which is repayable by 120 equal monthly instalments commencing December, 2007;
- A five (5) year term loan of RM1,200,000 (2008: RM1,200,000) which is repayable by 60 equal monthly instalments commencing September, 2008;

Notes to the Financial Statements

25. BORROWINGS (CONT'D)

- (e) A ten (10) year term loan of RM4,674,179 (2008: RM4,674,179) which is repayable by 120 equal monthly instalments commencing March, 2009; and
- (f) A five (5) year term loan of RM1,500,000 (2008: RMNil) which is repayable by 60 equal monthly instalments commencing May, 2009.

The average effective interest rates per annum are as follows:

	The Group		The Company	
	2009 %	2008 %	2009 %	2008 %
Bank overdrafts	6.51	7.66	6.55	7.73
Bankers' acceptances	2.89	3.82	-	-
Revolving credits	3.90	4.87	4.18	4.80
Term loans	6.46	6.75	-	-

The credit facilities of the Group of RM350,327,000 (2008: RM326,424,000) are guaranteed by the Company. Certain credit facilities of the Group amounting to RM1,500,000 (2008: RM1,500,000) are secured by legal charges over the leasehold land of a subsidiary company.

26. HIRE-PURCHASE PAYABLES

	Minimum hire-purchase payments		Present value of minimum hire-purchase payments	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
The Group				
Amounts payable under hire-purchase arrangements:				
Within one year	3,267	4,212	2,827	3,854
In the second to fifth year inclusive	4,023	2,396	3,605	2,134
	7,290	6,608	6,432	5,988
Less: Future finance charges	(858)	(620)	-	-
Present value of hire-purchase payables	6,432	5,988	6,432	5,988
Less: Amount due within 12 months (shown under current liabilities)			(2,827)	(3,854)
Non-current portion			3,605	2,134

Notes to the Financial Statements

26. HIRE-PURCHASE PAYABLES (CONT'D)

The non-current portion is repayable as follows:

	The Group	
	2009	2008
	RM'000	RM'000
Financial years ending December 31:		
2010	-	1,666
2011	1,677	412
2012	1,048	56
2013	696	-
2014	184	-
	3,605	2,134

As of December 31, 2009, hire-purchase obligations of the Group payable to a related party amounted to RM6,431,772 (2008: RM5,973,049).

The terms for hire-purchase ranged from 3 to 5 years. For the financial year ended December 31, 2009, the effective borrowing rates ranged from 3.40% to 8.68% (2008: 6.21% to 8.47%) 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.

27. DEFERRED TAX LIABILITIES

	The Group	
	2009	2008
	RM'000	RM'000
At beginning of year	(14,162)	(13,784)
(Charge)/Credit to profit or loss for the year (Note 9):		
Property, plant and equipment	(613)	(1,117)
Allowance for doubtful debts	(79)	519
Unrealised loss on foreign exchange	(49)	32
Fair value adjustments on investment properties	(100)	-
Revaluation reserve	88	174
Provision for bonus	233	-
Provision for staff benefits	-	14
	(520)	(378)
Charge to equity for the year:		
Revaluation reserve	(1,284)	-
At end of year	(15,966)	(14,162)

Notes to the Financial Statements

27. DEFERRED TAX LIABILITIES (CONT'D)

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 balance sheet purposes:

	The Group	
	2009 RM'000	2008 RM'000
Deferred tax assets	777	672
Deferred tax liabilities	(16,743)	(14,834)
	(15,966)	(14,162)

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

	The Group	
	2009 RM'000	2008 RM'000
Deferred tax liabilities (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment	8,463	7,850
Revaluation reserve	8,280	6,984
	16,743	14,834
Offsetting	(777)	(672)
Deferred tax liabilities (after offsetting)	15,966	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
	777	672
Offsetting	(777)	(672)
Deferred tax assets (after offsetting)	-	-

As of December 31, 2009, the estimated deferred tax assets have not been recognised in respect of the following items:

	The Group	
	2009 RM'000	2008 RM'000
Unutilised tax losses and unabsorbed agricultural and tax capital allowances	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 (2008: RM12,695,698), which have been agreed by the Inland Revenue Board.

Notes to the Financial Statements

28. TRADE AND OTHER PAYABLES

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 (2008: 30 to 120 days). The amounts owing to other payables of the Group and of the Company are unsecured, interest-free and repayable on demand.

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Trade payables	36,707	37,986	-	-
Amount owing to subsidiary companies (Note 20)	-	-	7,007	7,388
Amount owing to other related companies (Note 20)	399	144	-	-
Amount owing to other related parties (Note 20)	23,607	24,403	-	-
Other payables	9,795	8,456	1	4
	70,508	70,989	7,008	7,392

Transactions with related parties are disclosed in Note 20.

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

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	67,436	65,677	7,008	7,392
United States Dollar	1,872	4,747	-	-
Vietnamese Dong	1,073	463	-	-
Singapore Dollar	107	81	-	-
Euro Dollar	16	6	-	-
Thai Baht	4	-	-	-
Sterling Pound	-	15	-	-
	70,508	70,989	7,008	7,392

29. OTHER LIABILITIES

Other liabilities consist of:

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Deposits received	118	39	-	-
Accrued expenses	13,642	14,511	131	106
	13,760	14,550	131	106

Notes to the Financial Statements

30. DIVIDEND

	The Group and The Company	
	2009 RM'000	2008 RM'000
First and final dividend paid:		
- 1 sen per share, less tax for 2008 (2008: 1 sen per share, less tax for 2007)	471	464
- 4 sen per share, tax-exempt for 2008 (2008: 3 sen per share, tax-exempt for 2007)	2,508	1,881
	2,979	2,345

The directors have proposed a first and final dividend of 4 sen per share, tax-exempt and 1 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 (2008: 3.74 sen).

31. FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial Risk Management Objectives and Policies

The operations of the Group and of the Company are subject to a variety of financial risks, including foreign currency exchange risk, interest rate risk, price risk, credit risk, liquidity risk and cash flow risk.

Foreign currency exchange risk

The Group enters into foreign currency forward contracts in the normal course of business to manage its exposure against foreign currency fluctuations on settlement of debts arising from trade sales and trade purchases transactions denominated in foreign currencies.

Interest rate risk

The Group is exposed to interest rate risk from its borrowings. The Group enters into various interest rate risk management transactions for the purpose of reducing net interest costs and to achieve interest rates within predictable desired range.

Price risk

The Group is exposed to price risk mainly from the changes in the prices of major raw materials such as tinplates and copper wire. The Group mitigates its risks to the price volatility through entering into fixed price contracts with the suppliers.

Credit risk

The Group is exposed to credit risk mainly from trade receivables and derivative instruments used. The Group extends credit to its customers based upon careful evaluation of the financial condition and credit history of the customer. The Group also ensures a large number of customers so as to limit high credit concentration in a customer or customers from a particular market.

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk

The Group practices 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.

Cash flow risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Financial Assets

The principal financial assets of the Group are fixed deposits, cash and bank balances, trade and other receivables and equity investments.

The principal financial assets of the Company are cash and bank balances, sundry receivables and equity investments.

The accounting policies applicable to the major financial assets are as disclosed in Note 3.

Financial Liabilities

The principal financial liabilities of the Group and of the Company are trade and other payables and bank borrowings.

Bank borrowings are recorded at proceeds received net of direct issue costs. Finance charges are accounted for on accrual basis.

Off Balance Sheet Derivative Financial Instruments

The Group enters into various financial derivative transactions to control and manage financial risks arising from its operations. The use of derivative instruments is to manage its exposure to fluctuations in foreign currency exchange rates. These instruments are not recognised in the financial statements on inception.

Forward Foreign Currency Contracts

Forward foreign currency contracts are entered into by the Group to limit its exposure to fluctuations in foreign currency exchange rates on foreign receipts and payments.

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

The following table details the forward foreign currency contracts outstanding as at balance sheet date:

<i>Hedge item</i>	Average Exchange Rate per unit of Ringgit Malaysia	Currency to be received	Currency to be paid	RM equivalent '000	Fair value '000
As of December 31, 2009					
Trade receivables:					
Nil	-	-	-	-	-
As of December 31, 2008					
Trade receivables:		Ringgit	United States		
USD193,247	0.2882	Malaysia	Dollar	671	670

The above contracts mature within one month of the balance sheet date.

The fair values of forward foreign currency contracts disclosed above are calculated by reference to the current rates for contracts with similar maturity profile.

Fair Values of Financial Assets and Financial Liabilities

The carrying amounts and the estimated fair values of the financial instruments of the Group as of December 31, 2009 are as follows:

		2009		2008	
	Note	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial Assets					
Investment in quoted shares	16	20	21	20	18
Investments in unquoted shares	16	247	-	247	-
Financial Liabilities					
Term loans	25	8,198	7,060	8,118	7,933

Cash and cash equivalents, trade and other receivables, trade and other payables and short-term bank borrowings

The carrying amounts of the short-term financial assets and financial liabilities approximate their fair values due to the short-term maturities of these instruments.

Notes to the Financial Statements

31. FINANCIAL INSTRUMENTS (CONT'D)

Investment in quoted shares

The market values of quoted shares as of balance sheet date approximate their fair values.

Investments in unquoted shares

No disclosure is made as it is impractical to estimate the fair values of unquoted investments due to lack of quoted market prices and the inability to establish their fair values without incurring excessive cost.

Term loans

The fair values of term loans are estimated using discounted cash flow analysis based on current borrowing rates for similar type of financing arrangements.

Hire-purchase payables

The fair values of hire-purchase payables are estimated using discounted cash flow analysis based on the current borrowing rates for similar types of hire-purchase arrangements. There is no material difference between the carrying amounts and the estimated fair values of the hire-purchase payables.

32. CASH FLOW STATEMENTS

(a) Purchase of property, plant and equipment

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

	The Group	
	2009 RM'000	2008 RM'000
Cash purchase	11,462	11,331
Hire-purchase financing	4,675	1,565
Term loans financing	-	3,236
Depreciation of property, plant and equipment capitalised	95	94
Amortisation of prepaid lease payments capitalised	58	59
	16,290	16,285

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

Notes to the Financial Statements

32. CASH FLOW STATEMENTS (CONT'D)

(b) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	The Group		The Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Fixed deposits	8,140	12	-	-
Cash and bank balances	23,441	14,473	10	7
Bank overdrafts	(6,721)	(10,814)	(21)	(2)
	24,860	3,671	(11)	5
Less: Fixed deposits pledged to a licensed bank	(10)	(10)	-	-
	24,850	3,661	(11)	5

33. COMMITMENTS

As of December 31, 2009, the Group has the following commitments in respect of property, plant and equipment:

	2009	2008
	RM'000	RM'000
Capital expenditure:		
Approved and contracted for	4,075	-
Contracted but not provided for	443	416
Approved but not contracted for	-	1,050
	4,518	1,466

Notes to the Financial Statements

34. PRIOR YEAR ADJUSTMENTS

During the financial year, the Company adopted a policy of recording its investments in subsidiary companies at their fair values. The adoption of this policy has been applied retrospectively, and the effects on prior financial years have been taken as prior year adjustments in the financial statements. The effects to the financial statements are reflected as follows:

The Company	As previously reported RM'000	Adjustments RM'000	As restated RM'000
As of/For the financial year ended December 31, 2008			
Balance sheet			
Investments in subsidiary companies	57,982	107,801	165,783
Reserves	2,314	107,801	110,115
Statement of changes in equity			
Total income recognised directly in equity:			
Net gain arising on revaluation of investments in subsidiary companies	-	38,196	38,196
Revaluation reserve	2,262	107,801	110,063
For the financial year ended December 31, 2007			
Statement of changes in equity			
Revaluation reserve	2,262	69,605	71,867

35. OPERATING LEASE ARRANGEMENTS

At the balance sheet date, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	The Group	
	2009 RM'000	2008 RM'000
Within one year	543	658
In the second to third year inclusive	627	872
	1,170	1,530

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 three years (2008: one to three years) with an option to renew the lease after that date.

Statement by Directors

The directors of **YEE LEE CORPORATION BHD.** state that, in their opinion, the accompanying balance sheets and the related statements of income, changes in equity and cash flows are drawn up in accordance with the provisions of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of December 31, 2009 and of the results of their businesses and the cash flows of the Group and of the Company for the year ended on that date.

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,
March 29, 2010

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 balance sheets and the related statements of income, changes in equity and cash flows 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 29th day of
March, 2010.

Before me,

ENCIK MOHD YUSOF BIN HARON, KPP, PNPBB, PJK
NO: A 112
COMMISSIONER FOR OATHS

List of Properties

As at December 31, 2009

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Date of Acquisition/ Last Revaluation	Net Book Value RM'000
Lots No. 72169, 158022 and PT80026, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Leasehold expiring on 01.09.2075, 30.07.2088 and 28.03.2050 respectively	3-storey office, factory, warehouse and adjoining vacant land	34	34,368/ 18,967	31.12.2009 *	17,138
MLO Nos. 3647 and 3648, Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim	Freehold	2 adjoining units of single storey semi-detached factories	28	1,608/ 839	31.12.2009	1,830
P.T. No. 10010, Mukim of Kuala Kuantan, Kuantan, Pahang	Leasehold expiring on 18.07.2044	Single storey semi-detached factory	30	922/ 460	14.07.2009	420
Lot 2240, Section 66 Kuching Town Land District, Kuching, Sarawak	Leasehold expiring on 17.03.2042	Single storey factory cum double storey office	24	3,103/ 2,003	31.12.2009 *	2,043
Town Lease No. 077532828, District of Sandakan, Sandakan, Sabah	Leasehold expiring on 31.12.2029	1 1/2 storey semi-detached warehouse	29	585/ 809	31.12.2009 *	464
Lease No. 105430000, District of Tawau, Tawau, Sabah	Leasehold expiring on 31.12.2042	Single storey detached factory	27	2,086/ 1,532	31.12.2009 *	780
Lot Nos. 4337 and 4338, Mukim 13, Daerah Timur Laut, Penang	Freehold	2 adjoining units of 3-storey shophouse	25	334/ 662	31.12.2009	1,200
Unit Nos. 1902, 1903, 19th Floor, Sun Complex, Kuala Lumpur	Freehold	2 adjoining Apartment units	31	184	31.12.2009	380
Blk 1-6, & 9, Jalan Kilang, Sedco Industrial Estate, Miles 5 1/2, Tuaran Road, Kota Kinabalu, Sabah	Leasehold expiring on 31.12.2073	7 double storey industrial buildings	13	1,138/ 3,185	31.12.2009 *	2,741

List of Properties

As at December 31, 2009

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Date of Acquisition/ Last Revaluation	Net Book Value RM'000
Blk 7 & 8, Jalan Kilang, Sedco Industrial Estate, Miles 5 1/2, Tuaran Road, Kota Kinabalu, Sabah	Leasehold expiring on 31.12.2073	2 double storey industrial buildings	13	276/ 555	31.12.2009*	768
PT No 31095, HS(D) 24203 Mukim of Batu, District of Gombak, Selangor Darul Ehsan	Freehold	3-storey office and warehouse	9	14,729/ 5,184	31.12.2009	20,900
PT 3843, HS(M) 1602 Mukim Bukit Baru, Daerah Melaka Tengah Melaka	Leasehold expiring on 29.03.2097	One storey warehouse and office	4	3,338/ 1,510	31.12.2009*	1,806
PT 3842, HS(M) 1601 Mukim Bukit Baru, Daerah Melaka Tengah Melaka	Leasehold expiring on 29.03.2097	One storey warehouse and office	2	3267/ 1,858	31.12.2009*	2,562
Lot 10 & 11, CL105479552 & CL105479553 Off Jalan Sin On, Tawau, Sabah	Leasehold expiring on 04.05.2904	2 adjoining unit of 2-storey shophouse	9	446/ 669	31.12.2009	680
PT No. 681, HS(D) 519/82 Mukim of Panchor, Kemumin District of Kota Bharu Kelantan	Leasehold expiring on 25.07.2048	Vacant land	-	8,094	31.12.2009	410
PT 44787 & HSM 37316 Mukim Kuala Kuantan Daerah Kuantan Pahang	Leasehold expiring on 05.03.2062	One storey warehouse and office	2	2,957/ 929	31.12.2009*	2,543
Lot 70428, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Leasehold expiring on 04.06.2074	Double storey office, factory and warehouse	34	16,291/ 10,955	31.12.2009*	4,975
P.T. 59999 Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Leasehold expiring on 14.02.2046	Vacant land	-	5,054	31.12.2009	820

List of Properties

As at December 31, 2009

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Date of Acquisition/ Last Revaluation	Net Book Value RM'000
Lot Nos. 9399, and 10169, Mukim of Bidor, District of Batang, Batang Padang, Perak Darul Ridzuan	Leasehold expiring on 30.06.2046 and 05.07.2046 respectively	2-storey palm oil mill, office and factory warehouse	25	150,625/11,637	31.12.2009*	14,128
Lot No. 3262, (PT2989) Bidor Industrial Estate, Perak Darul Ridzuan	Leasehold expiring on 08.07.2056	Vacant land	-	27,449	23.09.2004	885
P.T. 786 Mukim of Bidor, District of Batang Padang Perak Darul Ridzuan	Leasehold expiring on 16.07.2042	Vacant land	-	40,469	23.09.2004	1,508
Lot No. 10649 Mukim of Bidor, District of Batang Padang Perak Darul Ridzuan	Leasehold expiring on 06.03.2050	Vacant land	-	24,101	23.09.2004	711
Lot No. 10648 Mukim of Bidor, District of Batang Padang Perak Darul Ridzuan	Leasehold expiring on 06.03.2050	Vacant land	-	32,404	18.01.2008 [#]	1,109
Provisional Lease No. 066290168, Kg Nalapak, District of Ranau, Sabah	Leasehold expiring on 31.12.2080	Plantation, office, factory, warehouse and labour housing	28	8,314,820/13,492	31.12.2009*	17,866
Provisional Lease No. 066290168, Kg Nalapak, District of Ranau, Sabah	Leasehold expiring on 31.12.2080	Vacant agriculture land	-	13,027,600	31.12.2009*	4,671
Lot No. 3368 Mukim of Mergong District of Kota Setar Kedah Darul Aman	Leasehold expiring on 14.05.2037	A single-storey warehouse attached to a 3-storey office	26	992/219	31.12.2009	600

List of Properties

As at December 31, 2009

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Date of Acquisition/ Last Revaluation	Net Book Value RM'000
Lot No. 119 Rawang Integrated Industrial Park Mukim of Rawang District of Gombak Selangor Darul Ehsan	Freehold	2-storey office, factory and warehouse	13	10,866/ 7,441	31.12.2009	9,300
Lot P.T. 764 Mukim of Bidor District of Batang Padang Perak Darul Ridzuan	Leasehold expiring on 30.11.2041	2-storey refinery, office and warehouse	26	40,468/ 1,593	31.12.2009*	1,712
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 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
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	2	13,520/ 5,504	31.12.2009*	8,131

Date of acquisition

* Only the buildings are revalued as the leasehold lands are classified under the prepaid lease payment

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

FORM OF PROXY

Number of shares held

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

of _____
(Address)

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

of _____
(Address)

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

of _____
(Address)

as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Seventh Annual General Meeting of the Company to be held on Monday, June 21, 2009 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, 2009 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 Dato' Lim Kok Cheong as Director		
5.	To re-elect Chok Hooa @ Chok Yin Fatt 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		
11.	To approve the Proposed Bonus Issue		
12.	To approve the Proposed Share Split		
13.	To approve the Proposed Amendments		

Dated this _____ day of _____ 2010

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:-

- 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.
- 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.
- 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.
- 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.
- 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 or such other place as is specified for that purpose 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
Malaysia

Fold here to seal



RUSKI

Ruski noodles are made of high protein flour and the seasoning are manufactured using only natural ingredients. All the natural ingredients that are halal-certified. Packed in unique solar-pack helps to maintain its freshness and quality. Available in four flavours: Tom Yam, Chicken, Chicken Masala & the newly-launched Creamy Tom Yam.

YEE LEE CORPORATION BHD (13585-A)

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

Tel : 605 2911 055
Fax : 605 2919 962

www.yeelee.com.my

